

**A CONTINUED REVIEW OF GI BILL PAYMENT
DELAYS**

HEARING
BEFORE THE
**SUBCOMMITTEE ON ECONOMIC
OPPORTUNITY**
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS
SECOND SESSION

THURSDAY, NOVEMBER 15, 2018

Serial No. 115-82

Printed for the use of the Committee on Veterans' Affairs



Available via the World Wide Web: <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

WASHINGTON : 2019

35-836

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CONTENTS

Thursday, November 15, 2018

	Page
A Continued Review of GI Bill Payment Delays	1
OPENING STATEMENTS	
Honorable Jodey Arrington, Chairman	1
Honorable Beto O'Rourke, Ranking Member	3
WITNESSES	
The Honorable Paul R. Lawrence Ph.D., Under Secretary for Benefits, Veterans Benefit Administration, U.S. Department of Veterans Affairs	5
Prepared Statement	39
Accompanied by:	
MG Robert M. Worley II USAF (Ret.), Director, Education Service, Veterans Benefit Administration, U.S. Department of Veterans Affairs	
Mr. Bill James, Deputy Assistant Secretary for Development and Operations, Office of Information & Technology, U.S. Department of Veterans Affairs	
Mr. John J. "Jack" Galvin, Associate Deputy Assistant Secretary for Information Technology Operations and Services, Office of Information and Technology, U.S. Department of Veterans Affairs	
Mr. Richard Crowe, Senior Vice President, Booz Allen Hamilton	6
Prepared Statement	41
STATEMENT FOR THE RECORD	
Iraq and Afghanistan Veterans of America (IAVA)	43
National Association of Veteran Program Administrators (NAVPA)	45
Student Veterans of America (SVA)	47
Tragedy Assistance Providers for Survivors (TAPS)	55
Veterans Education Success (VES)	57
Veterans of Foreign Wars of the United States (VFW)	60

A CONTINUED REVIEW OF GI BILL PAYMENT DELAYS

Thursday, November 15, 2018

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

The Subcommittee met, pursuant to notice, at 4:03 p.m., in Room 334, Cannon House Office Building, Hon. Jodey Arrington [Chairman of the Subcommittee] presiding.

Present: Representatives Arrington, Bilirakis, Banks, Mast, Roe, O'Rourke, Takano, and Correa.

Also Present: Representatives Coffman, and Bergman.

OPENING STATEMENT OF JODEY ARRINGTON, CHAIRMAN

Mr. ARRINGTON. Good afternoon, everyone. The Subcommittee will come to order.

I'm going to apologize in advance for the length of my remarks, but I think they're important. So let's begin.

First, again, thanks for everybody being here and everybody participating in the hearing, the Subcommittee on Economic Opportunity, where we'll continue the oversight, the implementation of the post 9/11 GI Bill of 2017 and associated payment processing delays.

As I said in the two previous hearings this Subcommittee has held on this topic, it is critical that we work to ensure that this bill is implemented so that veterans receive their due benefits they deserve in a timely and consistent manner. After all, if all we do is pass reform bills that are just kind of a memo to the file, unless the VA actually implements them effectively. Wouldn't you agree?

So our hearing that we had on July—sometime in July, we implored the VA officials who were here to remedy whatever problems existed, and we were promised that they would be addressed in a matter of weeks—days, if not weeks. We were also assured that delays would be short and would not significantly impact students. However, as we sit here almost 4 months later, it's clear that the VA missed on those predictions as well, and the student veterans now are finding themselves in a pretty bad situation. And we're hearing from them.

And this may be the worst in terms of implementation and problems and burdens placed on our student veterans since the 2010 GI Bill changes.

Due to increased workload and continued IT failures, a large number of student veterans have contacted Members of Congress

and VSOs with complaints of extended delays in receiving monthly housing allowance payments. And while VA—the VA has made some attempt at helping these students, and we recognize and appreciate that, I’m still concerned that the VA has put out confusing public messages, and IT deficiencies continue to put veterans at risk.

These veterans, as you know, are relying on these payments to pay rent and put food on the table. This is no small thing. They should no doubt get answers to why these delays are occurring and what is the VA doing to address the situation.

One of the main reasons for these persistent setbacks is the continued delay in making modifications to the long-term solution, or LTS, the IT system, to properly implement Section 107 of the law. This section changed the way the VA calculated living stipend payments for students for being based on where a school was headquartered to being based on where the student was taking the majority of their classes.

At the Subcommittee’s hearing in July, we were told that the modifications will be completed by mid-August. Once this date was missed, the VA has never given the Committee another estimated date of completion. Unfortunately, we’re about to hear from Dr. Lawrence the modifications to the IT system are still not ready, and VA still does not know when they will be ready to deploy the proper payments to GI Bill recipients.

I find these delays are simply unacceptable, and I am sure my colleagues feel the same way. And I’m very interested to hear from the VA OI&T staff and representatives from Booz Allen. That would be the Office of Information Technology and Booz Allen Hamilton, who is the contractor over this project.

While I’m certainly not an IT expert, I cannot understand why 15 months after this law was passed we are sitting here asking these questions. I’m also concerned that when these modifications are finally ready for deployment, the VA’s current IT system will not be able to handle the workload. This concern was crystallized by an oversight visit that John and some of the other Committee staff members took to Muskogee, Oklahoma, where they have a regional—you guys have a regional processing center.

On the visit, staff found dedicated employees trapped in a system with aging IT infrastructure that crashed so often that simple tasks that should have taken 5 minutes were taking 45 minutes. Staff also learned that between April and September, VA managers in Muskogee had to write off 16,890 man-hours due to system crashes or latency issues. Committee staff said that they witnessed the system, while they were there, crashed no fewer than five times in 10 minutes during a demo.

While VA OI&T staff continue to look for ways to address issues, we’ve learned that senior VA leaders sent a team of their best, quote/unquote, “programmers” only after the Committee staff’s visit. It shouldn’t take a congressional oversight visit for the VA to address these issues raised a number of times over the last 15 months.

It’s also clear that updating and modernizing the half a dozen systems needed to complete a GI Bill claim has not been a priority for the department. As a result, student veterans are now paying

the price for VA ignoring and putting Band-Aids on this problem, we believe for years.

I could only begin to imagine the mess VA will have on its hand when these already tax systems will be used to process the hundreds of thousands of claims that will have to be reworked when the modifications tell TS are ready. What is even worse is the VA will be doing this rework during the same time they typically begin processing claims for the spring semester. This means that, while the current inventory of GI Bill claims has been worked down, I'm very worried that schools and students have not seen the worst of payment delays.

As I've repeatedly said, many of the hearings and many of the issues covered, not only in the Subcommittee but at the—under the leadership of Chairman Roe, it seems like, Mr. Chairman, the root cause has been IT infrastructure and getting the right IT solutions and managing the IT systems effectively. We saw this earlier in the year with the voc rehab case management tool in this Committee, other Booze Allen Hamilton project where the department wasted \$12 million on an IT system with nothing to show for it. And now we're seeing these problems rise again with the GI Bill. With the delays for some veterans stretching over 60 days, some of these guys are going to have some real hardships, real hard—maybe even personal familiar crisis as a result of this.

I understand the systems are old and complex. It is well past the point where Congress, taxpayers, and, most importantly, our student veterans are going to accept the same tired excuses. Congress consistently has provided the VA with record budgets. That's clear. And I think the vague answers we've gotten, and we've sent a lot of letters, we've had inquiries, we've had personal meetings. I think that the answers we're getting and the delays and the promises that we'll have it fixed that end up not happening are unacceptable. Again, I think I can speak for the Committee to say that. And we're all concerned about our veterans.

Dr. Lawrence and Mr. James, I hope you can shed some light on what you and Secretary Wilkie are planning to do to address these problems. I hope you can tell us when the LTS modifications will be ready. Give student veterans simple answers as to why we are in this mess in the first place and what you're going to do to get it right.

Student veterans have completed their mission for all of us, and it is time that the VA stand up and hold someone accountable for their failing actions, or the lack of actions, maybe the lack of accountability.

I now yield to my friend and Ranking Member and fellow Texan, Mr. O'Rourke, for any remarks you might have.

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

Mr. O'ROURKE. Thank you, Mr. Chairman. And I don't know that there's a whole bunch that I can add to your excellent opening comments. But to say that I think typically the format for a hearing like this one, having now served on this Committee for 6 years, is for those of us up here to express our outrage, those of you at the witness table to tell us that you're working on the issue, to express

your dedication and commitment to serving veterans, and for all of us to leave with some kind of vague understanding of what will be delivered.

What I would challenge all of us to do, since we have the VA here, the undersecretary responsible, the oversight Committee, and authorizing Committee, the contractor who's doing the work, is to come up with specific deliverables so that every person in attendance and watching and the press who are writing about this leave with a very crystal clear understanding of when this will be fixed, how it will be fixed, and the mechanisms by which we can hold one another accountable.

I'll just add that in the reporting that I read in the Washington Post, the spokesman for the VA, Mr. Cashour, blames the VA Committee, says that we have not funded the VA's IT needs. If that's the case, I'm happy and hopefully can work with the Chairman and the Chairman of the Full Committee to introduce something on an emergency basis to get the funding necessary. But my understanding is that we had authorized and appropriated what the VA had asked for so far.

If there's more that we can do on our side, in other words, I'm all in. And I want to know exactly what that is right now. I have weeks left in my term in my service on this Committee. I want to make the most of them.

And I think I speak for everyone in saying that we're all frustrated and want to see something happen. Let's use this meeting today to make that happen.

So to whatever degree you can strip down your testimony to the when, the how, and the what, and make sure that we have precise deliverables, the more grateful I will be and the better chances that we'll be able to deliver something to the veterans who are waiting on us right now.

Thank you, Mr. Chairman.

Mr. ARRINGTON. I thank the Ranking Member.

I now invite our first and only panel to the table. But before I make those introductions, I asked unanimous consent that our colleague Mr. Coffman and our colleague Mr. Bergman be allowed to sit at the dais and ask questions during today's hearing.

Without objection, so ordered. And also want to again extend a special thanks to our Chairman for being here and being engaged in this as well.

With us today we welcome the honorable Dr. Paul Lawrence, the Under Secretary of Benefits. Dr. Lawrence is accompanied by General Robert Worley, Director of VA's Education Service; Mr. Bill James, Deputy Assistant Secretary for Development and Operations at the VA Office of Information and Technology; and Mr. John J. Jack Galvin, Associate Deputy Assistant Secretary for Information Technology, Operations and Services at the VA Office of Information and Technology. We also welcome Mr. Richard Crowe, Senior Vice President at Booz Allen Hamilton.

Thanks again for being here, folks. If you could please stand, I'd like to begin by swearing you guys in here. We're asking that you take an oath.

[Witnesses sworn.]

Mr. ARRINGTON. And if you would reply I do.

Thank you.

Please be seated.

Let the record reflect that all witnesses answered in the affirmative.

Dr. Lawrence, thank you again for being here. You are now recognized for 5 minutes.

STATEMENT OF HONORABLE PAUL R. LAWRENCE, PH.D.

Mr. LAWRENCE. Good afternoon Chairman Arrington, Ranking Member O'Rourke, and Members of the Subcommittee, thank you for inviting us here today to discuss the implementation of the Forever GI Bill.

The Forever GI Bill requires we develop new software which changes the way the monthly housing allowance is paid. The development and the deployment of the new software has not gone as planned. We did not meet the August 1 deadline, and we are continuing to work on getting this right.

But let me explain this delay briefly. Historically, we've used the school's facility code to identify the location. Our software linked the student to the main campus of the school and used the facility code to identify the amount to be paid. The new legislation recognizes that a student could earn multiple credits at different locations. In addition to locations such as branch campuses, this could include internships, externships, and practicums, none of which have facility codes. ZIP Codes of all locations where students earn credits were selected as the new way to identify these new locations. In addition, the possibility that the student would be in multiple locations required the computation of where he or she earned most of the credits and pay the allowance based on that location.

The replacement of the facility codes with ZIP Codes and the introduction of new computations for the allowance brought increased complexity. In addition, ZIP Codes were coded into the—were to be coded into multiple existing systems which made the situation far more complicated than originally estimated.

We are planning for the possibility that we may not have the new software ready for the spring semester. Should that happen, we'll be prepared to process claims as we have been doing to ensure students will continue to receive their allowances and schools will receive their tuition payments. We would continue to do that for as long as necessary.

Before I conclude, I'd like to make three brief additional points. Point one. To date, since the passage of the Forever GI Bill, we've implemented 28 of the 30 provisions due by the end of fiscal year 2018. This fall, 450,000 veterans went to school using the GI Bill. The allegation of widespread veteran homelessness due to missed payments is false.

Point two. Today we have 73,000 claims in the work queue. Not all involve payments. Some are initial applications or change of programs. Others involve payments to veterans, schools, or both. On average, on any given day, only 1 percent of these claims are greater than 60 days old. We work closely and continuously to monitor and prioritize these claims carefully.

And point three. Any veteran who experienced a hardship will receive expedited processing. They can do this by calling 1-888-GIBill1. Again, 888-GI-Bill1.

We know the Forever GI Bill is incredibly important to everyone: Veterans, students, Congress, VSOs, the VA, and our VBA team.

The first priority I articulated when I came to VBA was that veterans should earn the benefits—receive the benefits they’ve earned in a manner that honors their service. What they are experiencing now with the GI Bill does not meet this high standard. Our VA team is committed to changing that.

Thank you, Chairman Arrington, Ranking Member O’Rourke. This concludes my testimony. I look forward to answering questions the Subcommittee has.

[THE PREPARED STATEMENT OF PAUL LAWRENCE APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, Dr. Lawrence.

Mr. Crowe, you’re now Recognized for 5 minutes.

STATEMENT OF RICHARD CROWE

Mr. CROWE. Good afternoon, Chairman Arrington, Ranking Member O’Rourke, and Members of the Subcommittee. I’m Richard Crowe, a senior vice president at Booze Allen Hamilton and the client service officer for Booze Allen’s health account. I am pleased to be here with you today to discuss the continued implementation of the Harry W. Colmery Veterans Education Assistance Act of 2017, the Colmery Act.

Booze Allen’s commitment to serving our Nation’s veterans is strongly embedded in our culture. Booze Allen was founded by a veteran, and we have supported the Department of Veterans Affairs continuously since 1952.

Approximately one-third of Booze Allen’s over 24,000 employees are military connected. That means they’re either a veteran, in the Reserves, the National Guard, or a military spouse. And we invest heavily in helping our military connected employees through career building, benefits, and formal military spousal support programs.

Booze Allen currently supports Colmery Act implementation, a part of its contract with the Department of Veterans Affairs, for the benefits integration platform. In Booze Allen’s role as the software developer, we are responsible for translating each of the VA’s identified requirements and to software code. The VA takes the lead in mapping and determining the results for each user case based upon the VA’s interpretation of the relevant statute, regulations, policy, and business rules associated with the benefits programs themselves.

As software developers, it’s our job to ensure that the code produces the desired results. Booze Allen appreciates this opportunity to discuss the decision not to go live with the Colmery Act Sections 107 and 501 updates by August 1 of this year.

Simply stated, the heavy volume of changes to the department’s business rules shifted the way in which housing allowances are paid in a manner that introduced more variables. The Colmery Act provisions require both new business rules and new policy determinations by the VA to meet the new law. As a result, we rewrote

60 percent of the code for the long-term solution system we are charged with modernizing.

From Booz Allen's vantage point, two of the primary factors driving the timeframe for implementation of the revised rules have been the heavy and necessary reliance on other legacy IT systems outside of our control as well as the old age of the underlying IT systems.

Since no single database contains all the information required to assess benefits eligibility, we must obtain the necessary data from four other VA legacy IT systems that are outside the Booz Allen's contractual responsibility. We rely heavily on the VA and its contractors with responsibility over these legacy systems to navigate the data integration challenges posed by these systems dependencies.

From an age perspective, many of these underlying systems are passed, at, or very near their intended dates for retirement. As a result, we have had to program an elaborate set of interfaces to draw from these different and dated systems. These workarounds are time-consuming data intensive, and have required further system design, coordinated testing, and requirements validation.

In summary, from Booz Allen's perspective, the challenges we have faced involved endeavoring to build something new on top of something very old.

Despite these challenges, I'd be remiss not to highlight many of the key successes of the program. We have helped the VA achieve greater efficiencies and implement best practices during this release process that will improve the overall efficiency of this process moving forward.

Further, in parallel to this effort, we had been working with the VA to implement the modernization plans in other areas that continue to drive toward the VA's goals of a modern micro services-based technology stack.

In short, we've been helping the VA reduce the obstacles encountered here for the benefit of all future modernization efforts in the esteemed veteran population we collectively served.

I look forward to discussing these successes as well as these challenges in greater detail with the Subcommittee. For me, there's nothing more professionally rewarding than helping the Veterans Affairs transform their technology as to make it easier for our Nation's veterans to access the benefits they have earned and so richly deserve.

We look forward to continuing to provide support to the Department of Veterans Affairs as they enhance education benefits for veterans, servicemembers, families, and survivors through the implementation of the Colmery Act.

Thank you for the opportunity to testify before the Subcommittee today. I look forward to your questions.

[THE PREPARED STATEMENT OF RICHARD CROWE APPEARS IN THE APPENDIX]

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

Dr. Lawrence or General Worley, how many veterans—student veterans have still not received payment at this point, full payment, housing stipend related payments?

Mr. WORLEY. Mr. Chairman, at this point, I would characterize the pending inventory, the work queue that we're talking about, at 73,000 as fairly normal and manageable work queue. So there shouldn't be anybody at this point, you know, with late payments per se. We're continuing to work those that we heard have hardships and addressing those immediately, but we're at a relatively normal inventory today.

Mr. ARRINGTON. So 73,000 student veterans have not received payment yet?

Mr. WORLEY. No, sir.

Mr. ARRINGTON. Okay.

Mr. WORLEY. The 73,000 number, as Dr. Lawrence articulated, represents claims that could be 1 day old or greater than 60 days old. So it's the whole range of our work queue that is pending for our claims examiners to work on.

Of those, you know, most of them are less than 30 days old. And so that's the work queue that people need to work on. And some of those don't involve payments. They're just changes to a program or they're original claims that don't involve a payment. And then others do involve payments to schools or veterans.

Mr. ARRINGTON. Dr. Lawrence, I heard the gentleman from Booz Allen mention legacy systems. I heard you talk about codes and ZIP Codes and other codes.

And do you think the fact that there are antiquated systems in place, may be unnecessary, may be duplicative, but certainly older systems? Is that part of the problem here?

Mr. LAWRENCE. Sure. Yes, sir.

I think the problem is a couple fold. I tried to explain in my opening statement sort of the new business problem that was introduced with the housing allowance. In addition, as Mr. Crowe pointed out, we are using legacy systems. And it's not plug and play. It's very complicated. Part of the reason Mr. James is here from OIT to help explain this. And maybe you can jump in and—

Mr. JAMES. Sure.

Chairman, I'm putting up a chart here. And that's basically the education engine, if you will, the education IT engine. And you can see all the different parts and pieces and boxes on there.

The yellow box at the bottom in the middle there, that's the LTS box, and that's the one that Rich Crowe here was talking about where most of the Booz Allen work—in fact, all of it—has been focused on.

But the surrounding boxes on that chart, on that engine, those are all the legacy, the old legacy components. Some of them are 50 years old, for example. The BDN is an example of the 50 years old code.

Mr. ARRINGTON. And let me just ask you to answer, because I'm going to run out of time before you get through that chart, I guarantee you.

But the legacy issues, the boxes around there that aren't plugging and playing with the fixes that Mr. Crowe and his outfitter

are trying to implement to get this provision implemented, why are they legacy issues? Why are those boxes not up to date?

I know that I've been on this Committee now 2 years, my first full term, and we have spent hundreds of millions of dollars on IT solutions. Why are those still problematic? That's a lot of boxes around that yellow box.

Mr. JAMES. Right. Yes. Chairman, that system is complex. That engine is old, and they—

Mr. ARRINGTON. Why is it, though? I guess my question is, if we've given the resources to the VA to implement IT solutions that work so that we can get these good reform bills, these bipartisan reform fixes and solutions to help our veterans, but they get stalled out on account, what do you need if it's not the hundreds of millions of dollars that we've—that the taxpayers have so generously given you to serve the veterans? What else do you need?

Mr. JAMES. Yes. I understand the question, Chairman.

We had a broad modernization effort in place called the Benefits Integration Platform, or BIP, which was to modernize the whole engine, all the pieces on that engine.

Mr. ARRINGTON. When?

