

UPDATE OF THE POST-9/11 GI BILL

HEARING
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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UPDATE OF THE POST-9/11 GI BILL

THURSDAY, SEPTEMBER 16, 2010

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

The Subcommittee met, pursuant to notice, at 1:06 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Minnick, Teague, and Boozman.

OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN

Ms. HERSETH SANDLIN. Good afternoon, ladies and gentlemen, the Committee on Veterans' Affairs Subcommittee on Economy Opportunity Oversight Hearing on the Post-9/11 GI Bill will come to order.

I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and their written statements be made part of the record.

Hearing no objection so ordered.

I would also like to state the fact that the Disabled American Veterans, the University of Illinois, and the Student Veterans of America have asked to submit written testimony for the record. If there is no objection I ask for unanimous consent that their statements be entered for the record.

Hearing no objection so ordered.

During the 111th Congress, we successfully passed the Post-9/11 GI Bill to ensure that today's veterans are afforded equitable benefits similar to those afforded to veterans who served during World War II.

Furthermore, with the leadership of Representative Chet Edwards of Texas, we successfully passed the Marine Gunnery Sergeant John David Fry Scholarship to provide education benefits to the dependents of the men and women who passed away due to injuries sustained in support of missions in Iraq and Afghanistan.

While these legislative accomplishments are significant, we must continue to provide the needed oversight while addressing the shortfalls of existing education programs to assure that student veterans receive their benefits in a timely manner without delay or undue hardship.

To take another step toward that goal today, I hope this hearing can focus on several critical issues related to the Post-9/11 GI Bill program.

The ongoing effort to successfully implement the Long-Term Solution (LTS) to ensure that the U.S. Department of Veterans Affairs (VA) information technology (IT) systems are sufficiently robust to efficiently manage the program, the current status of the program as we begin the fall 2010 school semester, and a discussion of what changes need to be made to the program in order to better meet the needs of eligible veterans.

Some of you may be aware that yesterday the full Committee successfully passed H.R. 5360, the "Housing, Employment and Living Programs for Veterans Act of 2010," otherwise known as the HELP Veterans Act, which is fully paid for without placing a cost burden on the taxpayers.

This bill seeks to provide a number of important improvements to VA education benefits, including increasing the flight training allowance for chapter 30 recipients; reauthorizing and extending the recently expired veteran work-study program; and increasing the amount of reporting fees payable to educational institutions that enroll veterans receiving educational assistance.

I look forward to advancing this bipartisan bill as soon as time on the House floor is identified. I also look forward to working with my colleagues to consider other legislative proposals that seek to address the current needs of our Nation's veterans.

One such legislative proposal is H.R. 5933, the "Post-9/11 Veterans Educational Assistance Improvements Act of 2010," which was introduced by Congressman Walt Minnick. I know several of our witnesses have referenced this legislation today and I look forward to learning more about how the proposals in that legislation, as well as those included in similar and related legislation, could potentially impact the Post-9/11 GI Bill program and its implementation.

I would now recognize the distinguished Ranking Member, Mr. Boozman, for his opening remarks.

[The prepared statement of Chairwoman Herseth Sandlin appears on p. 44.]

OPENING STATEMENT OF HON. JOHN BOOZMAN

Mr. BOOZMAN. Thank you, Madam Chair, I appreciate the excellent testimony submitted for this hearing, especially the administrative issues raised by the schools.

It is clear that while not perfect, the level of benefits paid to veterans and the schools on their behalf is excellent. Unfortunately, administration of those benefits has not met the same standard, because as VA and our staff noted in several meetings before passage as part of the defense supplemental, the program is significantly more complex than any of its predecessors.

Despite some early missteps, I am fully aware of the efforts that VA staff had put into developing the Long-Term Solution, and I thank and appreciate them for their work.

One of the basic difficulties is the wide variation in how public institutions in 50 States and the territories are funded and managed and how that impacts VA's implementation of the Post-9/11 GI Bill.

We are now entering the second year of the program and I am very concerned about issues surrounding the management of overpayments.

VA's basis position is that the veterans are responsible for returning any overpayment to VA and that schools should send overpayments to the veterans and the veterans send them to the VA. This seems to be an unnecessarily bureaucratic process that also entails significant opportunity for less than optimal results.

We are also hearing about difficulties when schools send money directly back to VA, as well as VA's concerns about how some schools do not identify the veterans whose account should be credited for returned overpayments and the resulting attempts by VA to collect overpayments from veterans.

Perhaps, Madam Chair, it is time for a temporary moratorium on chapter 33 collections until VA and the schools get the rules for handling the overpayment straightened out.

Again, we appreciate our witnesses today and look forward to the testimony.

I yield back.

[The prepared statement of Congressman Boozman appears on p. 44.]

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Before we proceed I would like to ask unanimous consent for the Honorable Walt Minnick of Idaho to be allowed to participate in today's oversight hearing at a point in time which he may be joining us.

Hearing no objection so ordered.

I would like to welcome all of our panelists who are testifying before