Mr. JAMES. That was prior to passing of Colmery Act. When Colmery Act passed, what effectively happened was, if you take that LTS as the carburetor, Colmery Act said, hey, build a fuel injector with 450,000 parts that plugs into that engine. The rest of the engine hasn't been changed, but the LTS part is the modernization. So we shifted from broad modernization to focus on Colmery Act, because we had a deadline to achieve.

Mr. ARRINGTON. So with all that understood and the challenges that were recognized, I'm sure early before we even ventured to implement this section, this provision of the new GI Bill, Dr. Lawrence and General Worley, why give us a timeline that said we'd be ready for the fall or we'd be ready in another 30 days? Why not say we may never—it may be a year because of the legacy issues? You all should know, when you're trying to pass this legislation, that it may be a year before the veteran ever sees an efficient implementation of this.

And when you—after you answer that, I'm going to then defer to my Ranking Member for 5 minutes and comments and questions he might have.

Mr. LAWRENCE. That was unfortunate, and you are correct. That was a mistake to give you a date. We did not understand the certainty around it which is why now we are not giving you a date. So to address the Ranking Member's concerns, you will not leave this hearing with a date. Because as we told you in mid-September, we were in the testing part of this work. And when we would not give a date until we had certainty, in part, based on our learnings from this experience as well as our understanding that the problem had grown more complex.

Mr. ARRINGTON. I defer now to Mr. O'Rourke for 5 minutes.

Mr. O'ROURKE. Dr. Lawrence, not very encouraging.

I think in your testimony you failed to account for the scope of the problem, minimized the problem, and tried to remind us that, you know, VBA is doing great work in many cases, which I don't think anyone here would contest.

But there's the very real problem that veterans who have earned this benefit are not receiving the payments that they need to complete their education.

I'd love to have some specifics, and I will challenge you to give us a deadline just because you all missed the last deadline even though we met with you 2 weeks before that deadline where I think you could have shown a little bit more candor. It doesn't mean that you don't get to have a deadline going forward. That's a recipe for disaster if I've ever heard one.

How many veterans have outstanding payments greater than 30 days?

Mr. WORLEY. Ranking Member O'Rourke, I have a greater-than-60-day number. For today, it's a thousand claims that are pending over 60 days.

As you can understand, each day it's a different number because some become over 60 days and some get worked, many get worked. We've worked many thousands of claims in that ballpark. We focused on the older claims, especially over the last 2 months, to make sure we get those down. And those numbers have come down over time.

Mr. O'ROURKE. Why do you not have over 30 days? Why can't you give me that number?

Mr. WORLEY. If you'll give me a minute, I might have it.

Mr. O'ROURKE. Okay.

It seems like a question we would anticipate. We're trying to—you know, again, it's minimized by saying there are a lot of them who are only a day old, 2 days old in the system. I think we all get that.

What we want to know is what the problem is, what the universe of that problem is and how you're going to fix it.

So I'd love to know how we're going to help those who are waiting more than 60 days, which is a thousand, you said. I'd love to know the number for greater than 30 days, how we're going to help them, how soon we're going to help them, what your deadline is to help them. And then how we can be assured that those who are under 30 days will not be over 30 days going forward. What's the plan to do that?

Mr. WORLEY. It looks like, as of today, we have a little over 10,000 that are between a 31- and 60-day mark. And the plan going forward is to continue our overtime work, continue to have the improved processing provided by 200 additional processors. We're focusing, as I said, on the old work first. We're handling hardships as they come in. And that's the ongoing effort that we've gone through since October—or since the peak of this fall, which was 207,000 claims on September 14. We've reduced the inventory by 64 percent.

So we've brought it down continuously since that time. We're in normal processing range now. And our timeliness is very close to our targets, which is 28 days for original claims and 14 days for supplemental claims.

Mr. O'ROURKE. General Worley, in the backup that I received, we show a 27 percent increase in pending end products as compared to the previous year on this date.

You said it was a comparable caseload. Is that 27 percent increase correct?

Mr. WORLEY. It is correct. And, Mr. O'Rourke—and I would just characterize that by saying a normal—in the past 5—6 years, actually, since automation was put into place with long-term solution in September of 2012, our peak periods in the fall and in the spring are manageable peaks. They're somewhere between 100,000 and 150,000 is where we get to the peak. Yes, there's a few days additional in our timeliness. But people don't miss payments, for the most part.

So when I say we're manageable today even though it's 27 percent higher than last year, again, we're in the 73,000 range right now of our work queue, and that's something that we can maintain our timeliness with the workforce we have.

Mr. O'ROURKE. General Worley, do you have an idea of how many students have not been able to enroll in classes because they have not received tuition payments?

I'm assuming when you mentioned hardship cases, that would fall under that category, or urgent cases.

Mr. WORLEY. Most of the urgent cases we received seem to be issues related to housing or potential eviction. We've received very few what I would call confirmed cases of anyone actually being evicted and very few—actually, I don't know of any cases where someone that has come to my attention where someone has not been able to enroll in school.

We went out to the schools with a communication asking them to understand that they would be paid and to not take—you know, not to penalize the veterans going to their schools.

Mr. O'ROURKE. Thank you.

Mr. ARRINGTON. I thank the Ranking Member and now recognize our Chairman, Dr. Phil Roe, for 5 minutes.

Mr. ROE. I'll yield to—I'm just—

Mr. ARRINGTON. The Chairman now yields 5 minutes to Mr. Bilirakis.

Mr. BILIRAKIS. Thank you. Thank you, Mr. Chairman. Thank you, Mr. Chairman. I appreciate it very much.

Dr. Lawrence, these problems have been ongoing since the beginning of the semester. We're almost at the end of the fall semester.

And most students in schools are already planning for spring semester. It's my understanding that the VA will have to go back, rework, and verify hundreds of thousands of claims once the LTS modifications are complete.

What steps is the VA taking to ensure that the reworking of these claims will not have a lasting impact on spring semester claims?

Mr. LAWRENCE. You have it exactly right, sir. When the new software works, we'll have to go back and recompute everybody who was in fall, and we'll have to do the reconciliation you spoke about.

In our modeling, what we sought to do is figure out how we will balance that with the spring semester so we don't have the problems we ran into that Mr. Worley just described. So our anticipation is that when it goes live, we will actually sit down and do the computations you're describing to figure out how it does not affect the spring semester. That's correct.

Mr. BILIRAKIS. So what will it be as far as the modifications—

Mr. LAWRENCE. Excuse me?

Mr. BILIRAKIS [continued]. —say on January 1?

Mr. LAWRENCE. I'm sorry. I missed—

Mr. BILIRAKIS. As far as the modifications, where do you think we—where do you expect to be let's say on January 1, the beginning of next semester?

Mr. LAWRENCE. Right now, given where we are in the testing process and our inability to understand exactly when the testing will be complete, I'm estimating right now, which will be subject to our—continued through testing, that we'll be processing manually, and we will not have done those reconciliations yet.

Mr. BILIRAKIS. So that will be your backup plan.

Mr. LAWRENCE. That will be the plan we'll execute pending the completion of the software.

Mr. BILIRAKIS. Okay. There's so much uncertainty among our students, our heroes, our veterans. Given the delays that have already occurred, do you expect the same type of delays we saw earlier this year? And as a follow-up, I—go ahead. Do you expect the type of delays that we saw this year?

Mr. LAWRENCE. No, I do not.

Mr. BILIRAKIS. Because I think they're unacceptable.

Mr. LAWRENCE. No, I do not expect those delays in the spring. In this fall what happened was we waited for the technology, which did not arrive, as you've been kind enough to point out. We then allowed the schools to enroll receiving all the work that would have happened through the late summer and early fall at one time. This caused the backlog that led to the delays everybody's described.

Presently, we're not planning to wait. If we do not have the software in place soon, we'll open the enrollment for the spring semester, and it will happen just like Mr. Worley described per our normal cadence, and we'll manage it like we've always done, and it will be a regular process. The communications will be, again, a regular and consistent explaining this to everybody.

Mr. BILIRAKIS. Okay. I have a bill, H.R. 4830, the SIT-REP Act, that passed the House. And what it does is take the pressure off the veterans and makes sure that these universities, whether they're vocational universities, community colleges, do not put pressure on the veterans, because I understand that they have been, to a certain extent, putting pressure on them to get loans, to pay off—and we're talking about—you know, I know we're talking about housing allowance as well, but the tuitions.

And I recommend that the Senate move on that quickly, because I don't want to put pressure on them. They've got enough problems transitioning into the private sector.

And, again, we've got to do everything for our veterans.

So I don't know what your opinion is on that particular bill, but you're welcome to give it, if you'd like.

Mr. LAWRENCE. I understand we support it. We support anything that helps veterans.

Mr. BILIRAKIS. All right. Very good.

Thank you. I yield back, Mr. Chairman.

Mr. ARRINGTON. Thank you, Mr. Bilirakis.

The Chairman now yields 5 minutes to Mr. Takano.

Mr. TAKANO. Thank you, Mr. Chairman.

Before this hearing, I had a chance to review the transcript of the last hearing we had on this issue in July where Chairman Arrington repeatedly asked VA if it had everything it needed to be ready in time. And the answer was that, despite the heavy lift, VA was prepared for any glitches. Obviously that was not the case.

It was a huge bipartisan effort to make these changes to better serve veterans and to make sure that we gave VA everything it asked for. So it is frustrating to be here. And as Chairman Arrington said, resources were offered and have been given in copious amounts. So it's frustrating to be here looking at this massive failure after everything that this Committee and Congress did.

So, Dr. Lawrence, it seems to me that ultimately all of these problems stem from an IT failure whether it's aging infrastructure, bandwidth issues, inadequate user scenarios that you provided to Booz Allen. It all stems back to IT. And we're in the mess here because of—because the IT doesn't work. Is that a fair characterization?

Mr. LAWRENCE. A couple comments, sir.

It's frustrating for all of us, not just you on that side of the table. We know it's frustrating for veterans. I think everybody's working very hard. IT is no doubt part of what we do, but it's a very complicated thing that we're undertaking, the analogy of the carburetor. IT plays a large component, but it's a group effort, sir.

Mr. TAKANO. Well, wait a minute. What part's IT and what part's the group?

Mr. LAWRENCE. The group effort is obviously we have to translate the requirements into things for the coders to do, so we need to make sure those are right. We've got to run the tests carefully. We've got to review the tests to make sure we understand the difference scenarios. We got to get the IT right.

Mr. TAKANO. If I might just interrupt, so it's not antiquated machinery. It's not—

Mr. LAWRENCE. It's all a part of it, sir.

Mr. TAKANO. It's all part of it.

So your IT—so there's a management component. There was project management issues—

Mr. LAWRENCE. That's correct.

Mr. TAKANO [continued]. —by the team.

All right. But ultimately it's IT. It's all sort of in the realm of IT, whether it's the personnel related to IT or the machines that are out of date or the misguidance that was given to your contractor.

So given that it's all in the IT space, you're here from educational services, right?

Mr. LAWRENCE. I'm the undersecretary of benefits, sir. I'm responsible for all benefits.

Mr. TAKANO. Benefits? Okay. Benefits.

All right. Well, my question is why isn't the—why isn't the head of VA IT here? Why isn't he here to explain or take accountability or responsibility for this failure, Mr. Sandoval?

Mr. LAWRENCE. I work very closely with Mr. Sandoval. He suggested Mr. James and Jack show up because of their relationship

with the software and the infrastructure which we thought would be the bulk of what we would talk about today.

Mr. TAKANO. Still, he's the guy that's—where the buck stops. I don't understand where he's not here.

You know, I don't expect you have an answer. But I just want to point out, Mr. Chairman, that I am befuddled as to why an IT debacle—you send the project managers but you don't send the person for whom the major responsibilities whose shoulder lies.

All right. During a modernization board meeting last Friday, the education services team was asked if there was anything that could have been done differently to have prevented this from happening, and the answer was no. That answer implies that VA does not believe that they make any mistakes or did anything wrong.

Now, I don't know how VA could represent that in that meeting when so many student veterans have been harmed so severely by these failures. So I'd like it ask you today: If you were to start this process again, what would you have done differently beyond not telling the Committee that you could have gotten this done by a certain deadline?

Mr. LAWRENCE. Let's—a couple things, sir. At the modernization board, I remember that was said. It was repeated to me. I was not at the meeting. I was actually working on this problem in front of us now.

I wish what he had said is we haven't had time yet to digest the full range of experience—

Mr. TAKANO. But it was your team.

Mr. LAWRENCE. I understand. And what I wish they had said was—we've been so focused on completing the problem at hand, we haven't had time to digest the whole—and answer that question adequately.

Mr. TAKANO. Let me switch up my question, because I don't want to, like—I mean, re-ask—I mean, obviously, mistakes were made and people made mistakes.

But going forward, in order to get—I know you don't want to give us a timeline. But I think—I want to challenge you, as the Ranking Member has challenged you, to come up with a timeline. What do we need to do? What do you need from us? Anything more that you need from us?

I mean, it's embarrassing—you know, I think it's embarrassing that—for you to ask after all that we've given you, but what do we need to do? How do we—what do we need to support you in making this right?

Mr. WORLEY. I would just say, congressman, that—in terms of what to do differently. As Dr. Lawrence described, the reason we had the high peak numbers for the fall was that planning on a successful IT deployment in July. We told schools to hold their enrollments where there were multiple campuses involved so as to avoid extra work for both the schools and the VA.

When we released their—the ability for them and told them go ahead and send them in July, we got 6 months of work in about 2 months. So one thing we're going to do is not do that again for the spring semester to make sure that we have the normal flow of receipts through the spring and we can address them.

And if I could take one more minute to illustrate the complexity of Section 501 and 107 of the Colmery Act.

Under Section 501, you could have three students sitting in a classroom. All GI Bill students going to the same class at the same time getting three different housing allowances just as it relates to Section 501 because of when they started to use their benefits.

Add on top of that, if the three of them were taking a majority of their classes in different locations, yet, again, they would have a different housing allowance. These are some of the kinds of scenarios that make this a very complex problem to solve.

Mr. TAKANO. Mr. Chairman, I apologize for going over.

I yield back.

Mr. ARRINGTON. Thank you, Mr. Takano.

I now yield 5 minutes to the gentleman from Indiana, Mr. Banks.

Mr. BANKS. Thank you, Mr. Chairman.

Dr. Lawrence and General Worley, I appreciate you attending this hearing and taking responsibility for these problems, which seem to hinge on legacy system integration issues. Without a doubt, everyone's main concern is that student veterans receive the benefits they have earned and that their lives are not disrupted.

But I am also concerned with why the system glitches keep happening. Many of VA's IT systems are decades old, disjoined, and written in outdated software language. BDN, LTS, and the related educational and housing benefit systems are more the rule than the exception.

Mr. James and Mr. Galvin, I have not had the opportunity to meet you yet, but I know it will not surprise you that this is very similar to the issues that we are examining with the Technology Modernization Subcommittee.

Mr. Crowe, as you know, your company is the lead support contractor to VA in the EHR modernization program. I am concerned that VA does not seem to have the capacity or maybe the strategy in place to handle these modernizations. You seem to dive in without a solid understanding of all the dependencies and touch points in these legacy systems. So you wind up inventing and reinventing the plan throughout the project every single time. As if no one looks under the hood of these systems for years and years until suddenly you are in there rewiring them like we are today.

We have to build up the capacity and change the strategy, or this will happen again and again and again. I think the IT system for the caregiver expansion is probably next.

So to get to my question. Dr. Lawrence, VA's contract with Booze Allen originally required that, quote, each build shall be 3 months or less. That means delivering a completed functional piece of software every 3 months. Maybe not the entire software package but a piece that can be used. But in April of this year, VA and Booze Allen agreed to change that contract language by adding, quote, unless otherwise agreed upon by the government and the contractor.

Why did you do that?

Mr. LAWRENCE. I'm going to defer to Bill, because he's closer to the IT contract.

Mr. JAMES. Congressman, I don't have the details on the why that happened. I'd like to take that for record to understand and give you a perfect answer.

Mr. BANKS. Okay. So it's the answer I expected.

So when the original deadline or expectation when the system modification implement Section 107, when was that the original deadline or expectation of when the system modification's implement Section 107 that they would be completed?

What was your original—

Mr. WORLEY. Our original plan was July 16 to deploy the software. And as we testified in July, at that time, we had realized—

Mr. BANKS. So July 2018.

Mr. WORLEY. Yes, sir.

Mr. BANKS. So what did the VA already know in April that motivated you to undo the requirements that software be delivered in 3 months?

Mr. JAMES. Congressman, I don't have an answer for that.

Mr. BANKS. Okay. That's what I expected too.

So the language I quoted clearly does pertain to the work that we are discussing today. It comes from line item 4001 in your contract which you have so far funded as \$69 million.

Do you want to comment on that?

Mr. JAMES. Funded at the tune of 69 million for that line item? Is that your suggestion? Because—

Mr. BANKS. Is that your understanding as well?

Mr. JAMES. I don't know about the budget—or the funding for it, but I believe we've paid out 647,000 to date on that line item.

Mr. BANKS. Okay. Well, we'll dig into that even more.

So, Mr. Chairman, I think this might be a what did they know and when did they know it type of question. And I've got more questions for round two. But with that, I'll yield back.

Mr. ARRINGTON. Thank you, Mr. Banks.

We now yield 5 minutes to Mr. Correa.

Mr. CORREA. Thank you, Mr. Chairman. I want to thank you for holding this most important hearing. And as I'm listening to all of this, the history, I'm asking myself and the Committee, are we destined to live with these IT failures irrespective of how much money taxpayers dollars we invest, try to take care of our men and women who are coming back after serving our country.

Gentlemen, this last weekend I was at an opening of a vet center in my district, Chapman University. Young men coming back from fighting for our country ready to get their education. And I'll tell you, walking in with this scenario, it's kind of embarrassing, and it's shameful, to me and I think to us.

You talk about a teamwork. You talk about your schematics teamwork. I hope we're part of that team when it comes to executing.

So you gave us a July 16 deadline to come up with some solutions. I understand this is IT. It's very complex, as you've said. But I guess if we're part of a team, why did it take the Committee staff—you know, a visit by the Committee staff to Oklahoma to figure out that something was going on, something was not going right? Why didn't that information—why was that not conveyed to this Committee, that things were not on schedule?

Mr. LAWRENCE. Since I arrived in May, part of what I've been doing is working closely with OI and T, is what are the technology challenges we faced. We identified that latency and the connectivity to our offices was the problem. Working with OIT, we first started by dealing with the way we communicate, call it the bandwidth, the pipes to the offices. We expanded those.

When that didn't work, we noticed the software still locked up, as your staff discovered. We were in the process of examining why the software conflicted when your team went to visit. What they saw is what we knew what was going on and what we were working on. It would be inaccurate to say their visit motivated us to deal with it, because we were already dealing with it.

Mr. CORREA. But their visit was the way this Committee was made apprised or made—informed of the fact that things were not going well. I'm not saying you—you're hiding it from us, but you didn't tell us things were not going right.

Mr. LAWRENCE. So—sure. I think in our regular conversations with you, we focused on the software development. And I think we were meeting almost weekly to explain to your team what we were doing. I believe the agenda was an hour long, and it focused on the software development of that. That was not included in the agenda, and it was an oversight—

Mr. CORREA. So if we don't include it in the agenda, you see that something's wrong, should you bring it up to our attention?

Mr. LAWRENCE. Those are standard challenges we were dealing with. I would not be bringing those to you, because we were dealing with those. So you're part of the team, but we would escalate accordingly, and I thought the—

Mr. CORREA. Do you have a situation where students may have challenges? And in your words you—

Mr. LAWRENCE. No, sir.

Mr. CORREA [continued].—false that any of their students having homeless issues.

Mr. LAWRENCE. No, sir. Your team saw us struggling to process. But what they admitted and was pointed out, a 5-minute task was taking 45 minutes. Students weren't suffering. We were processing through overtime—

Mr. CORREA. To your knowledge, they're not suffering.

Mr. LAWRENCE. No. I said that people have suffered because of the backlog that Mr. Worley described. But what your team saw was 5-minute tasks taking 45 minutes. That was our internal issue we were working.

Mr. CORREA. Should our teams also go to Buffalo and St. Louis to see if there are any issues in—

Mr. LAWRENCE. There are the same issues there that we have addressed the same way. First by working on the bandwidth, then by deconflicting the software.

Mr. CORREA. If we are going to work as a team and yet we don't have this information, how can we be a better team?

Mr. LAWRENCE. I'm perplexed about the lack of information. We regularly send to your staff weekly reports that I would consider management reports that you're welcome to delve into. And I personally am happy to come brief you on what you're seeing. You're seeing what our leaders are seeing in terms of our operational per-

formance, so I'll be happy to come sit down and talk you through what—

Mr. CORREA. I would love to have you come talk to the Committee and essentially tell us those issues which you believe are coming forth. What are the challenges that are not being met, so to speak?

Mr. LAWRENCE. Certainly. I'm happy to do that.

Mr. CORREA. What are the problems you're coming up with?

Mr. Chairman, I yield.

Mr. ARRINGTON. Thank you, Mr. Correa.

I now recognize Mr. Mast for 5 minutes.

Mr. MAST. Thank you, Chairman.

Let's move in the other direction of people not being paid.

How many people do you anticipate are going to have disruptions in their lives as a result of being overpaid because of miscalculation?

Mr. WORLEY. Thank you for the opportunity to address that. Because of the lack of our IT implementation, so we are paying incorrect housing to our beneficiaries. Depending on when they started school, some of those beneficiaries are receiving about \$69 more than they should be getting, because we haven't applied the new DoD rate to them.

Others who are existing students already are not receiving about a 1 percent—less than 1 percent increase that was implemented on—with the DoD rates, and—that should have been implemented August 1.

So we don't have the breakout of the exact numbers, sir, on which of those are—you know, which is which. But as we have said, we will not go back and try to recover the overpayments once the IT fix is in. And where we have underpaid our beneficiaries, we will make them whole at the time the IT fix goes.

Mr. MAST. So you expressed before that this is difficult. In the classroom, there can be a number of different scenarios. Somebody could be a distant student from this place but showing up for a one- or two-time class at some other place. Or they could live in one place but be attending courses in another location.

Is there any parameters in which you're intending to claw back dollars from veteran students under any part of this that has gone on any of those situations of those numerous complex situations that you said can exist in any given classroom? Are there any situations that you intend to be—to claw back dollars?

Mr. WORLEY. We will not claw back anything that is related to our lack of implementing Sections 107 and 501, sir.

Mr. MAST. Have you written any letters to students alerting them to the fact that they may be being overpaid as we speak and that you do not intend to claw back dollars from them?

Mr. WORLEY. Through September and October, we sent nearly an email a week to 35,000 schools and over 300,000 students telling them about the payment delays and letting them know that we would not—again, not establish debts against them.

Mr. MAST. Let's move in a slightly different direction.

You said already you don't intend to indicate the completion date, that it's very complex again.

Can you tell us a little bit about the testing that's going on right now? How much of a priority is this testing? How many people do you have working on this issue?

Mr. CROWE. We've turned over release candidate 27 on November 7. User acceptance testing is being conducted by the VA. As far as the staffing level of user accepting testing, that's a VA process, so I'd have to—

Mr. MAST. Mr. Lawrence, how many people are working on testing?

Mr. JAMES. I think in total, including the contractors and the VA, we're about 100 people involved right now today, you know, testing, coding, fixing, working on all that software.

Mr. MAST. All day? That's their sole function? They're working on this all day?

Mr. CROWE. Yes, sir.

We're—sir, we're also working through the weekend on this.

Mr. MAST. Through the weekends as well?

Mr. CROWE. Yes.

Mr. MAST. Is there a school that you're currently testing somewhere that has live testing going on where this can be looked at to say it's working or not working well?

Mr. CROWE. The way we're doing it, sir, is subject matter experts from the VA take the software through its paces, and they're really pushing it through real-world scenarios. I have software developers who are—

Mr. MAST. Where are these real-world scenarios, Dr. Lawrence?

Mr. LAWRENCE. They're written in user acceptance testing. They're use cases. They model the behavior students would be doing, as Rob pointed out, the different variations they would have. And we use them to test the software to make sure the results are as we would expect them to do.

And when they don't go as we expect them to do, that's the testing part, we go back and talk about why that is and—

Mr. MAST. And those schools being lived-tested right now.

Mr. LAWRENCE. No. The schools—these are user—these are user—these are use cases that we've developed, so they're tested in our tested environment. They're based on the experience students would have.

Mr. MAST. So there could still be problems once you actually put this into the live environment of various different schools around the country depending on what their IT infrastructure might exist—how their IT infrastructure—

Mr. LAWRENCE. That is what we're trying to avoid, which is why this testing period is so time. We have a series of use cases that we want to pass so when what you're describing happens, it's such a small percentage of the total, we're able to deal with that.

Mr. MAST. Thank you.

I have one more question.

Mr. Crowe, is there an additional bill coming from Booze Allen Hamilton, or do you plan on an additional bill coming from Booze Allen Hamilton for all of this additional testing and the extra man-hours and the extra people that you have to get to work on these issues?

Mr. CROWE. So today, for our Section 501 and 107, we have not invoiced the VA. We continue to work against our funding line, and we're committed to getting this—getting this deployed to serve the veteran.

Mr. MAST. Will you grant me one follow-on question here?

Do you anticipate sending an additional bill?

Mr. CROWE. For the functionality that was delivered now? No. If there's additional functionality that's requested, obviously we would have to look at it then.

Mr. MAST. I yield back, Chairman.

Mr. ARRINGTON. Thank you, Mr. Mast.

I now recognize Chairman Roe for 5 minutes.

Mr. ROE. Thank you.

One of the things that the VA has gotten right is they named this long-term solution right. That's appropriate. It's going to take a long time to get the solution, it looks like.

Let me put this in real terms. A young soldier with a 2-year-old, probably not three figures in a bank account, probably not three figures, not four, but probably not three, with a 1974 used Dodge Colt with a straight stick shift looking for the GI Bill to help him when he went back to school. That was me. And I got the money on time without all the computers, without all the nonsense. I got a check every month from the VA not a single hiccup, 1975.

And today with all this technology and millions and millions and millions of dollars spent, Amazon has, by June of this year—by August of this year, I know, because a company in my district makes them, they sent out a billion articles to people and gotten, I think, probably most of it exactly right.

And that's a frustration I have, that we've spent all this money and time, and we can't get a paycheck out to somebody.

And I know Mr. Correa brought up something that I want to follow along.

How many claims have we actually gotten right? As of right now when the school is in session, we've done hundreds—I know you guys have done hundreds of thousands of them. How many have been done right and correctly? How many schools got the right number? How many veterans got how—or many students got the right check?

Mr. WORLEY. Chairman Roe, literally thousands upon thousands of our beneficiaries have received payments on time.

Mr. ROE. And correct.

Mr. WORLEY. And correct—well, no, not for the housing, because the new rates are not in the system. But otherwise, you know, like I said, some are getting paid over a little bit; some are a little bit less.

Mr. ROE. Then let's go to that.

This—because of this IT failure, this is not only—I mean, the Forever GI Bill is a tremendous bill. I think both sides of the aisle can take great pride in, and the country can take great pride in it. It was transformational after World War II.

And I know to this day I appreciate the \$300 a month that I got back in 1975 and 1976. I'm appreciative of that to this day. It helped me and my family a lot.

But a lot of these people out there like I had with absolutely no money sweating the end of the month and sweating can I keep my apartment? Am I going to have enough to feed my kids and so forth?

And how much money have we spent instead of getting those benefits to students in overtime and in IT? And that's what I want to know is how much money have we spent just implementing this because the system didn't work?

And I want to follow that up, Mr. Crowe, with this question to you is what is your assessment of the LTS modifications, and do you believe that you have delivered the product that you're required to produce?

Mr. CROWE. Thank you, sir. We delivered—on July 27th, we delivered release candidate 18, which satisfied the requirements at the time that we were asked to deliver. And at that time, we believed it to be, based on our understanding of the software, defect-free. The VA was testing. User acceptance testing began in June. They are continuing to do testing. We were marching towards an August 1st delivery date, and what—you know, subsequent testing identified new issues with the software largely around variations of these user cases as, you know, I think Mr. Mast even mentioned all the different permutations of housing.

Subsequent to that, I think very prudently, the VA took a pause to reassess requirements and see if there was additional functionality, which yielded 83 new user cases, which we go to. We delivered that software on November 7th and released candidate number—released candidate 27. That has been under testing since November 7th. As of 2:53 today, there is no critical defects with that software.

Mr. ROE. Okay. And, Mr. James, if Mr. Crowe believes that the product is ready, you've been given the user acceptance testing now for, I guess, a week or two, why is the system not ready? And are there other bugs in there that VA or Booz Allen need to fix?

Mr. JAMES. Thank you, Chairman. So that module may be ready from, you know, the perspective of meeting its specifications. But what happens now is that the surrounding modules that we saw on that diagram, they now have to be changed to get the bugs out that, you know, are reflective of the new carburetor we just installed. So there are issues in one of those systems called VA-ONCE, and there are issues in WEAMS that were discovered in user testing at the end of October.

So now, those surrounding systems have to be fixed, and once you fix those, you're going to have to regression test the module that Rich just talked about. So—

Mr. ROE. Well, we have no—we have no earthly idea when this is going to be ready. And so I guess the thing, the takeaway I want for students out there watching, or in school today, what can they expect mid-January when they go back to class after the Christmas break, when they go to—can we sit here with a straight face and tell these students that your school's going to get paid and you're going to get your check in a timely fashion? Can we say that to them now today?

Mr. LAWRENCE. The answer to that question is yes. As Mr. Worley just pointed out, what you're not getting, as long as this

software is not done, is the new housing allowance per the new GI Bill. That's what's different. You're getting the old payment, but you are getting a payment. You are able to go to school and your school will be paid.

Mr. ROE. At the end of the day—and I'll yield back. I'm sorry for going over. At the end of the day, I want to know how much this overtime and how much this payment, that we're not going to claw back, has cost the taxpayers.

Mr. ARRINGTON. We will follow up on that. Thank you, Mr. Chairman.

And we now recognize Mr. Coffman for 5 minutes.

Mr. COFFMAN. Thank you, Mr. Chairman.

If I can go back, Dr. Lawrence, to what you just mentioned in the old payment versus the new payment. The old payment versus the location of the institution, the school, versus the new payment, which is far more complicated. Could be multiple institutions, each with varying amounts. But—but what you said was that they're receiving payment on the old system. But my concern is not the institution—not the school, but it's the veteran on the housing side, in particular. Usually, I know property management firms, having been in the business, give about a 5-day grace period at the beginning of the month for the payment of rent. And so—and these are renters, they're not—I—I went to school on the GI Bill, not homeowners.

And so tell me about—let's drill down on the housing component of this—actually, the living component of this, because it's more than just housing to the veteran. And are they—so when you talk about the old payment versus the new payment, are they receiving the old payment, though, on a timely basis?

Mr. LAWRENCE. Yes, that's—yes, that's what we've been describing, and I'll ask Mr. Worley to jump in here. This is where he talked about the new rates are, on average, 1 percent higher. So you're getting the old rates. Okay? Using the old computation.

In addition, we've been very concerned about exactly the situation you're describing, which is why we identify expedited route to get payments. We work with VSOs, your staff, to identify anybody who would say, I'm in a—I'm in a hardship situation. We found about a thousand of those people. And I will tell you, every time we've looked where someone said there's widespread activity where people—we found that not to be true. So we are very concerned about this and are trying to get people paid exactly for that reason. But we are not finding that systematically happening.

Mr. COFFMAN. Okay. But certainly, I admit that I've not received the volume of complaints in my office, but we certainly have read press stories about individuals not receiving anything on the housing side. Why don't you comment on that?

Mr. LAWRENCE. We've looked at those stories, sir, and, you know, it's hard to speak more broadly, but I wouldn't talk specifically, when we've gone and found those, they are generally not true. We've tried to find—as Mr. Worley said, we have no confirmed cases of somebody being evicted. They've either not told us, but we found—there's a story today in The Washington Post that cites three veterans. We know the story of those three veterans. I cannot share them with you because it's personal information. But I'm

more than happy to do so in private. And that story misrepresents the facts.

Mr. COFFMAN. Okay. So it's the delta between the old system and the new system that they're not getting on a timely basis?

Mr. LAWRENCE. That's correct.

Mr. COFFMAN. Okay. But one thing, in going back, that I have a concern about, and hopefully we'll get this corrected going forward. How did this happen where we come up with legislation and we're relying upon the expertise of the Department of Veterans Affairs to tell us whether or not the implementation date, the effective date of the legislation is realistic or not? And so the Congress of the United States was not given accurate information as to the implementation. How did that happen?

I mean, we rely on you to opine in hearings like this. I mean, you are given—the VA, the Department of Veterans Affairs, is always given an opportunity to comment on every single bill before this Committee, and your support, whether you support it, whether you don't support it, whether it's realistic on the implementation side or not realistic on the implementation side. And we were not given adequate information. But could you comment on that?

Mr. WORLEY. If I could take that one, sir.

Mr. COFFMAN. Sure.

Mr. WORLEY. You're exactly right. We've—we've—as you know, first of all, the Forever GI Bill, the set of provisions was put together in record time and passed into law and signed into law in record time. When we commented on those provisions in support of the legislation, we tell—you know, we tell you all that—which provisions require significant IT work. And so I would suggest to you that we typically say we need at least a year, or about a year, to do IT work. We don't usually project beyond that. Because at the time we review these provisions, we're not sure exactly of the complete requirements that might go with it. So I would just—

Mr. COFFMAN. What do you mean you're not sure about the complete requirements? How would you—how can you say that?

Mr. WORLEY. Well, I would say that until you delve into the code, as we've described, you may not appreciate, especially when it comes to the housing calculation, which is fundamental in the—in the depth of the code of long-term solution, how many scenarios you could have. Once the provisions are passed, sir, we spend a lot of time with our general counsel and with your staffs making sure we understand the intent of Congress and the various interpretations that we might have to make as we implement this bill. We did this with every provision of the Colmery Act as we got ready to implement it.

So there is new discovery sometimes between the time we have commented and supported legislation and give you views and costs, to the time it actually gets implemented.

Mr. COFFMAN. I think there's just a disconnect here.

Mr. Crowe, I mean, as a professional, an IT professional—I assume you are—couldn't you assess the complexity of this and how long it would take for its implementation?

Mr. CROWE. Thank you for the question. We're software developers, and we rely on the VA for subject matter expertise in defining what the user requirements are. We defer to them for—for de-

fining the policy, the rules, the statutes, in defining what the user cases are. And so we lean on them. This is one team. All right? We work very closely with them in requirements elaboration, starting in January through April, defining 11 of the 27 cases we continue to work on. We continue to refine cases, an additional 16 cases between April, indeed all the way up to July 12th, with user cases of scenarios.

But to your question, Mr. Coffman, when we got—you know, I guess when user testing occurred, there are many, many—I guess the user acceptance testing realized that there were many, many, many more scenarios that they hadn't accounted for. And so, you know, that's—that's—you know, I would not be able to look into the future. We rely on subject matter expertise from the VA.

Mr. COFFMAN. Mr. Chairman, if I can close with this. You know, this administration, the Trump administration, promised to clean up the culture of bureaucratic incompetence inside the VA. And based on this testimony today and other hearings we've had, I don't think they've made a lick of difference.

I yield back.

Mr. ARRINGTON. Thank you, Mr. Coffman. I agree with you wholeheartedly. I associate myself with that comment and hope to elaborate on it before this hearing's over.

The Chairman now recognizes and yields 5 minutes to Mr. Bergman, General Bergman.

Mr. BERGMAN. Thank you, Mr. Chairman.

It's been interesting to watch the game of whack-a-mole continue on. And we're all involved, because as the Committee, we're trying to take the mallet of fiscal, you know, capability and give it to the VA as the different moles, you know, whack-a-moles, pop up. We watch you deal with the different criteria, the different software development challenges.

My concern, if I can articulate it, is that if we don't to the 80-plus percent level agree on what the parameters are and the problems we're trying to solve, knowing that technology is going to change and what we have is cutting-edge technology today, tomorrow is going to be legacy, which we're going to spend more money funding, when the rate of technology changes to the point where now, do we have to spend more money keeping up with the rate of technological change? That's one of the challenges any business has. When you look at defense, especially when you're looking at things from weapons systems and all of that.

Rate of technology change is always going to play a factor. What we're asking you, I believe, is give us that 80 percent level of change. You're only going to live in so many ZIP Codes. You're only going to take so many courses. You're only going to do this. Give us that 80 percent level and have the parameters set so that when you get it right to the 80 percent level, then the other 20 percent that is going to occur naturally, we minimize the continual cash outlay, we minimize the pain to the veterans that can occur just through a glitch.

And one of the challenges we have is that when you try to pay your credit card personally, if you can't do it online, what do you got to do? Probably got to write a check, right? Because you want to get it paid so you don't have to pay the extra, you know, fee for

a late payment. Somehow the VA has to have something in place to have that ability to help that veteran get that payment in a timely manner, when the eventual glitch comes. Again, you're talking a small percentage, but we have to have that backup capability. It should not be our go-to.

So would anybody at the table care to basically respond to my comment? Are we going to be able to get the 80 percent level correct so we're not chasing legacy—new technology legacy, new technology, and continuing to have to have Mr. Crowe and his software developers keep after that?

Mr. JAMES. Yes, Congressman. I think you articulated the modern way of doing software, which is define success up front and then, you know, work at that in bite-size pieces, you know, build a little, test a little, deploy a little. That's what we need to get to, to get out of this vicious cycle of maintenance and legacy software that we're in today.

So there's a whole modernization effort that needs to update all those boxes on that chart to get to that level of modern, you know, software development. We're doing it today on this LTS piece. We need to do it with the other pieces on that chart, so—

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

Mr. ARRINGTON. Thank you, General Bergman.

I'm going to go for another round of questions for the Members who want to stay. I'm going to yield myself 5 more minutes and ask, General Worley, I must say, I've been impressed with you since I've taken this job, and I appreciate your professionalism. I have a sense of your sincere commitment to the veterans.

Do you have control over the IT system software design, development, sort of overall IT services? Is that in your bailiwick?

Mr. WORLEY. No, sir, not—not the development—

Mr. ARRINGTON. Well, for example, with this provision and its implementation, is that your job?

Mr. WORLEY. Mr. Chairman, my job in this development, in any kind of development, is to define the user requirements.

Mr. ARRINGTON. Okay.

Mr. WORLEY. And provide those to—

Mr. ARRINGTON. Have you done that?

Mr. WORLEY. Yes, sir. We—

Mr. ARRINGTON. Do you think they're clear?

Mr. WORLEY. We did that back in November, December—

Mr. ARRINGTON. Do you think they were clear, the user requirements? Did they receive those, and do you feel like they've been—

Mr. WORLEY. We believe they were complete and clear.

Mr. ARRINGTON. Okay. So the breakdown's on the IT side. I mean, you're being—you're a customer of your CIO and your IT operation within the VA. Is that a fair way to describe it?

Mr. WORLEY. That's correct.

Mr. ARRINGTON. Are you happy with the service, are you ecstatic, are you average, are you so-so, or are you just really fed up and really exasperated and almost depressed that you're having to come to this hearing yet again over this issue?

Mr. WORLEY. Well, as Dr. Lawrence pointed out, we're all frustrated that we don't have the solution in place and that we have this issue.

Mr. ARRINGTON. Here's what's frustrating, General, if I may. What's frustrating is, we feel powerless up here, because we've given you money, we've given you the authority, we have asked repeatedly for anything else, if there are barriers that we're unaware of to remove. So I can't fire the CI—I don't even know who he is. I've never seen him. So, you know, Mark, great point, I don't know who he is. I don't think we have one. I think you have an acting. I think you've had an acting for a while.

That's also a sort of repeated response, we don't have one, this person's been acting, and they've only been in the job—the continuity of the leadership is a real problem at the VA. I think we would all acknowledge that, but we feel powerless to do anything. I can't fire anybody. I can ask you who's responsible and have they been and should they be.

The veterans, I think, feel powerless because there's not a local VA they can go to if you're not serving them. They can't go to the next corner to the VA that provides the same benefit. They're trapped. They're trapped in a monopoly in this bureaucracy and they can't get out of it.

And so that's why we're all frustrated, but who is ultimately responsible for this dysfunction across the board, the legacy, yada yada yada, that we heard? Ultimately, who's responsible for that? Is it General Worley, Mr. Under Secretary?

Mr. LAWRENCE. Look, let me—let me describe accountability. As the Under Secretary of benefits, I'm responsible for making sure our veterans receive checks under the GI Bill. Mr. Worley works with me with that. On the technology, the way the structure is set up, we work closely with OI&T. We work collaboratively in that sense. Okay? They're responsible for the contract with Booz Allen Hamilton. We have to work together on this. It's just the way this is set up.

Mr. ARRINGTON. But somebody's ultimately got to be accountable, because if all of y'all are accountable, nobody's accountable. I mean, I know that you have to define the need, you have to set the expectation, you have to put the user requirements and articulate them. I'm assuming that's been done. This is an IT issue. And—and again, it is—it feels like an exercise in futility. Just about every program and every good intention of this Committee where we're trying to solve a problem and serve our veterans, and then it's just more IT rigmarole and legacy this, that, and the other, and brokenness and dysfunction.

I feel like there's a leadership issue. I feel like there's lack of strategic management. I don't think there's a real plan for the IT architecture of this agency. I just think it's fundamentally broken. Do you agree with that?

Mr. LAWRENCE. Let me comment—

Mr. ARRINGTON. Just a yes or no, do you agree with that comment?

Mr. LAWRENCE. I don't have context that you have to respond to the broad question that you've asked.

Mr. ARRINGTON. You have better context. You work there. And they're not serving you, and you're here before this Committee. Do you believe that it's broken fundamentally and dysfunctional? Because Booz Allen, I have more confidence in his expertise and he

says—he uses the word “legacy.” That’s a nice way of saying it’s old and it’s antiquated and it doesn’t work well and I’m doing the best I can with this—this old, antiquated system, that we’ve spent hundreds of millions of dollars in expecting that you would change it.

Mr. LAWRENCE. I would not describe the process we are going through, on this project only, where we are—

Mr. ARRINGTON. Okay. Let me just—Mr.—Mr. Crowe, you’ve seen a lot of organizations, public and private, no doubt. How bad, scale of 1 to 10, 10 being the worst, relative to others that you’ve worked with—and I understand you do a lot of business, probably billions of dollars with the VA, from what I’m told. So I know this is going to be tough to muster the courage here to just say it like it is, but you’ve seen this, the boxes and the dysfunction. We just put it on the screen. Nobody up here knows what that means except that those boxes aren’t working together. How bad is it, 1 to 10, relative to your other customers?

Mr. CROWE. It’s a good question. I would say that the legacy IT systems in the VA are very complex. It’s the second largest agency in the United States, behind the Department of Defense. And not surprisingly, it has a very complex system.

The other thing I would point out is, many of these systems—

Mr. ARRINGTON. So are you telling me that it’s the nature of the VA, the complexity of the VA itself is the disaster of the legacy systems that you describe, or is it the fact that there’s not a real IT architecture plan and effective implementation of that architecture and plan?

Mr. CROWE. Well, I can’t speak to the entire VA, because I’m not familiar with every IT system in the VA.

Mr. ARRINGTON. But you’re familiar with a lot of it, because y’all do a lot of work for the VA, correct?

Mr. CROWE. We do, and—

Mr. ARRINGTON. My—my colleague told me it was billions of dollars.

Mr. CROWE. Well, it’s—

Mr. ARRINGTON. You think it’s over a billion?

Mr. CROWE. No. I mean, I can get back to you on that, but I—

Mr. ARRINGTON. I was told it was 2 billion, roughly 2 to 3. That’s a lot of work, man. I hope you know that customer well.

I’ve gone over my time, way over my time. I still have questions, but I don’t even know if we have time. And I want to respect everybody’s time here, but I still have questions, so I’m hoping that one of my colleagues will continue with this.

Mr. Ranking Member? Five minutes.

Mr. O’ROURKE. Thank you.

Mr. ARRINGTON. Plus or minus.

Mr. O’ROURKE. Mas o menos.

Mr. ARRINGTON. Mas o menos.

Mr. O’ROURKE. Mas o menos.

So just, in my opening comments, I was hoping to have some clarity in where we are and how we fix some of the outstanding issues. We have 11,000 claims over 30 days. A thousand of those are over 60 days.

General Worley, do we have an estimate for number of claims over 90 days?

As you are finding that, I'm going to just confirm what seems to be inferred, which is that this system's not going to be ready for the spring semester. You haven't out and out said it, but you've said it. If I'm incorrect in stating that, correct me.

General Worley has said: Though the system will not be ready, we will be able to avoid delays because we've already concluded that the system will not be ready, and we're geared up to receive those claims as though the system were not ready. So we're not going to have those additional delays.

My understanding to the question asked by Chairman Roe is that we are \$4 million in, in additional overtime. To Mr. Banks' line of questioning, is that on the contractor if the delivery was not received at the deadline agreed to in the contract? Is the taxpayer going to eat every additional million dollar of overtime or is that something the contractor is going to pick up? Who's on the line for this overspending that we're seeing right now?

Mr. WORLEY. I can address that, Ranking Member O'Rourke.

Mr. O'ROURKE. Quickly if you could, because I have—the chair have more questions.

Mr. WORLEY. Sure. To put it into context, we do, most of the time, voluntary overtime. And my budget for voluntary overtime and education is about 6 million a year. We needed 2 million more to get through August and September to do this work. Again, this is mandatory, we're pulling out all the stops. In a normal year, we do voluntary overtime for the surge periods to maintain our timeliness.

Mr. O'ROURKE. But I would submit if the system were working and if it were delivered on time, you would not have had to consume that overtime for this project, and it could have been applied to something else. There's got to be other need there if you have that—that budget line there. So—but I'm going to move on to other questions.

Mr. Under Secretary, when will the system be ready?

Mr. LAWRENCE. I don't have a date for you at this point, sir. What I tried to explain is we're in the process. It is not a dysfunctional process—

Mr. O'ROURKE. That's okay.

Mr. LAWRENCE [continued].—it's a process of testing and evaluating, and when we've completed that, we'll have a date. And we told you we would tell you right away.

Mr. O'ROURKE. What's the total additional cost incurred over what was first budgeted for this system, including the overtime, the 4 million?

Mr. LAWRENCE. I don't know the total—

Mr. O'ROURKE. You should know that, and I'm submitting that for the record, and I would love for you to get back to this Committee within a week.

What additional costs do you project taking on in order to get this system ready?

Mr. LAWRENCE. I'll take that for the record and give you a comprehensive answer.

Mr. O'ROURKE. Okay. We'd love to have that within a week.

General Worley, you mentioned claims being completed on time. What does on time mean? Under 30 days?

Mr. WORLEY. Our targets for original claims, which is the original application, is 28 days.

Mr. O'ROURKE. Twenty-eight, okay.

Mr. WORLEY. Historically, we've done much, much better than that. And for supplemental claims, 14 days. And historically, we've been in the single digits for those with our automation. And 92—today, there are 92 claims that are over 90 days.

Mr. O'ROURKE. Over 90 days. Thank you for that.

When will you resolve those 92 claims, the thousand claims over 60 days, and the 10,000 additional claims that are over 30 days?

Mr. WORLEY. We work those every day. The reason they're that old primarily is because we're waiting information either from the veteran, from the school, or from the Department of Defense. We work with the Department of Defense to get us the service information. So we work those and work them off every day. They'll never get to zero because you're always going to have development going on for those claims.

Mr. O'ROURKE. Are you saying that from your side of the problem, you all have done as much as you can, and you're awaiting responses back from the veterans or the educational institution or some other third party?

Mr. WORLEY. In those cases, yes, but we don't just sit around and wait. We—we, you know, re-ask the questions, and we have systems to communicate with the DoD and others to try to get the answers that we need so we can process the claims.

Mr. O'ROURKE. Okay. And then do you need—this is something the Chairman of the Subcommittee was asking, and Mr. Takano asked as well. Do you need any additional authorization or appropriation? Is there anything from our end that you need?

Mr. WORLEY. At this time, and I share the frustration of the Committee, there's—we appreciate all the support of the Committee. This isn't a funding issue. This isn't a people issue, per se, although we have hired additional people to work this. This is an issue of getting through the complexity of the software.

Mr. O'ROURKE. Something that just came in that I would bring to your attention if you didn't already know about it. Columbia University is limiting student veterans' ability to register for classes for the spring if they have outstanding balances, the result of delayed GI Bill payments. I haven't checked the veracity of this. I just would bring it to your attention. We—as this hearing has progressed, folks have been getting in touch with us on social media saying that this is the case.

I guess those are my outstanding questions, Mr. Chairman, and some of them we're waiting on the Under Secretary to get back to us on. I've asked that they be received within a week. These should be things that we know, how much we've spent over the projected amount, and we should have a good estimate of what we're going to spend going forward, or we're in greater trouble than I thought.

Thank you.

Mr. ARRINGTON. I couldn't agree more. Thank you for the line of questioning.

And now I recognize Mr. Banks for 5 minutes.

Mr. BANKS. Thank you, Mr. Chairman.

Mr. Crowe, is it true that since August, when this system was supposed to go live, that you've received an additional 80 user cases from the VA, which are the requirements that the software needs to perform? And if so, how have these requirements impacted the timely delivery of the modifications to LTS?

Mr. CROWE. Sure. As Dr. Lawrence said earlier, there was a pause taken in August to take a look at the functionality and if every user case was accommodating all the many different variations that you can have through Colmery, and that resulted in 83 additional user cases. From a time to implementation, we do a release code—we can turn one around overnight. So we went from, you know, working with the VA, we would turn these around fairly quickly. And we went from release code—I think it was 18 in August—in July. We're at release code 29 right now. So it's 11 different release codes.

We use agile development, and we just kind of—on an iterative basis, keep working. And then as user acceptance testing goes, we have people over the shoulder, and if there's something that comes up, there is a defect or any kind of issue, we are doing real-time patches. And like I say, we delivered release candidate 27 on November 7th. It's been in testing, and there's been no issues that I'm aware of, but we continue to—

Mr. BANKS. All right. Let me—let me cut through all that. So 83 since August?

Mr. CROWE. That was the result of the pause, and it was because there was many—

Mr. BANKS. But you said 27 before that.

Mr. CROWE. Yeah, we received—we worked on 11 of them that came in, in the January through April timeframe. There was an additional 16 that we continued to work on, that were in draft format, and we finalized the 27th one on July—I want to say July 20th, or something like that, or July 12th. I think it was July 12th we received—and then we turned that around very quickly, and we were able to get a release candidate into the VA's hands by the 27th.

Mr. BANKS. Okay. Thank you.

Mr. James, the contract is to deliver software, but strictly speaking, it buys scrum teams, which are teams of software developers to do software development sprints. You have been adding scrum teams throughout the year. How many scrum teams and software development sprints are you up to now?

Mr. JAMES. Congressman, I don't have the exact number. So let me take that for the record. I think it was—we started with two, we added two, I think we added two more, but, you know, I need to get the exact number for you.

Mr. BANKS. So you can't tell us how many scrum teams?

Mr. JAMES. Not off the top of my head, how many scrum teams are in action today, no.

Mr. BANKS. Or how many people at all would be necessary to get this done?

Mr. JAMES. The development teams that are working in Charleston, that's what we're referring to with the scrum teams, that's the actions and the software folks there in the Booz Allen Hamilton facility.

And, of course, what happens after that is that as software is built, then it has to get tested. There are—so, in terms of the scrum teams, as Rich Crowe just mentioned, they are able to turn around the software in response to users testing and bugs and user scenarios and so forth. But that's just step one. Now you have to go test that software. It happens in different processes and different locations with the engagement of the users.

So the fact is that our testing tail end of this process can't keep up with the development processes, the scrum teams, as you mentioned. That's part of the technical debt that we're dealing with, is that we have old testing systems and old testing processes that are catching the software code that is being developed by Booz Allen Hamilton.

Mr. BANKS. Okay. Thank you.

Mr. Chairman, I yield back.

Mr. ARRINGTON. Thank you, Mr. Banks.

I now recognize Mr. Takano for 5 minutes.

Mr. TAKANO. Thank you, Mr. Chairman.

Dr. Lawrence, just to be clear, VBA has stated that it will not recoup money from anyone who was overpaid by VA related to Sections 107 and 501, and—instead of writing it off as an administrative error. Can you please confirm this?

Mr. LAWRENCE. There was—the “instead” in the sentence. That we're not going to claw back money under the circumstances Mr. Worley described, right?

Mr. TAKANO. Yes.

Mr. LAWRENCE. There's no instead. It will be an administrative error.

Mr. TAKANO. It will be an administrative error. So I just want to make sure that folks who are watching this hearing understand and that the media reports it correctly, that any—no claw back of overpayments related to Sections 107 and 501?

Mr. LAWRENCE. Absolutely. Let me state it clearly. If you have been overpaid, after we do the reconciliation, we will not come for that money.

Mr. TAKANO. All right. Thank you.

General Worley, you say this is not an IT—it is not a money problem, not a people problem. What is the problem? Because I just—

Mr. WORLEY. The problem has been—

Mr. TAKANO. What was missing up until—are you confident? You say you have everything, just for the record? VA has everything it needs?

Mr. WORLEY. I think the problem has been articulated, as our IT colleagues have articulated, the difficulty of—of what we're trying to take on here. So I think throwing more money or more people at it, I'd defer to IT if they need more people. But from my perspective, it's a matter of continuing to do the testing and continuing to ring out the software so that we can get it right and pay our veterans correctly.

Mr. TAKANO. Okay.

Dr. Lawrence, your ability to actually get a timeline, to get a sense of when this is going to—everything's going to be worked out,

meaning, who are you relying on, the project managers, to be able to tell you this?

Mr. LAWRENCE. Right, there's a project management team. I work closely with the folks here to figure out where are we, so we know with certainty when we give you a date, we understand what that certainty is. So, again, it's the process we've been trying to describe: test, figure out what the problems are, root cause analysis, analyze the problems, figure out the user cases and come back with the solutions. And when that's done, we'll know the date.

Mr. TAKANO. They're accountable to you or are they accountable to ultimately the head of IT, whoever is the top IT person at the VA?

Mr. LAWRENCE. It's a little bit of both. Booz works for IT, IT works with me, the IT folks are solid line to the head of IT, dotted line to me.

Mr. TAKANO. Dotted line to you. Okay.

And, again, I just want to state for the record that the IT—head of IT, even though we have an acting, blah, blah, blah, you know, unconfirmed, and that's Mr. Sandoval—and I just want to state again, he's not here, and I think that's a glaring, glaring omission, in terms of us doing oversight, on our part—a major person who is accountable for the IT, has responsibility for IT, he's not here. The solid line goes to him. The dotted line goes to you. But the guy for whom the solid line goes to, Mr. Sandoval, he's not here. And that's a fact.

Mr. LAWRENCE. Noted, thank you.

Mr. TAKANO. Thank you.

I think, Mr. Chairman, we need to—we need to talk to that guy. And it seems to me that the President and the Secretary, they need to make these appointments. They need to fill these vacancies. This is—this is a management vacancy, a critical management vacancy at the confirmed Senate level. We have 45,000 vacancies at the VA, 40,000 of them in the Veterans Health Administration. But this is—this is a problem.

I want to associate myself with the Chairman's remarks about a continuity problem, a lack of continuity in the very top level. There's been four secretaries since I've been here in 6 years, four secretaries of this department. And now this critical IT position, which requires a tremendous amount of technical expertise, competence. I think what's missing is a competent person who can be held accountable for what has happened. I don't even know if anyone at this table can really explain what could have been done differently, because that person's not here.

So I would submit, Mr. Chairman, we need to hold another hearing with Mr. Sandoval and ask him to show up. So my time is up. I—I—

Mr. ARRINGTON. Well, I appreciate your remarks and your line of questioning, and I agree with you, Mr. Takano. Thank you.

Mr. Chairman, I recognize you for 5 minutes.

Mr. ROE. Thank you. I think that person's nomination is sitting over in the Senate now. I think just for clarification, hasn't been—I think they're queued up in a long line.

The question that I'd like answered—questions I'd like answered is, how much money so far, to date, have we spent on an IT system

that doesn't work, number one—or isn't working? We don't know it doesn't; it just hasn't been implemented yet. Number two, how much overtime have we spent, the taxpayers' dollars, because this IT system didn't come in on time? And lastly, how much have we paid in overpayments to people that we're not going to claw back? And I think that's—I will—think that's the right thing to do, I think you're doing absolutely the right thing there. It would be very difficult to do.

One of the concerns I have with IT is I remember sitting here—I'm the only one at the dais that was here at the time when the Secretary of Defense and the Secretary of the VA, Secretary Shinseki, sat right there, and spent a billion dollars trying to make the Alta Vista systems talk to each other, and that's why we're doing Cerner now.

So that is my—one of my frustrations, that we've spent a billion dollars. I have no idea where it went. And I don't want to see that happen again at the end of the day, that we've spent, I don't know how much money. I'm going to stop in a second and let you try to answer those questions. We're going to be here a month or 6 months from now and find out that we've spent millions of dollars, and we don't have a deliverable. Because I've seen that happen here. So I'll stop on those three questions.

Does anybody have an answer for those? And we're spending—the number I have is \$380,000 a week in overtime.

Mr. LAWRENCE. So the first two questions require us—and we'll take for the record—a comprehensive answer so that we're complete and not omitting anything.

Mr. ROE. Do we have any idea, Dr. Lawrence, how much we've spent up until now? I mean, it's got to be some checks that have gone out. I mean, I know Booz Allen is not doing this because they like us.

Mr. LAWRENCE. Right. So—so if you don't—if you don't hold me to this, I can answer two questions for you, which will be part of the answer we will give, which is a question of how much have we spent on Booz, how much have we spent on overtime. Those two are a subset, not the complete answer to your first two questions.

And the third one, we'll give you an estimate. Because as Mr. Worley points out, we actually will not know until we run the software who's been overpaid. We can give you an estimate on that one. So let's start with that.

You can talk about how much.

Mr. JAMES. Yes, Chairman, so far, we've paid to Booz for the Colmery Act, parts of the contract, \$1.2 million. That does not include the software that Mr. Crowe was talking about that has not been, you know, invoiced yet. So 1.2 million today, to date.

Mr. ROE. Okay. So it's not a—it's not a money issue. The funds are there to do what you need to do?

Mr. JAMES. Correct.

Mr. ROE. Okay. I appreciate that, and I appreciate your candor in that.

And just for the record, and maybe you want to answer this or not, but our Committee was asked not—we were asked not to send a team to Muskogee. And the report I got back from Muskogee was, those folks are working hard. And they were very, very—I mean,

I got a glowing report. So the people who were there are trying to make this system work, and I can't imagine the frustration they must have when the system crashes over and over and they got to start all over again and go—I mean, I know I am when I'm doing this and something, I want to throw it as far as I can. I can't imagine what they're going through out there.

And have you all made a visit out there to talk to these three areas? Has someone made a trip out there and shared what you're trying to do to help make their jobs a little easier?

Mr. LAWRENCE. Yes, sir. So we made a visit the next week after your team went out there. We regularly talk to them. Don't forget, the regional office director reports to a district director, who reports to the office of field operation. They hold regular communications around these issues. Okay? I was the one who suggested your team not go, because, again, the time your team spent with our people was time they were not processing claims. So—

Mr. ROE. Well, I'm going to interrupt you right there. And I will say this, as the Chairman of this Committee, I would not have learned anything sitting in that office right back there. I had to get out and travel all over this country and go firsthand to people and see what they're doing, putting my eyeballs on the problem.

Mr. LAWRENCE. I didn't—

Mr. ROE. And I don't know, again, why you would have asked us not to go. We're trying to help make this better, not worse, and we can't do it unless we have accurate information.

Mr. LAWRENCE. I didn't say not go. I said not go during our peak processing week when those people should have been processing claims. The five from your team and the two from the local Senator were there for a day and a half. It took 15 of our members to—15 of our team to provide information and do things with them. It was invaluable what they learned, no doubt. I didn't say don't go. I wish you would have waited a couple weeks so those people could have processed claims.

That being said, the things you learned were valuable, and I want to be transparent of what my perspective was. I'm happy you went; your team was glowing at the—our team was glowing—

Mr. ROE. I thought the peak was back in August, not almost in November.

Mr. LAWRENCE. The peak was in September and October, and that's what you were seeing being worked on.

Mr. ROE. What was the date of that that we went out there? Twenty-fourth of October, that was 2 weeks ago.

Mr. LAWRENCE. That was at the end of the peak, that's right. We were processing 12,000 claims a day. Those 15 people, that's a non-trivial part of our workforce, sir. So, again, what I was doing was articulating a veteran's perspective—

Mr. ROE. How many do you have totally in your workforce?

Mr. LAWRENCE. Twenty-four thousand. Education workforce is about—

Mr. ROE. We took 15, and that was enough to paralyze the whole operation?

Mr. LAWRENCE. I didn't say "paralyze," sir. It had consequences. There are opportunity costs. You're always welcome. Every Member

of this Committee and all their staff is welcome to come to all our facilities at any time they want.

Mr. ROE. Okay. I yield back.

Mr. ARRINGTON. Thank you, Mr. Chairman. Appreciate your engagement and being here with us today at this hearing.

Now I want to recognize Mr. Correa again for another 5 minutes.

Mr. CORREA. Thank you, Mr. Chairman. I'll try to be brief.

Follow-up question on the time that it takes to process claims. How long does it take to process a hardship claim? You said 28 days, General Worley, for the regular claim?

Mr. WORLEY. No, sir. Those are—those are our targets. As I mentioned, historically, we do it much faster than that. The 28 days is for an original application—

Mr. CORREA. Okay.

Mr. WORLEY [continued].—because it takes longer because we're verifying service information and those types of things. But once an individual is in school and the school sends in that certification, in 40 to 50 percent of those cases they go through our automation untouched by human hands, and the checks go out within a matter of a handful of days.

So a hardship case, though, to get to your question, as we've solicited and gotten names from this staff and from VSOs and others, we have a hardship queue, which is a protocol that we've had in place for a long, long time—it wasn't just instituted for this—where they get put into a hardship queue, and those hardship queues are cleared out virtually every day. So within 3 to 5 days or so after that claim is processed, the individual has money in the bank.

Mr. CORREA. Thank you.

Follow-up question, which is, I want to be part of the solution. There's a lot of challenges here. This is a work in progress, so to speak. Can I work with your office so I can get the information out to my veterans? California's home to the largest number of veterans in the country, and my area in Orange County, we have plenty of young veterans coming back from servicing our country. I'd like to work with you to get the message out, your 1-800 number, whatever it is we need to do, to make sure veterans are connected immediately to a solution should they find a problem.

So later on offline we'll talk about how to get the message out through my office to our veterans.

Mr. LAWRENCE. Yes, absolutely.

Mr. CORREA. Thank you very much.

Mr. Chairman, I yield.

Mr. ARRINGTON. Thank you, Mr. Correa.

If you guys would indulge me with one question, just a follow-up question, maybe one and a half, but it will be real quick.

Mr. James, you're with the IT outfit, and, Mr. Galvin, I think you're with the IT outfit. Have y'all been to Muskogee—Muskogee? I'm from Texas.

Mr. GALVIN. Yes, sir. Yes, we have. We accompanied Dr. Lawrence.

Mr. ARRINGTON. Okay, okay.

And, Dr. Lawrence, let's conclude with this, and I want the folks who are watching and listening, and I want my colleagues to be clear about your answer to this. Do you have a sense of confidence

that you are getting your arms around this and that this issue will be resolved? We won't yet put a time on it, but do you have confidence that this issue will be resolved in the near term?

Mr. LAWRENCE. Yes, absolutely.

Mr. ARRINGTON. And you have high confidence it will be?

Mr. LAWRENCE. Yes.

Mr. ARRINGTON. Okay. If you have the information, and I'm not trying to trap you or trick you, but if you have enough information that you have a high confidence it will be solved, then you ought to have enough information to give us a timeframe. You should.

Listen, it'd be one thing if you were just, we're still digging into it, we don't know what we've got, you know, we're not sure yet, we're still—listen, if you're confident, that confident, I believe you owe this Committee and the veterans who we all serve a timeframe.

And so I'm going to ask that you submit that for the record, like we're going to need the responses to questions that were asked today, and we will follow up with it. But I think everybody up here feels like, if you all feel like you're getting your arms around it, you feel like it's going to be resolved in the near term, you ought to be able to give us a timeframe. So we're going to expect that, and you can go back and talk to the Secretary and the CIO acting and come up with a timeframe so that we can continue to hold you accountable. Because that's our job. Can't really hold you accountable if you don't have that date.

If you will also indulge me in just saying a few kind things about my colleague from Texas. This is, I think, our last hearing, right? I think it's going to be our last hearing for this Congress, and I didn't have any prepared remarks, but I've got to say, one of the joys of my service, Mr. Chairman—and thank you for the opportunity to serve as Chairman over this Committee. I sure hope we've pushed hard, fought hard, worked well with all to try to make a difference for our veterans in our country. I could not have done this without Beto O'Rourke.

[Applause.]

Mr. ARRINGTON. So, yeah, please.

One of the most gratifying experiences of serving in Congress has been serving on this Committee and this Subcommittee and working with Beto, and it's because we are red, white, and blue in here. And it's so refreshing. And we do battle. And we have wildly different views, I'm certain, on many issues, but you wouldn't know it the way he treats me, and I hope the way I treat him. And we need a whole lot more of that in this place.

But you really set the tone, because I'm just a freshman, and you—you were such a great support and you have helped me lead in a way that we were all effective and productive for our main customer, the veteran.

So there's not enough words to say thank you appropriately. But as a fellow Texan, I think you get the drift, right?

Mr. O'ROURKE. I do. Thank you.

Mr. ARRINGTON. Well, God bless you and your family, and thank you for your service to this country, Beto.

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

[Whereupon, at 5:53 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Dr. Paul R. Lawrence

Good afternoon, Chairman Arrington, Ranking Member O'Rourke, and other Members of the Subcommittee. I am pleased to be here with you today to discuss the implementation of the Harry W. Colmery Veterans Educational Assistance Act of 2017 (Colmery Act) or, as it is more commonly referred to, the Forever GI Bill, and the processing delays being experienced by some students in receiving their monthly housing allowance (MHA) and tuition and fees payments for the fall term. Accompanying me today are Robert M. Worley II, Director of Education Service, Veterans Benefits Administration (VBA); Bill James, Deputy Assistant Secretary for Development and Operations (DevOps), Office of Information and Technology (OIT); and Jack Galvin, Associate Deputy Assistant Secretary for Information Technology Operations and Services (ITOPS), OIT.

IT Requirements for Implementation

As you are aware, many GI Bill students have encountered unacceptable delays in receiving their GI Bill benefits. On behalf of Secretary Wilkie and every member of the VA team, we understand the impact, and we are working diligently to minimize these delays affecting GI Bill students.

To date, VA has not been able to deploy an information technology (IT) solution to support the most critical and impactful Colmery Act provisions, Sections 107 and 501. These sections affect nearly all Post-9/11 GI Bill students because they change the way VA pays monthly housing stipends by aligning payments with the location where students physically attend most of their classes and removing the reduction exemption on GI Bill stipends.

In the legislative hearing before the House Committee on Veterans' Affairs on July 17, 2017, VA raised concerns that implementing the bill would be challenging because of the required changes to IT systems to support many of the provisions. Soon after the bill's enactment on August 16, 2017, VA's internal analysis found that 22 of the 34 sections needed IT solutions at an estimate of \$70 million. OIT funding priorities for FY 2018 were already firmly established prior to the legislation being passed at the end of FY 2017. VBA Education Systems had not been updated/modernized in over seven years. Without IT changes, VA would need almost 1,000 new full-time equivalent employees to administer the law's changes, over 800 solely for Sections 107 and 501.

As VA testified at the hearing with this Committee on December 12, 2017, OIT, in consideration of this analysis, committed to providing a solution to Sections 107 and 501. To implement Colmery Act provisions, OIT partially redirected an already awarded contract whose focus was to decommission an over 50-year-old legacy system (i.e. Benefits Delivery Networks (BDN)) that makes all Chapter 33 payments. To this effort, VA's overall plan was to work the implementation of Colmery Act provisions and the decommissioning of BDN in parallel. The task order applied to this modified contract contained a six-month requirements development period of performance followed by a six-month development and delivery of functionality in incremental releases (called sprints). At the start of Fiscal Year 2018, Education Service staff began offering demonstrations and gathering requirements with our Booz Allen Hamilton (BAH) contractors. These sessions would support the BAH development team that was onboarding through March 2018. In addition to the work associated with these two sections, VA also leveraged this contract vehicle to make IT system changes and modify automated letters to accurately reflect the removal of the 15-year time limitation to use the Post-9/11 GI Bill benefit.

In anticipation of a July 2018 release of an IT solution, VA notified schools in early April to suspend submitting claims where the potential existed that a student was attending classes in multiple locations. This direction was intended to prevent schools from having to re-submit enrollment certifications for impacted students

after the IT deployment. VA communicated that it would continue to accept claims when a student was attending all classes at the school's main campus.

In early June 2018, VA began User Acceptance Testing on the initial software builds to meet a July 16, 2018, deployment date. The results of this testing found enough defects and problematic payment scenarios to warrant delaying the release to the end of July. While BAH developers regularly delivered new builds, critical defects and significant issues with payment integrity continued to be found, and on July 17, 2018, VA again pushed the targeted go-live date to the middle of August.

During the July 18, 2018, oversight hearing with this Committee, VA testified to the complexities presented by the needed modifications and the challenges OIT and BAH experienced to deliver an acceptable solution to Education Service. On August 9, 2018, VA determined that the August 13, 2018, scheduled deployment of the solution was no longer feasible due to outstanding fixes required to ensure a stable and optimized solution for end users and School Certifying Officials (SCO) and to ensure a high level of integrity in payments to GI Bill students. Splitting the sections into phases was also not feasible given that Section 107 and 501 affect the way VA calculates the MHA. Both are required in the updated IT system to ensure proper processing.

In evaluating the progress towards a deployable solution, OIT requested a development freeze to review the initial requirements finalized in May 2018 to implement Sections 501 and 107. OIT and VBA engaged in dialogue around clarifications on the submitted requirements, thereby identifying a need for elaboration in business policy, business requirements, and IT understanding.

As these circumstances unfolded, VA notified over 300,000 students and over 35,000 SCOs that the IT solution was not ready and advised schools to submit all claims for processing. VA then experienced a large increase in claims that would have normally been received and processed over a 6-month period. This greatly compressed the timeframe VA processors had to meet the demand of the peak fall season.

In making this determination to accept all claims, VA understood that MHA payments would be paid at the 2017 rates, and some students would be paid incorrectly because of the changes in Section 107. These risks were outweighed by the need to pay students timely to ensure some measure of financial security. VA would like to emphasize that upon implementing the IT solution for these sections, students affected by underpayments will be fully compensated, and VA will not establish a debt against students who were overpaid.

Payment Delays

Education claims processing times vary throughout the year due to a number of factors including fall and spring peak enrollment periods and IT issues that may affect production. For the fall 2018 term, VA experienced a higher than usual pending inventory count, which resulted in increased processing times. This is caused by the delayed implementation of the IT solution for section 107 and 501, the fall peak enrollment period, and IT system issues. As a result, Education Service reached its highest pending inventory since 2012. On September 14, 2018, Education Service had 206,931 claims pending, which was 46.2-percent higher than last year's fall peak pending inventory.

OIT identified three incidents since August 2018 where our processing systems experienced issues interfacing with each other when attempting to share claims data. The first discovery of this issue prevented the automated processing of claims, and led to an increase in the number of claims requiring manual processing. Subsequent incidents discovered by OIT were addressed and remediated for automated process handling. An interim solution has been implemented for monitoring key integration points required for automating claims. OIT will implement an improved version of this functionality in the future.

In addition, Regional Processing Offices (RPO) have experienced other IT issues, to include significant latency problems that affected operations for weeks, system outages, connectivity failure reducing the number of automated claims, and system issues with the legacy Benefits Delivery Network. The Muskogee and St. Louis RPOs required additional bandwidth, which was deployed to both sites. Also, fully automated claims were down for the month of August and September. Claims were fully automated at 37.8 percent and 37.3 percent respectively, which is five percentage points below the seasonal normal (based on a comparison against August 2017 of 41.8 percent and September 2017 of 42.8 percent).

Mitigation Strategy

The longer than normal processing times will likely persist through the end of the year. While still significantly higher than last year, the pending inventory has been

steadily decreasing in recent weeks. VA is taking several measures to ensure this occurs, including hiring an additional 202 term employees to manage the uptick of claims received as a result of Colmery Act implementation. Education benefit claims processing employees at RPOs have been on mandatory overtime since August 1, 2018. Overtime has been made available to former claims processors to assist with the pending workload. VA also leveraged other field staff to process claims. Additionally, VA is taking steps to ensure the oldest pending claims are worked first to further limit any impact to students. These include direct outreach to students when their claim is processed and escalating service verification issues to the Department of Defense. VA is expediting claims of GI Bill students experiencing financial hardships caused by payment delays. These claims are processed immediately.

VA notified SCOs and students of the delays associated with implementing the IT solution for sections 107 and 501 of the Colmery Act. On September 7, 2018, VA sent an email notification to SCOs with an update on changes to the MHA due to the Colmery Act. VA also sent this message to students and updated SCOs on September 17, 2018, that the 2018 tuition and fees cap was effective. On October 9, 2018, VA sent an email notification to these populations regarding payment timeliness and delays and how to get immediate help. On October 15, 2018, VA sent an email notification to SCOs explaining that delays are also impacting VA's tuition and fee payments and to not penalize GI Bill students for these delays. On October 24, 2018, VA sent emails to students and SCOs again informing them of the status of our processing and providing avenues for addressing hardship situations quickly.

These messages have been published on the Education Service Web site and Facebook page. VA's social media is actively monitored by staff to assist individuals who may require additional support. VA is also providing daily briefings on pending workload and timeliness to Veterans Service Organizations and will continue to use all available channels to provide updates and guidance as needed to schools, students, and stakeholders.

In addition, VA has taken several measures to mitigate the previously mentioned system issues at the RPOs. To address latency issues, VA increased bandwidth capacity nearly 50 percent at the Muskogee Regional Office (RO) by upgrading a circuit. The St. Louis RO upgraded circuit was recently completed. The Buffalo RO is scheduled to be completed by November, but we have asked AT&T to expedite.

Furthermore, the Education Call Center experienced significantly higher than normal call volume which created long wait times for callers. As of October 25, 2018, the call volume has subsided with wait times being as low as 37 seconds for callers.

Next Steps

While VA expects the pending inventory to remain at an elevated level through this year, the implementation of the IT solutions for Sections 107 and 501 and incoming enrollments for the spring term will again create some processing challenges. With this in mind, VA has begun to develop a strategy and plan for schools to submit both a corrected fall enrollment in those circumstances requiring it, because a student is attending classes at multiple sites, and concurrently submit the student's spring enrollment. This allows VA to process both simultaneously, which will assist with timeliness.

Based on VBA prioritization of IT efforts, the modifications needed on the legacy system, VA Once, will be made and tested against the changes made to LTS. After changes are applied, there will be a full testing cycle, followed by a go/no go decision to deploy to production.

Mr. Chairman, VA understands that these payment delays have negatively affected the GI Bill students we diligently strive to serve every day. While we pursue the needed IT solutions, we will continue our "all hands-on deck" initiative to eliminate payment delays and provide the best customer service we possibly can.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to testify before the Committee today. We look forward to responding to any questions from you and Members of the Committee.

Prepared Statement of Richard Crowe

Good afternoon, Chairman Arrington, Ranking Member O'Rourke, and Members of the Subcommittee. I am Richard Crowe, a Senior Vice President at Booz Allen Hamilton and the Client Service Officer for Booz Allen's Health Account. In that role, I lead a diverse portfolio of health services, including numerous IT and health care operations service contracts. I am pleased to be here with you today to discuss the continued implementation of the Harry W. Colmery Veterans Educational As-

sistance Act of 2017 (Colmery Act) or, as it's more commonly referred to, the Forever GI Bill.

Booz Allen has a strong, demonstrated commitment to serving our Nation's veteran population.

Booz Allen was founded by a veteran, and the company has supported the Department of Veterans Affairs continuously since 1952. Booz Allen takes great pride in our 65-year history of supporting veterans, which we do in multiple ways. Approximately one-third of our over 24,000 employees are military-connected - meaning they are a veteran, in the National Guard, or a military spouse - and Booz Allen invests in helping our military connected employees thrive through career building, comprehensive benefits, formal programs for military spouse support, and support to the military and veteran communities through innovative and impactful nonprofit partnerships. We have a broad portfolio of work at the Department of Veterans Affairs (VA) and are committed to its mission to serve veterans.

Over the past six years, we have been increasingly involved in supporting the IT mission at the VA and in helping the VA with its broader IT modernization goals. We have successfully completed more than 100 IT related projects at the VA, and we have been helping the VA implement more modern technologies to improve the veteran's experience.

Booz Allen currently supports implementation of Sections 107 and 501 of the Colmery Act as part of its contract with the VA for the Benefits Integration Platform (BIP). The BIP task order was competitively awarded by the VA's Technology Acquisition Center in September 2017 and the VA issued a modification covering the Colmery related software development in January 2018. We support and facilitate the improvements that are the subject of today's discussion in cooperation with the VA offices represented here today.

In our role as the software developer supporting BIP, Booz Allen translates each of the VA's identified user cases into a technical solution. The VA leads the requirements development process, which includes a requirements elaboration process in which Booz Allen participates. The output of the requirements elaboration process is a list of user cases for software development and the criteria for user acceptance testing. The VA maps and determines the benefits outcome for each user case based upon the VA's interpretation of the statutes, regulations, policy, and business rules associated with the relevant benefits program. Our job as software developers is to ensure that the developed code produces the desired end results. The user cases developed in the requirements elaboration process serve as the contractually agreed-upon acceptance criteria for each new software release.

Booz Allen appreciates this opportunity to reflect upon the challenges that led to the VA's decision to postpone deployment of the new software into production beyond last August 1. As I shall describe below, the unfortunate delay has been caused by the confluence of outdated systems being asked to perform ever complex tasks.

The Colmery Act required numerous changes to the Department's underlying regulations, policies, and business rules. Stated simply, the volume of changes to the business rules, which shifted the way in which housing allowances are paid, made it difficult to capture the full scope of potential user cases as part of the requirements development process. The Colmery Act revisions required not only new business rules, but also a greater number of determinations regarding the interactions of those revised rules that caused the volume of user cases to expand in scope as development progressed.

During testing performed in June and August 2018, the VA identified user scenarios that required further revision, as well as additional user scenarios that were absent from the initial release. Booz Allen worked tirelessly to incorporate these additional user scenarios into the software release candidates delivered this Fall.

From a technical perspective, two of the primary factors driving the length of time necessary to implement these changes were the high number of system dependencies and the age of the underlying systems. From a numbers perspective, the updated release required under the Colmery Act draws on data elements housed in four other distinct underlying, legacy VA systems. Because no single database contains all the information necessary to assess benefits eligibility, we must draw data from these systems to obtain the required information to make decisions. The VA is the master systems integrator for all of these systems. Booz Allen has responsibility under BIP for only one of these systems: the Long Term Solution (LTS) system we are charged with modernizing. The rest of these systems are maintained by the VA or other contractors. As such, developing a solution that pulls data from these systems requires patches, updates, and other coordinated efforts to ensure successful synching of data.

At the same time, many of the underlying IT systems required to implement the changes were past, at, or very near their intended dates for retirement. Indeed, at the time it competed the BIP contract, the VA had envisioned retiring many of these legacy systems. The Colmery Act reprioritized that timeline. As a result, we have had to program an elaborate set of interfaces to draw from these different systems. These essential efforts have required further system design, coordinated testing, and requirements validation.

In summary, from Booz Allen's vantage point, the events that bring our panel before this Subcommittee today stem from the challenges posed by endeavoring to build new software - to address more rules and additional variables - on something very old. The obstacles encountered have not been failures of the new software, but rather, the result of performing the work on a fragile infrastructure that was not originally designed to perform the task requested, and calling upon these multiple, interrelated IT systems. These are the key challenges driving the duration of the development process.

Although there have been challenges, there have been notable successes in the first year of the BIP program. Booz Allen has successfully updated approximately sixty percent of the legacy LTS code. We have helped the VA achieve greater efficiencies and implement best practices during this release process that will improve the overall efficiency of this IT system moving forward. Further, in parallel to this effort, we have been working with the VA to implement the modernization plans in other areas that continue to drive toward the VA's goal of a modern, micro-services-based technology stack. In short, we have already enabled the lessons learned from this process to help the VA minimize the obstacles encountered for the benefit of all future IT modernization efforts.

We look forward to discussing these successes, as well as challenges, in greater detail with the Subcommittee and, more importantly, we look forward to continuing to provide support to the Veterans Administration as they enhance education benefits for veterans, service members, families and survivors through the implementation of the Colmery Act.

Thank you for the opportunity to testify before the Subcommittee today. I look forward to your questions.

Statements For The Record

Iraq and Afghanistan Veterans of America (IAVA)

Chairman Arrington, Ranking Member O'Rourke, and Members of the Subcommittee:

On behalf of Iraq and Afghanistan Veterans of America (IAVA) and our more than 425,000 members worldwide, thank you for the opportunity to share our views, data, and experiences on the important matter of GI Bill payment delays.

Defending the GI Bill is an extremely important part of our work and is highlighted in our Big Six priorities for 2018, along with our Campaign to Combat Suicide, Support and Recognition for Women Veterans, Reforming the VA for Today's Veterans, Support for Injuries from Burn Pits and Toxic Exposures, and Support for Veteran Cannabis Utilization.

According to our most recent member survey, the Post-9/11 GI Bill is an extremely popular program; 90% of our members have used, plan to use, or have transferred the benefit to a qualifying dependent. Out of the vast amount of our membership that have used the Post-9/11 GI Bill, 74% said that they had 'Good' or 'Excellent' experiences.¹

I am proud to say that I am one of those members. I transitioned out of the military in August 2011 and enrolled in classes at a local community college the following week. I went on to be the first member of my immediate family to earn a bachelor's degree. The Monthly Housing Allowance (MHA) allowed me to focus on my studies and not have to worry about the additional stress of how I would pay for rent, utilities, or food. The importance of the Post-9/11 GI Bill in my life and the lives of over 1.5 million veterans who have used it cannot be understated.² It has set me up for a lifetime of success and opened up doors that I would have never been able to achieve or never thought possible.

¹ iava.org/survey

² <https://benefits.va.gov/reports/abr/index.asp>

Not only is the Post-9/11 GI Bill the reason I am able to work for IAVA, it's also the reason I chose to work at IAVA. IAVA led the charge in 2008 to pass the first Post-9/11 GI Bill; their leadership in 2008 to spearhead this landmark legislation was extremely important. For the next decade, IAVA fought for and defended the Post-9/11 GI Bill: from advocating for the Post-9/11 Veterans Educational Assistance Improvements Act passed in 2010 to defending the GI Bill against cuts and taxes in 2016 and 2017. Additionally, 88% of IAVA's members believe that the Post-9/11 GI Bill is either 'Extremely Important' or 'Important' to transitioning servicemembers and almost 90% oppose any cuts to the benefit, which is why IAVA's continued effort to Defend the GI Bill from cuts, waste, and abuse will last long into the future.³

In August 2017, with the backing of IAVA and many other Veterans Service Organizations, the Harry G. Colmery Educational Assistance Act, otherwise known as the Forever GI Bill, was signed into law and marked one of the largest expansions of veteran educational benefits since the original GI Bill in 1944.⁴ This expansion created a need for updated IT infrastructure within the VA to address new provisions in the law, such as modified MHA payments. According to the legislation, the VA had a deadline of August 1, 2018 - one full year after passage - to implement these changes, and as of this hearing, the VA has yet to do so.⁵

In September 2018, IAVA became aware that scheduled MHA payments had been inaccurate or missing. On September 14, IAVA sent a letter, along with 14 partner VSOs, to the VA expressing our disappointment in the Department's IT failures.⁶

For the first time, on October 10, well into the Fall semester, the VA publicly acknowledged longer than normal processing times on their website and gave instructions for students who were experiencing financial hardships, such as falling behind on rent, utilities, or other important bills.⁷ This left students with no official explanation as to why they were unable to receive their benefits for nearly two months. The VA also left students with no timeline of when they would realistically be able to expect MHA payments, leaving students unable to properly plan their finances and adding undue stress to their semesters. We've heard about this first hand; student veterans have contacted IAVA's Rapid Response Referral Program (RRRP) that waited two months for their MHA payments and finally received them this week and another student veteran who had to drop a class because they could not afford their textbooks. To the student who had to drop a class due to the VA's mistake, the VA informed the student it will no longer reimburse the class and instead recommended that the student receive an "F," damaging their GPA. As a former student veteran that relied solely on these MHA payments, I can say that all of these examples are not over exaggerated, as I would have experienced them first hand.

The VA has been aware of these IT challenges since July 2018.

In response to these delayed payments, VA implemented mandatory overtime and hired more processors to address the backlog. In addition, VA notified students with delayed GI Bill and MHA payments of the backlog while also ensuring that no veteran that had been overpaid would be fined or required to repay inaccurate GI Bill payments. While the VA has implemented steps to decrease and eliminate these delayed payments going forward, IAVA and partner VSOs remain concerned by the VA's late response time and lack of overall communication on this issue. If the VA was able to effectively communicate these potential issues to students, School Certifying Officials (SCO), school leadership, and stakeholders then all parties would be able to make informed decisions on how to best deal with a potential financial hardship in order to give a student veteran the best chance of success during the Fall semester.

We are also deeply concerned about these payment issues compiling into similar or greater issues in the Spring semester. It is on that end that IAVA recommends two points of action: first that the VA immediately pay backlogged GI Bill benefit payments and secondly that the VA increases overall communication on similar issues going forward.

Moving forward, the first priority needs to be ensuring that all backlog cases of nonpayment are processed. There are currently 82,000 student veterans that are

³ iava.org/survey

⁴ <https://veterans.house.gov/news/documentsingle.aspx?DocumentID=2227>

⁵ <https://www.nbcnews.com/news/us-news/veterans-haven-t-receive-gi-bill-benefits-months-due-ongoing-n934696>

⁶ <http://studentveterans.org/images/pdf/will/Forever-GI-Bill-Delays—VSO-Letter-.pdf>

⁷ <https://www.benefits.va.gov/gibill/>

being adversely affected through inaccurate or delayed payments.⁸ This is simply unacceptable and must be fixed immediately. IAVA also hopes to see the VA stand by their word of not punishing students for overpayments that have occurred to no fault of the student.

It is imperative that the VA communicates any potential issue to the correct people in advance of the problem in order to decrease the overall negative impact. By working not only with SCOs but other key school administrators, schools would have been better prepared to help students facing financial hardships or delayed tuition payments. Schools were unable to respond to delayed payments in a timely manner due to a lack of overall communication from the VA; expanding communication to key stakeholders at schools around this issue will aid in supporting student veterans that are impacted by these technical issues.

Looking forward to the Spring 2019 semester and beyond, the VA needs to begin planning and communicating their Spring 2019 plan now. As schools begin their enrollment of students they need to be assured that the VA will be able to pay their GI Bill benefits in full. Additionally, students need to be assured that they can rely on a proper MHA stipend from the VA in order to attend school. This is a benefit that has been earned with the student veterans' service and should not be in doubt.

More broadly, IAVA calls on the VA to update their lagging IT infrastructure. This is an unfortunate recurring problem across all of VA that hampers more than just educational benefits. However, for this to happen Congress must provide appropriate funding and the VA Secretary must continue to make modernization efforts a priority VA-wide. Finally, there must be steady leadership at the helm to ensure these technological changes are done in the proper way. Thus, the Senate must confirm an Assistant Secretary for Information and Technology, a position that has been left vacant that could offer leadership on these issues.⁹

Again, I thank the Chairman and Members of the Committee for inviting me to express IAVA's views on this critical issue and we look forward to working with you.

National Association Of Veterans' Program Administrators (NAVPA)

SUBMITTED BY:

PRESIDENT KEITH A. GLINDEMANN

STATEMENT OF PURPOSE

The National Association of Veterans' Program Administrators (NAVPA) is an organization of institutions and individuals who are involved or interested in the operation of veterans' affairs programs and/or the delivery of services to veterans as Veterans' Education Program Administrators across the country. A Board of Directors elected at our annual conference governs NAVPA. The purpose of NAVPA is to promote professional competency and efficiency through an association of members and others allied with, and involved in, veterans' educational programs and to promote the development, improvement and extension of opportunities to any service member, veteran or dependent of a veteran, for his or her personal growth and development to its fullest potential. This is achieved through assisting with the assessment and attainment of individual needs, communicating and cooperating with communities, schools, agencies and organizations at the local, state, regional and federal levels; developing productive relations with the Department of Veterans Affairs, Department of Education, Department of Defense, and other federal or national Veterans Service Organization or agency serving veterans; participating in efforts to facilitate the education and/or training of educationally or otherwise disadvantaged veterans and to promote cooperative studies, research, evaluation, workshops, seminars, conferences, and other activities as may be desired or required to fulfill the purpose of NAVPA.

MEMBERSHIP

NAVPA has served as the voice of advocacy for veterans in higher education since its founding in 1975. Our research, training, and policy initiatives have developed programs and support services to ensure veterans achieve their academic and professional goals. NAVPA's membership now includes 356 Institutions of Higher

⁸ <https://www.nbcnews.com/news/us-news/veterans-haven-t-receive-gi-bill-benefits-months-due-ongoing-n934696>

⁹ <https://www.veterans.senate.gov/hearings/pending-nominations-oawp-cio-09052018>

Learning across 46 states to include Washington DC that represents over 431,000 veterans.

For The Hearing Record

Honorable Chairman Arrington and Committee members, The National Association of Veteran Program Administrators (NAVPA) wish to have the following written remarks entered into the record for the hearing entitled "A Continued Review of GI Bill Payment Delays."

NAVPA members work on college and university campuses across the country and most serve primarily as School Certifying Officials (SCO's) who are responsible for certifying VA education benefits to the regional processing centers in Buffalo, NY, Muskogee, OK and St. Louis, MO.

During the fall 2018 semester, our members in each of these regions have experienced significant delays in the processing of GI Bill benefits. VA Central Office has communicated to schools that a series of information technology (IT) glitches created the delays, but have not provided specific guidelines as to when the delays will be resolved.

NAVPA members have reported specific cases during the current fall semester of student veterans being referred to creditors and collection agencies because they were unable to cover housing, utility, transportation, and subsistence expenses. We have also been notified by our membership that student veterans were having to withdraw from the fall semester to return to the workforce to maintain housing and other living expenses.

Our institutions and SCO's have worked individually with student veterans to assist them in securing grace periods for rent and utility payments. It is a precarious position for school officials to advocate with private creditors on behalf of student veterans, due to "IT glitches" at the VA.

While advocating for our student veterans awaiting payment of their benefits with creditors is precarious for our membership, it is not our greatest concern. NAVPA's greatest concern is the impact from these delayed payments from the VA on our students. These delayed payments are creating undue stress to student veterans and will thus have a negative influence on their academic success.

There are many unanticipated challenges for student veterans. Transition from active duty to the civilian sector can be precarious to include: new academic routines, which are less structured and more rigorous, can be overwhelming; financial concerns, such as how to pay for college or live independently outside of the military, can negatively impact the student experience; and preparing for increased decision-making responsibilities can be stressful. While a number of factors contribute to student veteran stress; our experience is that the most prominent of these stressors are related to their finances and the timely and accurate delivery of their GI Bill benefit.

Student veterans, who participated in campus surveys across the country, have reported that financial stress related to the GI Bill has had a negative impact on academic performance or progress. This stress is forcing student veterans to juggle working fulltime while attending school. Higher education studies have shown that students working more than 20 hours a week during the academic year has a negative impact on academic progress. Students who work longer hours, leave less time for academic work, leading to decreased academic performance.

Our membership has also reported that the delays in payment this fall has led student veterans to seek less than ideal financial loans to bridge the gap. We have students that have sought out loans from predatory lenders including "payday" outlets. Our concern is that the financial crisis that some of our students have experienced this fall semester, will again impede their ability to succeed in higher education.

Staying in school and graduating is an important goal for student veterans and their families. It is NAVPA's belief that greater financial burdens due to delayed payments, will lead students to reduce coursework or drop out of school in favor of lower waged employment.

Our membership firmly believes that the current generation of student veterans studying on our campuses have the ability and capacity to change the course of history in our country. We believe that the timely delivery of GI Bill benefits is paramount to our students realizing their academic potential and their success.

The NAVPA Board of Directors and our membership respectfully request that the Committee continue to provide oversight, transparency, and accountability where deemed necessary to prevent future delays of GI Bill benefits to our nation's greatest heroes.



Student Veterans Of America (SVA)

Chairman Arrington, Ranking Member O'Rourke and Members of the Committee:

Thank you for inviting Student Veterans of America (SVA) to submit our testimony on the delayed and inaccurate GI Bill payment delays experienced this semester.

With more than 1,500 chapters representing nearly one million student veterans and military-connected students using VA benefits in schools across the country, we are pleased to share the perspective and recommendations for the path forward for those directly impacted by such delays.

Established in 2008, SVA has grown to become the largest student-centric, chapter-based organization in higher education and the third largest veteran service organization, a force and voice for the interests of veterans in higher education. With a myriad of programs supporting their success, rigorous research on student veteran outcomes, and ways to improve the higher education landscape, and advocacy throughout the nation. We place the student veteran at the top of our organizational pyramid. As the future leaders of this country, and some of the most successful students in higher education, fostering the success of veterans in school is paramount to their preparation for productive and impactful lives.¹

Edward Everett, our nation's 20th Secretary of State, and the former President of Harvard University was famously quoted as stating, "Education is a better safeguard of liberty than a standing army." While we have the finest military the world has ever known, the sentiment remains; the importance of education to our country's national security continues to be critical. Ensuring the success of student veterans on campus must first start with ensuring they have reliable and timely access to their earned education benefits. As we have seen, that is a challenge for some this past semester and we appreciate your continued attention to the issue.

Background

The Harry W. Colmery Educational Assistance Act, more commonly known as the Forever GI Bill, was signed into law in August of 2017 and created the largest expansion of education benefits for veterans in nearly a decade.² Since passage, the Department of Veterans Affairs (VA) has successfully implemented the majority of the Forever GI Bill's provisions. Unfortunately, those successes are being overshadowed by recent IT failings on two of the provisions, which created a larger than normal backlog of claims this semester and has left some students facing financial hardships as they wait for payments.

The Forever GI Bill included provisions aimed at addressing inequities in the Monthly Housing Allowance (MHA) students receive. These changes require significant modifications to existing Education Service IT systems, but nearly three and a half months past the implementation date of August 1, 2018, and as of the writing of this testimony, those changes have yet to be implemented.³

In response to a March 2018 focus group outlining VA's plan to use zip codes to calculate campus-based MHA rates as required by section 107 of the law, SVA raised concerns in an April letter with the planned strategy and the potential roadblocks we saw with VA's plans. Our concerns centered around the use of zip codes to define campus location instead of existing Department of Education coding mechanisms and the unintended consequences that could create.⁴

As late as a July 2018 hearing before this Committee, there was a reassurance by VA that the IT updates needed to implement the MHA changes would be ready soon, and therefore School Certifying Officials were initially directed to wait to submit certification until the IT updates were implemented. However, by early August it became clear VA would not only miss the Forever GI Bill implementation deadlines because of continued IT challenges, but routine updates to MHA calculations - such as cost-of-living adjustments - would also not be calculated for Fall semester payments leading to inaccurate or significantly delayed payments. Only after SVA alongside other VSOs made clear the urgency of proceeding with certification and

¹Shane, Leo. Military Times. Report: Young vets are more successful than their civilian peers. July 29, 2017. <https://www.militarytimes.com/veterans/2017/07/29/report-young-vets-are-more-successful-than-their-civilian-peers/>

²Harry W. Colmery Veterans Education Assistance Act of 2017 §108. Pub. L 115-48. (2017). <https://www.congress.gov/bill/115th-congress/house-bill/3218>?

³Student Veterans of America. VSO Response to Forever GI Bill IT Delays. <https://studentveterans.org/images/pdf/will/Forever-GI-Bill-Delays-VSO-Letter.pdf>

⁴Student Veterans of America. SVA Response to VA's Campus Definition. <https://studentveterans.org/images/pdf/will/SVA-Response-to-VAs-Campus-Definition.pdf>

communicating the direction to proceed did VA make those communications, as detailed below.

Beginning in September, SVA began to hear from student veterans that MHA payments were missing or inaccurate. On September 14, SVA along with fourteen other Veteran Service Organizations (VSOs) wrote VA to express our disappointment and concern over the continued IT failures and the lack of transparent communication on the issue to students and stakeholders.⁵ By mid-October, VA sent letters and emails to all GI Bill users, issued several statements online, and took internal steps to address the backlog.⁶ Throughout this process and per VA's guidance SVA has and will continue to encourage all student veterans with questions about their claim, or in need of immediate financial assistance, to contact VA directly, particularly where hardship will be incurred as a result of delays. Importantly, these hardships may include student veterans missing payments on bills which are due, utility disconnections, and even evictions (and possibly homelessness), which may all have long-term impacts to the student veterans' credit reports, and therefore ability to finance education beyond the GI Bill or even impact their career opportunities. Further, these hardships may impact family financial stability, and could even impact student veterans' overall well-being and mental health as a result of experiencing severe financial stress, which could in turn impact other VA departments by creating additional demand for programs and services.

Additionally, delay in providing direction to submit certifications reduced the ability of School Certifying Officials (SCOs) to meet their own workloads, in particular at colleges and universities that were understaffed from recommended levels of SCO-to-student veteran ratios. VA cannot process timely certifications that are not received timely, but SCOs could not submit the volume of certifications that were delayed until guidance to submit was received, compounding the challenge faced by student veterans in delay receiving their MHA. Further, while colleges and universities have largely allowed student veterans to continue in classes even absent payment of tuition, it is not clear that they allowed or will allow timely enrollment and registration for spring semester classes.

We acknowledge VA recently implemented several policies to adjudicate its oldest claims and increased the total number of claims processing staff to address the backlog in recent weeks, but we remain concerned about the delayed reaction to the situation, limited transparency and communication to stakeholders at the onset of the issue, and continued IT infrastructure and leadership concerns that could potentially lead to similar issues in future semesters or updates to the Post-9/11 GI Bill. To that end, as the two leading organizations specifically dedicated to empowering student veterans SVA and Veterans Education Success, along with similar support from other VSOs as outlined in their own testimonies, propose the recommendations below to prevent similar situations from happening in the future.

Communication Recommendations

SVA's chief concern, and recommendation moving forward, is to provide more consistent and transparent communication to students, school leadership, school staff, and stakeholders working alongside students during dynamic situations such as these delays. It is important VA acknowledge potential issues and proactively communicate those issues and ways to address them in a timely manner so that students, schools, and other stakeholders can make informed decisions about their education and finances.

Communicate to the right audiences. VA initially communicated the proposed zip code changes and subsequent IT challenges to School Certifying Officials (SCOs), but key people at the institutional level were left out of the communication channels, namely school leadership. The SCOs on campus are the front-line of interaction between student veterans, schools, and VA, but many schools need leadership to be aware of such sweeping IT changes since they may require updates to school-specific systems as well. Having information on the IT changes and IT challenges sent directly to all university presidents and provosts would have helped facilitate faster and more robust responses from schools themselves. Schools staff SCO duties based on normal and expected processing times, availability to process claim at a certain volume and in certain date ranges, and changes to their workload may require school leadership to intervene, including by providing necessary staff and/or overtime resources. Additionally, some schools have the ability to assist students facing financial hardships and ensure leniency is provided on delayed tuition pay-

⁵Student Veterans of America. VSO Response to Forever GI Bill IT Delays. <https://studentveterans.org/images/pdf/will/Forever-GI-Bill-Delays-VSO-Letter.pdf>

⁶U.S. Department of Veterans Affairs, Veterans Benefits Administration. Education and Training. <https://www.benefits.va.gov/gibill/>

ments, but if leadership is not made aware of potential challenges they cannot effectively provide assistance, nor plan effectively for increased volume of need.

For students, the first post on the VA's Education and Training website about longer than normal wait times is dated October 10; and while the post provides information on how a student can make VA aware of a financial hardship it is posted nearly six-weeks after the start of the average Fall semester, potentially impacting housing payments (rent or mortgages) for two months, as well as other household expenses they depend on MHA to pay.⁷ Not communicating directly with students about the reality of why their claim is taking longer than normal can make it difficult for students and families to make informed financial decisions or to seek emergency aid.

Communicate timely and proactively. The IT challenges VA is experiencing were known as early as late July 2018, but again, the first notice of the issue was not cited on the Education and Training website until October 10 2018, marking a significant amount of time between knowing there was an issue and sharing widely the issue existed.⁸ Many of the same challenges presented by not communicating with all the right audiences holds true for challenges with not proactively and timely communicating those issues. Schools do not know if students may need additional financial assistance or may not understand why tuition payments are delayed; students may not be able to properly prepare their personal finances to fully provide for themselves until MHA payments are sent. Given the demographics of the student veteran population, many of whom have dependents, MHA payments are heavily relied upon for daily living expenses and great care and respect should be given to communicating any issue with payments well in advance of the issue or as soon as an issue is known.⁹ These are earned benefits being used to empower veterans and their families through higher education, we must do better to inform all involved when those benefits may not be distributed as expected.

Communicating with transparency. The potential for delayed payments because of a backlog was not communicated with much transparency early in the semester, even though the issue should have been obvious given the surge of claims in early August 2018. Further, it was first communicated that students would see inaccurate payments, but that all students would be paid and there was no concern raised about significantly delayed MHA payments. That sentiment was even reassured to the Senate Committee on Veterans Affairs (SVAC) by the VA Secretary in September 2018.¹⁰ However, we now know that is not the case.

Again, students should be made aware of potential delays or shortcomings in their MHA payments before they make financial decisions, not several weeks or months after starting a new semester. By not being wholly forthcoming about the potential for delays and inaccurate payments, students have the potential to face unnecessary financial hardships and barriers to success on campus. Additionally, and to reiterate the communication recommendations already stated, if school leadership and student veterans are not made fully aware of payment issues they cannot coordinate a meaningful response or plan-of-action on their own campuses.

Owning mistakes and missed opportunities is difficult, and VA has done more in recent weeks to share what is happening and what students can do to address hardships, but when we remember these payments are how people pay for food, rent, and general living expenses we must do a better job of communicating the issues with full transparency as soon as they are known.¹¹

Next Steps Recommendations

Immediately Process Any Remaining Cases of Nonpayment. While VA has made efforts to reduce the GI Bill claims backlog in recent weeks, any outstanding claims or instances of nonpayment must be processed and paid as soon as possible and prioritized above all other work. This recommendation goes without saying, but it is still important to note.

Begin Processing and Communicating the Plan for Spring 2019 Semester. What we have seen unfold over the last five months cannot be repeated again, and especially during the upcoming Spring semester. VA must begin widely communicating

⁷U.S. Department of Veterans Affairs, Veterans Benefits Administration. Education and Training. <https://www.benefits.va.gov/gibill/>

⁸Id.

⁹Student Veterans of America. "Results from the 2016 SVA Census Survey: Student Veteran General Breakdowns". December 7, 2016. <https://studentveterans.org/images/pdf/2016-SVA-Census-Survey-Student-Veteran-General-Breakdowns-120716.pdf>.

¹⁰Wilkie, Robert. Testimony for Hearing on the Topic of "The State of the VA: A 60 Day Report." September 26, 2018, Senate Committee on Veterans' Affairs, <https://www.veterans.senate.gov/hearings/the-state-of-the-va-a-60-day-report>.

¹¹Id.

the plan for submitting and processing claims for the Spring 2019 semester to schools and students. Submitting these claims should not be held up, again, for an IT system that is not projected to function properly with sufficient time to train SCOs, notify school leadership, and timely submit claims to prevent a second backlog. We are quickly approaching the normal time schools begin processing Spring semester enrollments, we cannot repeat the missteps of last summer. The time to act on making decisions for the Spring 2019 semester is now, we need strong and communicative leadership more than ever on this specific issue.

Maintain Mandatory Overtime. Since there are ongoing IT challenges and a series of processing requirements on the horizon, additional man-hours will still be needed to try and prevent a significant backlog during the Spring 2019 semester. This will be especially important as VA considers how to process both Spring 2019 semester claims and how to rectify improper Fall 2018 semester payments.

Make Fall 2018 Semester Payments Whole and Accurate. Since general updates to MHA rates and the sections pertaining to MHA in the Forever GI Bill were not implemented by the August 1, 2018 deadline, most students received inaccurate MHA payments for the Fall semester. VA has previously stated making these payments whole while not penalizing overpayments will occur. That must remain true, communicated routinely to schools and students, and be completed in a judicious manner once the IT system allows for an accurate understanding of who is impacted and what specific dollar amounts are needed to make students' payments whole.

Address Lagging IT Infrastructure. Antiquated VA IT systems causing modern-day challenges is nothing new. From health care to disability compensation claims processing and now upgrades to Education Service's IT systems, the consistent dependency on outdated programming creates a ripple effect of consequences at the expense of veterans' timely and dependable access to earned benefits. As we approach the end of the second decade in the twenty-first century, the time is long past due to address this systemic issue. In short, it seems we have run out of IT Band-Aids; VA Education Service platforms are in desperate need for a system that can adapt and change with the modern landscape.

To see such sweeping changes a minimum of two things must happen: One, we need Congress to provide sufficient appropriations, especially for provisions like the IT funds in the Forever GI Bill that have been authorized, and two, we need the VA Secretary to take a continued interest in this issue and make it a stated priority when discussing modernization efforts. Specifically, for Congress, there is a need to go beyond oversight on this issue and tackle the looming and difficult task of discussing the true modernization of IT functions for VA Education Service. For the VA Secretary, we ask he add "and GI Bill" when discussing his modernization priorities.¹² It seems like a simple request, but when it is left out of the conversation and the only things routinely heard revolve around modernization of IT systems for health care delivery and disability claims, it can easily become out of sight, out of mind. We know this is an important modernization effort for the VA Secretary and by publicly adding "and GI Bill" to his list of modernization priorities it will ensure the message is heard and carried out at all levels of VA and the community supporting VA. We know this Committee and the VA Secretary can take on these challenges; we look forward to working together to find a resolution to this perennial problem.

Feasibility on Batch Payments. The Department of Education processes payments to schools prior to the start of the semester based on historical enrollment data from previous years. It is an effective process that allows schools and ED to operate without jeopardizing the financial situation of schools or students. We suggest studying the feasibility of incorporating lessons learned from the Department of Education and its use of batch payments as a potential way of alleviating some of the front-end work VA must do to certify both MHA payments and tuition payments. We acknowledge there are foundational differences between how the Department of Education and VA function, but greater cross-agency communication and collaboration can still provide valuable insight.

In the meantime, we want to thank the House of Representatives for passing the SIT-REP Act, which would require schools to adopt policies that do not penalize students for VA's delayed tuition payments.¹³ While the burden of delayed payments should not fall on the schools either and should be addressed at the VA level

¹² Wilkie, Robert. Testimony for Hearing on the Topic of "The State of the VA: A 60 Day Report." September 26, 2018, Senate Committee on Veterans' Affairs, <https://www.veterans.senate.gov/hearings/the-state-of-the-va-a-60-day-report>.

¹³ Servicemembers Improved Transition through Reforms for Ensuring Progress Act, H.R. 4830, 115th Congress. (2018) <https://www.congress.gov/bill/115th-congress/house-bill/4830?q=%7B%22search%22%3A%5B%22SIT-REP%22%5D%7D&r=1>.

directly, this bill will at least ensure students are not left feeling the consequences of bureaucratic red tape. We urge the Senate to pass this bill before adjourning in December.

Provide Students Accurate Benefits Information. Equipping students with access to near real-time information on the status of their claim and any potential roadblocks to timely processing of their claim would help alleviate much of the confusion experienced over the last few months. Additionally, creating a simple monthly statement of benefits breaking down the various types of payments sent to schools and students, similar to a paystub, would help students understand their education benefits holistically.

Appropriate Staffing and Leadership Continuity. In addition to the infrastructure challenges caused by an aged VA IT system, we also have concern over the leadership team at VA's Information and Technology office being in flux for some time now. VA is committed to taking on an aggressive IT overhaul of many business lines in the next few years, we strongly believe the Education Service systems should be included in that overhaul, but there must be someone at the helm capable of leading that change, committed to seeing it through, and provided sufficient resources to do so. Congress arguably plays the most important part in enabling or inhibiting the necessary changes on this issue. To start, the Senate has yet to confirm a nominee for the Assistant Secretary for Information and Technology and should do so before the end of this Congress.¹⁴

The success of veterans in higher education is no mistake or coincidence. Research consistently demonstrates this unique population of non-traditional students is far outpacing their peers in many measures of academic performance.¹⁵ Further, this success in higher education begets success in careers, in communities, and promotes family financial stability, holistic well-being, and provides the all-volunteer force with powerful tools for recruitment and retention. At our 10th annual national conference in 2018, the President and CEO of SVA, Jared Lyon, shared the story behind the quote on our anniversary challenge coin, "Some attribute the following text to Thucydides and others note that it's a paraphrase of a book written by Sir William Francis Butler from the late 1800's. The reality, either way, rings as true today as it ever has, and the phrase goes like this, 'The nation that makes a great distinction between its scholars and its warriors will have its thinking done by cowards and its fighting done by fools.'" ¹⁶

Supporting that success is paramount, and it starts with providing necessary resources and abilities at VA to successfully manage education benefits. If we do not have sufficient attention to and prioritization of education benefits by VA we will continue to see issues like these arise.

We thank the Chairman, Ranking Member, and the Committee members for your time, attention, and devotion to the cause of veterans in higher education. As always, we welcome your feedback and questions, and we look forward to continuing to work with this Committee, the House Veterans' Affairs Committee, and the entire Congress to ensure the success of all generations of veterans through education.

APPENDIX A

April 24, 2018

Secretary Robert Wilkie
U.S. Department of Veterans Affairs
810 Vermont Avenue
Washington, DC

Dear Mr. Secretary,

We are writing you with concerns about VA's proposed implementation of § 107 of PL 115-48-the Forever GI Bill, officially known as the Harry W. Colmery Veterans Educational Assistance Act. As a leader of the coalition of veteran service organizations that helped secure the passage of the law, we have a vested interest in its effective implementation.

¹⁴Gfrerer, James. Testimony for Hearing on the Topic of "Pending Nominations (OAWP, CIO)." September 5, 2018. Senate Committee on Veterans' Affairs, <https://www.veterans.senate.gov/hearings/pending-nominations-oawp-cio-09052018>.

¹⁵Cate, C.A., Lyon, J.S., Schmeling, J., & Bogue, B.Y. (2017). National Veteran Education Success Tracker: A Report on the Academic Success of Student Veterans Using the Post-9/11 GI Bill. Student Veterans of America, Washington, D.C., <http://invest.studentveterans.org/wp-content/uploads/2017/03/NVEST-Report-FINAL.pdf>.

¹⁶Jared Lyon, Defining Our Future: Today's Scholars, Tomorrow's Leaders, Jan. 5, 2018, <https://www.linkedin.com/pulse/defining-our-future-todays-scholars-tomorrows-leaders-jared-lyon>

Specifically, Section 107 of the Forever GI Bill requires VA to base the monthly housing stipend rate for the Post-9/11 GI Bill on the location of “the campus of the institution of higher learning where the individual “physically participates in a majority of classes” versus where the “institution of higher learning” itself was located. In cases where schools have online or satellite programs, this change makes a big difference, and is scheduled to become effective on August 1st, 2018.

Unfortunately, VA is poised to adopt an overly broad definition of the word “campus” that will have the following troublesome affects:

- Places a heavy administrative burden on schools and lacks adequate compliance controls,
- Exceeds the scope of PL 115–48 and;
- Makes VA’s rules incongruent with similar provisions in the Higher Education Act.

Our recommendation is that VA align the interpretation of the word “campus” in §107 of PL 115–48 with an already well-established definition that the majority of higher education is familiar with, the Department of Education’s definition of “campus” in 34 C.F.R. §600.2 and “additional location” in 34 C.F.R. §600.10(b)(3) (See Appendix A). Specifically, VA should only recognize Title IV approved campuses that have been assigned an 8-digit Department of Education (ED) Office of Postsecondary Education Identification (OPE ID) code.¹⁷ ED uses this code to identify schools that have Program Participation Agreements (PPA) so that its students are eligible to participate in Federal Student Financial Assistance programs under Title IV regulations.

This alignment will significantly simplify VA’s implementation of PL 115–48, make it easier for schools to comply with the new requirements and dramatically reduce the potential for fraud and abuse. All of these outcomes matter a great deal to the end users of the GI Bill: veterans and their families. Below we outline these concerns in greater detail, and hope to see this alignment come into effect before student veterans are paying the price of a botched implementation of the Forever GI Bill.

Since most schools do not centrally record the location of a student’s internship or practicum this new definition would require a heavy lift for schools to implement. Specifically, VA will require schools “to provide formal documentation to the Compliance Survey Specialist to verify specifically where a course, internship, externship, or practicum is taking place.”

Heavy Burdens

In a recent briefing to veterans groups and schools, VA’s Education Service (EDU) stated that their interpretation §107 of the word “campus” includes all of the following:

- “The individual campus of a school where the student is taking classes (i.e. the school’s science center, humanities building, or athletic center)
- The physical location where a student is learning in a study abroad program
- Any internship, externship, practicum or student teaching site”

While we agree with the first two definitions of campus, we are concerned that the third definition, “Any internship, externship, practicum or student teaching site” will place a heavy administrative burden on schools and lacks any adequate compliance controls. Schools will need to develop new reporting regimes to get that type of information from the students, employers and/or department heads placing a heavy administrative burden on already overwhelmed school certifying officials (SCOs).

Unfortunately, it will be nearly impossible for VA or State Approving Agencies to verify the addresses and/or locations being used to determine the monthly education benefits. For example, in some cities a switch in zip codes can mean the difference of hundreds of dollars a month per veteran. VA will not know if a student is taking an internship at an employer’s corporate headquarters with a higher BAH rate or a smaller branch location with lower BAH rate. The inability for VA to validate these addresses will likely lead to some bad actors (schools, employers and/or veterans) that abuse this new payment regime.

House Report 115–247, states that “The Committee’s intent is to give VA a methodology that is administratively workable and cannot be taken advantage of by schools. If VA finds that the new methodology is not workable or is still being taken

¹⁷The first 6-digits of the OPE ID number relate to the education institution, and are followed by a 2-digit suffix used to identify branches, additional locations, and other entities that are part of the eligible educational institution.

advantage of, then it is the Committee's expectation that VA will alert the Committee" (See Appendix B). We believe that VA's proposed definition of "campus" can be easily take advantage by schools and therefore VA should adopt a methodology that allows for true compliance controls.

Exceeds Scope of PL 115-48

Previously, the housing allowance under the Post-9/11 GI Bill was based on "the monthly amount of the basic allowance for housing. for a member 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 is located the institution of higher learning at which the individual is enrolled."

PL 115-48 replaces "the institution of higher learning at which the individual is enrolled" with "the campus of the institution of higher learning where the individual physically participates in a majority of classes." The new language creates a two-part test for determining how much a living allowance should be (1) the campus of the institution of higher learning and (2) where the individual physically participates in a majority of classes. The problem with VA's proposal to include "internship, externship, practicum or student teaching site" in the definition of campus is twofold: (1) internships do not usually occur on a "campus" and (2) internships do not usually involve formal academic "classes."

VA's proposed definition of "campus" exceeds the scope of PL 115-48, because benefits will not be determined based on the location of a campus or classes, both of which are requirements in the new law. VA EDU originally proposed a definition of campus that was more circumspect and aligned with their interagency partners. However, after meetings with the staff of various veterans affairs Committees, they were strongly encouraged to greatly expand that definition even beyond the text of the public law itself. VA should return to the text of the PL 115-48 for guidance on how "campus" should be defined.

Incongruent with the Higher Education Act

The Higher Education Act (HEA) and the Department of Education (ED) have a long history of defining the criteria for a "campus" and/or an "additional location". According to ED a "campus" is: "A location of an institution that is geographically apart and independent of the main campus of the institution.

The Secretary considers a location of an institution to be independent of the main campus if the location (1) Is permanent in nature; (2) Offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; (3) Has its own faculty and administrative or supervisory organization; and (4) Has its own budgetary and hiring authority."

According to ED an "additional location" is: "any location that an institution establishes after it receives its eligibility designation if the institution provides at least 50 percent of an educational program at that location, unless (1) The Secretary approves that location under § 600.20(e)(4); or (2) The location is licensed and accredited, the institution does not have to apply to the Secretary for approval of that location under § 600.20(c), and the institution has reported to the Secretary that location under § 600.21.

The Department of Education assigns an eight-digit OPE ID to every campus and additional location, which is used to determine eligibility for Title IV purpose. For example, while VA has over 70 facility codes for the University of Phoenix (UoP). The Department of Education has over 700 eight-digit OPE ID codes for UoP. These codes are also validated by accreditors. VA should leverage the department of Education codes because they will significantly simplify VA's implementation of PL 115-48, make it easier for schools to comply with the new requirements and dramatically reduce the potential for fraud and abuse.

We greatly appreciate the work of your office and that of your colleagues on this important proposal to develop grants that support student veteran centers. Please feel free to contact me directly if you should have any additional questions on this matter.

Sincerely,

Jared Lyon
President & CEO

APPENDIX B

September 14, 2018

Secretary Robert Wilkie
US Department of Veterans Affairs

810 Vermont Ave, NW Washington, DC 20420

Dear Secretary Wilkie:

The undersigned military and veterans service organizations, representing millions of veterans, service members, their families, and survivors, write to express our disappointment over ongoing information technology (IT) issues impacting GI Bill students' Monthly Housing Allowances (MHA). Given the significant impact monthly housing allowances have on the lives of over one million veterans and families, we urge swift attention and oversight from your office into the issues surrounding the Office of Information and Technology (OI&T).

The Harry W. Colmery Act, better known as the Forever GI Bill, included several provisions aimed at addressing inequities in the MHA students receive. These changes require significant modifications to the existing education IT systems, but nearly six weeks after the August 1 implementation date, and nearly a month into the Fall 2018 semester, the IT systems are still failing. VA should immediately address the following:

Correct and prompt payments. The failure of VA's OI&T to institute a timely software update to VA's Long Term Solution (LTS) claims processing system are negatively affecting the accuracy of payments sent to students and schools. These incorrect payments are asking veterans, their families, and schools to bear the burden of VA's problems. The consequences of this burden on students and higher education institutions lead to heavy financial burdens. Institutions of higher learning rely on timely and accurate payments from VA to cover the cost of tuition for students. Furthermore, students rely on MHA to pay for their living expenses such as rent, utilities, and food.

Greater Communication. Transparent communication from VA on these issues have been woefully lacking. It took several weeks into the current semester before any communication was sent to students and schools have received little information beyond "wait and see." Transparency on what to expect and when to expect it, from all levels of leadership at VA, is critical to helping students and schools make informed decisions.

Reassurance on payment issues. VA has stated they will not collect overpayments and will rectify underpayments in cases due only to these IT delays. VA should strongly stress to students and schools that they will not bear any undue financial burden for VA OI&T's delays and should apply a liberal standard to the reason behind incorrect payments.

Upcoming changes. Given VA has struggled to reach its goals of implementing section 107 of the Forever GI Bill in addition to the regular, annual updates to MHA by August 1, we are concerned about VA's ability to implement additional sections requiring IT upgrades. VA has the opportunity to get ahead of the next round of updates and we urge strong leadership and oversight over the implementation of this provision.

We appreciate the dedication and attention given by VA toward implementing the majority of Forever GI Bill's 34 provisions on time. The Veterans Benefits Administration office of Education Service has been consistently proactive in communicating to stakeholders on issues related to the timely and effective implementation of these provisions. However, the inability by VA OI&T to adequately and timely meet the requirements of the law to support VBA's requirements - especially one that affects a veterans' wellbeing during school - is an organizational and customer service failure at the highest level. They have left students and schools confused, with improper payments, and absent a clearly articulated timeline for when these issues will be fixed. We also acknowledge it is imperative VA receive the necessary resources to have an effective IT system that supports all of its constituents; we encourage Congress to work quickly to meet those needs.

Students, schools, and taxpayers need assurances and answers to how this will be resolved and prevented in the future. We look forward to continuing working together with VA to resolve these issues.

Sincerely,

Joseph Chenelly
Executive Director
AMVETS National Headquarters

Frank Yoakum
Sergeant Major, U.S. Army (Retired) Executive Director
EANGUS

Kristofer Goldsmith
President

High Ground Veterans Advocacy
 Paul Rieckhoff
 Founder & CEO
 Iraq & Afghanistan Veterans of America

Adam Behrendt
 President
 Ivy League Veterans Council
 Barry Schneider National Commander
 Jewish War Veterans

Douglas Greenlaw
 National Commander
 Military Order of the Purple Heart

Carl Blake
 Executive Director
 Paralyzed Veterans of America

Jared Lyon
 President and CEO
 Student Veterans of America

Larry Madison
 Legislative Director
 The Enlisted Reserve Association

Laura L'Esperance
 Senior Vice President, External Affairs
 The Mission Continues

Bonnie Carroll
 President and Founder
 Tragedy Assistance Program for Survivors

Carrie Wofford
 President
 Veterans Education Success

Robert Wallace
 Executive Director
 Veterans of Foreign Wars

Rick Weidman
 Executive Director
 Vietnam Veterans of America

Tragedy Assistance Program For Survivors (TAPS)

The Tragedy Assistance Program for Survivors (TAPS) is the national nonprofit organization providing compassionate care for the families of America's fallen military heroes. TAPS provides peer-based emotional support, grief and trauma resources, grief seminars and retreats for adults; Good Grief Camps for children; and casework assistance, connections to community-based care, online and in-person support groups, and a 24/7 resource and information helpline for all who have been affected by a death in the Armed Forces. Services are provided free of charge.

TAPS was founded in 1994 by Bonnie Carroll following the death of her husband in a military plane crash in Alaska in 1992. Since then, TAPS has offered comfort and care to more than 80,000 bereaved surviving family members. For more information, please visit TAPS.org.

TAPS receives no government grants or funding.

Chairman Arrington, Ranking Member O'Rourke, and distinguished members of the House Veterans Affairs Committee, the Tragedy Assistance Program for Survivors (TAPS) thanks you for the opportunity to make you aware of issues and concerns of importance to the families we serve, the families of the fallen.

While the mission of TAPS is to offer comfort and support for surviving families, we are also committed to improving support provided by the Federal government through the Department of Defense (DoD), the Department of Veterans Affairs (VA), Department of Education (DoED), Department of Labor, state governments, government contractors, and local communities for the families of the fallen - those who

fall in combat, those who fall from invisible wounds and those who die from accidents, illness or disease.

TAPS was honored to enter into a new and expanded Memorandum of Agreement with the Department of Veterans Affairs in 2017. This agreement formalizes what has been a long-standing, informal working relationship between TAPS and the VA. The services provided by TAPS and VA are complementary, and in this public-private partnership each will continue to provide extraordinary services through closer collaboration.

Under this agreement, TAPS continues to work with surviving families to identify resources available to them both within the VA and through private sources. TAPS will also collaborate with the VA in the areas of education, burial, benefits and entitlements, grief counseling and other areas of interest.

FOREVER GI BILL

TAPS is grateful to have been involved in the passage of the historic Forever GI Bill in 2017. Several of the key components were legislative priorities of TAPS for many years, including access to the Yellow Ribbon Program for survivors and an increase in Dependents Education Assistance. TAPS is very concerned though that the implementation has been poorly executed. Some of the concerns brought to us include excessive wait times for payments, long waits for the call center, payments that were incorrect, and inconsistent responses from VA on what the problems have been and timelines. We are also very concerned that this backlog, which has already impacted the Fall Semester for many students, will now carry over into the Spring Semester.

GI BILL COMPARISON TOOL

Throughout the implementation process, there have been several issues with the GI Bill Comparison Tool that should not have been impacted. On September 5, 2018, all of the Basic Allowance of Housing (BAH) rates from the tool were removed. VA representatives stated they have no knowledge of why this happened and could not give an accurate guess as to how long those numbers were missing. TAPS only noticed it because a surviving spouse brought it to our attention. Within hours of TAPS informing HVAC of this issue, the BAH rates were restored but still reflecting 2017/ 2018 not 2018/2019 rates.

On October 3, 2018, all of the student complaints were removed from the Comparison Tool. The flags were still in existence but the data showing how many and the type of complaints were missing. TAPS immediately notified HVAC of this concern and the complaints were restored within a few hours, but again VA has no knowledge of how or why this happened.

TAPS is very concerned with how long these issues existed before they were caught and how many students could not access BAH rates during that time frame. The Comparison Tool is not a part of the IT updates, therefore it should not have been tampered with.

Section 110

Section 110 of the Forever GI Bill was split into two parts. The Shawna Hill amendment, which allows a service member to transfer benefits to a new dependent if the original dependent dies, was successfully implemented by the Department of Defense. However, the portion that allows survivors to transfer amongst each other after the death of a service member falls under VA. When we requested the application for survivor to survivor transfer on August 23, 2018, we were told there was not one. Instead we were informed that they can “request” it using the “ask a question” function on VA.gov. The following quote is taken directly from the response we received from VA:

“If the transferor is deceased, to initiate a transfer a survivor may request to transfer their remaining entitlement to another eligible dependent of the Transferor via Right Now Web <https://gibill.custhelp.va.gov/>.”

TAPS requests that VA create an actual physical application to ensure that transfer from survivor to survivor is done in a way that protects survivors and the VA. With no application there is no signature or requirement that shows who requested it. This could cause issues in the future, such as one sibling doing it without the others knowledge, etc.

Negative Impact

The delayed payments and inconsistent information from VA have had a negative impact on surviving families and veterans. The following is from a surviving spouse, highlighting the impact of the delayed payments:

“I had perfect credit and money in savings 2 months ago, but I just haven’t been as prepared as I thought. I gave my daughter money while waiting on the VA to pay, because I figured I could afford it since I would have my school money soon. I am now behind on 3 small credit cards and they are calling for payments, my credit score has taken a hit. I cry every day.”

- Surviving spouse and child using the Fry Scholarship, Texas

Suggested Actions

TAPS, along with several VSOs, strongly believes that the following steps need to be taken to ensure that the VA is able to handle the remaining implementation and be held accountable.

1.Reinstate the position of Deputy Undersecretary for Economic Opportunity or create a fourth administration in VA for Economic Opportunity to ensure that the GI Bill is given the tools it needs going forward.

2.Conduct a feasibility study into using batch payments, similar to how the Department of Education pays Title IV funds.

3.Pass the SITREP Act on the Senate side to ensure students are not penalized by schools because the VA is delayed in making payments. TAPS raised this issue a year ago because of our concerns.

4.Mandate that VA immediately appropriate the \$30 million in IT Funds that was included in the Forever GI Bill.

TAPS looks forward to working with both the Committee and VA to ensure that all veterans and survivors are paid and that the new IT systems work properly so that we do not have these issues going forward.

It is the responsibility of the nation to provide for the support of the loved ones of those who have paid the highest price for freedom. Thank you for allowing us to speak on their behalf.

Veterans Education Success (VES)

Chairman Arrington, Ranking Member O’Rourke, and Members of the Subcommittee:

Veterans Education Success (VES) is a non-profit organization whose mission is to protect and defend the integrity of the GI Bill for those who have sacrificed on behalf of our country. In addition to research, providing free case work to students having trouble with GI Bill or impacted by predatory schools, and elevating the voices of students to share with policy makers both their positive and negative experiences in higher education, we are focused on addressing ways to increase the continued academic success of military-connected students in their pursuit of their academic goals.

We appreciate the opportunity to share our perspective on the recent efforts of the Department of Veterans Affairs (VA) to implement the Harry W. Colmery Educational assistance act of 2017 (Public Law 115–48). This law, also known as the Forever GI Bill, included several provisions that were to be implemented as of August 1, 2018. One of these provisions, Section 107, was aimed at addressing inequities in the Monthly Housing Allowances (MHA) students receive.

Background

On March 7, 2018, VA held a roundtable with key stakeholders to address the plan for implementation of Section 107. The decision had been made to calculate MHA based on the zip code of the majority of classes the student was taking. Veterans service groups expressed significant concern over VA’s plan and ability to implement these provisions in a timely manner. The groups recommended that, instead of using zip codes, VA use the codes already in existence at the Department of Education. VA rejected this recommendation and reassured concerned stakeholders that it would be able to implement all provisions by the established deadline.

On June 12th, VA hosted a webinar for school certifying officials (SCOs) to explain the new certification process. During this call, schools were encouraged to hold off on submitting certifications until the new upgrade to the IT system was imple-

mented.¹ On July 16, VA communicated to the schools they could submit certifications with the caveat that they would have to resubmit certifications with the zip codes for each class when the new system was complete.² It wasn't until August, when schools had still not heard anything about the new system, that SCOs decided to no longer wait for an update from VA and submit their claims.

In July, VA confirmed the concerns of VSOs when it announced that, due to issues with updates to the IT system, it would not be able to implement Provision 107 by August 2018. Instead it would use the 2017 rates for both MHA and for Yellow Ribbon but that students would still receive MHA money without the 2018 cost of living adjustment (COLA) and schools would still receive payments.

On August 31, VBA's Monday Morning Workload report showed over 238,757 pending claims. This, in comparison to the 163,065 pending claims on the same day in 2017 was concerning, yet constituents continued to receive very little communication from VA. When the backlog hit a high of 248,396, almost half of the estimated 500,000 students using education benefits, on September 21, over a month into the new semester, VA issued its first email to beneficiaries informing them of potential delays. It was not until October 9, when there were still 180,000 claims not yet processed for the Fall semester, that VA communicated how bad the delay really was. It was too little too late.

VES started to receive complaints from students and schools that they were not receiving proper payments for MHA or for tuition in early September. There were no complaints about students receiving wrong payments but about students not receiving any payments. Students were concerned because they rely on their MHA to pay their bills, including rent, utilities, and food. Without this money they had no way to support themselves. As late as October 23, approximately two months into the school year, VES spoke with three law students at George Washington University who had not yet received any MHA.

By early October, VES also began to hear complaints from students about being charged late fees, being threatened to be dropped from classes, and/or not being allowed to register for spring semester classes because of the school having not received payment from VA for their benefits.

Recommendations Moving Forward

While VA has worked hard to rectify this unfortunate situation since early October, given the significant impact monthly housing allowances have on the lives of over one million veterans and families, we want to ensure lessons are learned and the same mistakes are not made from this point moving forward. To that point, Veterans Education Success and Student Veterans of America, the two leading organizations focused on student veteran success, make the following recommendations:

1. Improved Communication - While communication since October 9 has drastically improved, communication leading up to that point was lackluster. Therefore, we ask VBA from this point forward to:

a. Communicate Proactively - It is hard to know how VA missed the severity of the situation with the onslaught of certifications they received towards the end of August. With a failing IT system and limited manpower to manually process these claims, it would seem obvious that this was going to be a much bigger issue than VA originally thought. Moreover, even if VA believes a problem will not be widespread, it would be wise in the future to proactively communicate with SCOs and students about the potential for problems, in order to help identify and head off such problems. Proactive communication early on to keys stakeholders would have been beneficial as we worked to support those students impacted by the situation at hand. While we understand the desire of VA to focus on addressing the IT issues and processing certifications, it is inexcusable that students did not receive any communication until the end of September.

b. Communicate with transparency - From early on, VSOs had communicated concern over VA's ability to implement some of the provisions of the Forever GI Bill by the August 1 deadline. When asked about these concerns, VA has repeatedly communicated that they were on target to implement provisions of the Forever GI Bill in a timely manner and without challenge. Had VA been more transparent with key stakeholders, we could have better prepared students for what might follow. With no real substantive data or knowledge of how significant the problem was, VSOs were unable to effectively support students.

¹ <https://www.benefits.va.gov/GIBILL/docs/presentations/WebinarQuestionsandAnswers061218.pdf>

² <https://www.benefits.va.gov/GIBILL/docs/presentations/SCO—Webinar—07—17—2018.pdf>

c. Communicate clearly, concisely - Communication from VA has, at times, been confusing and contradictory. School certifying officials and administrators shared with VES the concerns they had over the communication they had received thus far. One official referred to the directions for certification to be, at times contradictory, and often very confusing. Schools are still unsure whether or not they should start submitting claims for the spring semester without the update to VA-Once. Some are currently planning on submitting but others are still waiting for instructions from their ELR on what to do. If they wait too long in hopes of it being fixed, we risk the same onslaught of certifications in the spring semester consequently leading to another massive backlog of unprocessed claims and students without their MHA.

2. General Recommendations

a. Immediately Process Remaining Cases of Nonpayment - The end of the Fall semester is quickly approaching, yet a large number of claims have yet been processed. They must be processed immediately.

b. Begin Processing and Communicating for Spring 2019 Semester - To reduce a potential issue with another backlog of claims, encourage schools to submit certifications for the Spring semester as soon as they are able and begin processing these claims.

c. Maintain Mandatory Overtime - It does not seem this problem will be resolved before the start of the spring semester. VA needs all hands on deck to ensure students receive their MHA in a timely manner and endure no more hardships.

d. Make Fall 2018 Semester Payments Whole and Accurate - Make sure students receive the money they are due with the COLA increase.

e. Promptly and Thoroughly Address a Lagging IT Infrastructure - There is clearly a significant issue with the existing education IT systems. They are failing. Addressing this issue is mandatory. When asked what the potential challenges VA might face in implementing provisions of the Forever GI Bill, former Deputy Under Secretary of Economic Opportunity Curt Coy stated he was most concerned about the IT system. His concerns have been validated.

We ask that members of Congress and VA make it a priority to address these issues in a timely and efficient manner. While \$30 million was allocated for an upgraded IT system, it is not clear that this amount of money will suffice for the upgrade. Further it is not clear whether or not this money has been appropriated.

We also ask the VA Secretary to ensure this money is used specifically for what it is intended to do, build and enhance a new IT system. The current outdated system is failing and has had too many patches added to it to try and fix it. Like a boat, there can only be so many patches before the it sinks. This sinking IT system has now negatively impacted the lives of hundreds of thousands of veterans and their families and must be addressed.

f. Conduct Study on Feasibility on Batch Payments - Unlike VA, the Department of Education (ED) processes batch payments to schools prior to the semester starting based on the enrollment of past years. This process has been effective for both schools and ED, and we believe there might be lessons learned for VA on ways to more effectively process education benefit payments. In theory, this process could alleviate the work of VA on the front end, so they can focus on processing the MHA for students. While we understand there are many variables between how VA processes payments and how ED processes payments, we believe there might be potential for better streamlining the current system at VA. Additionally, it would protect students from being dropped from classes, charged late fees, and/or being prohibited from registering for class for the following semester.

i. Make SITREP the law - We are thankful to members of the House for passing SITREP, which ensures student veterans have access to classes and facilities if VA payment is delayed. Unfortunately, it has remained stagnant on the Senate side and has yet to make it in front of the Senate Veterans Affairs Committee or the rest of the Senate for a vote. If ever there was a time that it was obvious this bill needed to be passed, now is the time. We have had students contact us because of the negative repercussions of the delay in payments to institutions of higher learning. SITREP would provide necessary protections for students.

g. Provide Students Accurate Benefits Information - Create a document, similar to a check stub, that students can use to show landlords and other loan guarantors. This stub will confirm the amount of money they will be receiving each month in their MHA and will help them in securing housing, utilities, etc.

h. Make Economic Opportunity a priority - The current state of affairs with the implementation of Section 107 of the Forever GI Bill is indicative of the concern many VSOs have about the lack of priority Economic Opportunity has within VA. Removing the Deputy Under Secretary Position silenced one of the few advocates in leadership this office had. It was clear back in the summer of 2018, if not earlier, that this process was going to be much more difficult than originally planned yet the low priority this office holds within VA meant that it kept moving forward without adequate support from those in leadership positions who had the power to make executive decisions.

We appreciate the work VA has done to address these concerns from early October and hope these recommendations can help prevent similar challenges from happening in the future. We owe it to people such as Ryan and Jane Wiley, both student veterans using their GI Bill benefits to go to school at Texas A&M and parents to two young children to resolve this issue immediately.³ Those who served our country and are using their hard earned benefits to attend school and ensure their civilian economic success do not deserve to have maxed out credit cards and worry about for their family come November 1, if they did not receive their MHA, since they would by then run completely out of money.⁴

We also appreciate the amount of time, effort, and attention the Committee has dedicated to providing oversight of the implementation of the Forever GI Bill.

Tanya Ang
Vice President
Tanya@VeteransEducationSuccess.org

Veterans Of Foreign Wars Of The United States (VFW)

Chairman Arrington, Ranking Member O'Rourke, and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to present our views on this important benefit.

The Department of Veterans Affairs (VA) was required by Congress to implement major provisions of P.L.115-48, the Forever GI Bill, by August 1, 2018. In the months preceding the deadline, VA officials repeatedly vowed that students and schools would receive payments on time and, while the amounts may not be correct, veterans would not be harmed. Yet, VA has consistently missed its deadlines and has failed to properly notify stakeholders and affected beneficiaries.

After repeated inquiries, the VFW was told time and again, even as late as October 3, 2018, that all students were receiving some form of payments and the only issue was whether or not the amount of money students were receiving was correct. Finally, on October 9, 2018, VA admitted there was a larger problem and announced there were approximately 180,000 claims yet to be processed for the fall semester. These two different statements are wildly inconsistent and show a true breakdown in communication and transparency within VA.

The delays in implementing the changes to VA-ONCE pushed back normal certification of education claims until two weeks before the start of the fall semester. As the deluge of claims then began to roll in, VA employees must have recognized the overwhelming workload compared to previous normal day to day operations. Yet, nobody seemed willing to immediately reach out to schools and students to prepare them for eventual delays. This type of inaction by VA led to real life consequences for student veterans.

A Virginia family contacted the VFW for assistance after not receiving their housing allowance since beginning the fall 2018 semester. Their financial hardship was compounded because both are student veterans, and were relying on the timely disbursement of their benefits. When this did not occur, they fell behind in their rent, car payments, and utilities. To survive, they borrowed money from friends and family to keep a roof over their heads. Once they were informed of the Financial Hardship process by the VFW, they applied and received a partial payment from VA. They are not experiencing financial hardship any longer, but things are not fully back to normal, and are even more afraid that this issue will be repeated in the spring semester.

³ <https://www.nbcnews.com/news/us-news/va-owes-veterans-housing-allowances-under-gi-bill-forcing-some-n917286>

⁴ Ibid

A young dependent of a service-connected veteran from Phoenix contacted the VFW after hearing about the 1 Student Veteran program. The current IT issues are not only affecting the payment and administration of Chapter 33, but in her case, Chapter 35 (aka DEA) as well. She was granted Chapter 35 benefits, but due to IT challenges, call center counselors could not inform her of when she would receive her award letter and payment, which is her only source of income. She faced repossession of her car until the VFW intervened and notified the creditor that her VA payment would be forthcoming. She later received her retroactive payments and was able to keep her car, allowing her to attend classes and take care of her infant daughter.

In order to make sure hardships like these do not recur in the upcoming semester the VFW has a few recommendations. First, we recommend VA prioritize their processing by focusing their attention into three groups for processing. The priority group that should be addressed first is the backlog of claims from the fall semester so current students can get back to some semblance of normalcy. Then, VA needs to prepare for and begin processing spring semester claims so students don't face a repeat scenario a few months from now. After that, VA needs to rectify the underpayments from the fall based on the IT upgrades being ready. This final step should be taken after the first two priority groups are addressed in order to lessen the burden on VA. A slight underpayment from the fall is better than no payment again in the spring semester.

Second, VA must recognize the processing error that affected the entire system, and take the steps to rectify it. Hardware issues like not having enough bandwidth to accommodate Regional Processing Offices is unacceptable. Offices like Muskogee were hampered by lack of bandwidth which impacts not only Chapter 33 payments, but all claims processing that comes out of that building. Software upgrades like the zip code changes should not sink an entire IT system. Adjusting zip codes is not rocket science, and should not crash VA's processing abilities. VA must be forthcoming with actual problems and also suggested solutions to fix them. If no plan to fix the problems is produced then there is no way to stay ahead of issues like this and VA will be doomed to repeat this situation. VA must fix its IT issues now. Failure to focus on real solutions will have significant impacts on student veterans who rely on their earned educational benefits.

Our third recommendation is to involve veterans' organizations, student groups, or other stakeholders who work with students on a regular basis to anticipate problems and be more proactive in communicating with those who are affected. The VFW and our partner veteran groups have been asking for certain information, and suggesting problem areas where VA should look in the spring semester. There is clearly a disconnect with VA and student veterans, and more collaboration between VA and veterans groups could help alleviate the communications gap, and better prepare students and schools as quickly as possible.

The VFW is concerned that VA will fail to take the needed steps to avoid repeating this mess in the upcoming semester. Temporarily adding more workers and authorizing overtime was a potential solution for the current problems, but that is not a permanent solution and we do not want to be sitting around at an oversight hearing in April to simply hear the same story again. VA's plan was to wait until the system was fully ready to roll out before stress-testing it. Decisions like consciously waiting until the 11th hour to do a systems check is unacceptable. Problems like this will continue unless real changes are made. If there are not substantive changes made now, then time and money will again be wasted next semester, and student veterans will face the hardships all over again.

One of the biggest problems that could have been confronted earlier was the lack of transparency about the severity of the delayed payment problem. Student veterans and schools waited with no answers about the cause or eventual solution to their financial problems. VA owes it to those student veterans to better inform them if there are problems, and not wait until it becomes a critical issue to admit errors. Student veterans earned their education benefits and should not have to suffer like this because VA was unwilling to face accountability and recognize there is a failure. Proper leadership means having to own up to negative outcomes and not keep pushing that burden down the road until it can be swept away. We call on VA's leadership to vow to be as open and transparent as possible, especially when veterans' livelihoods are on the line.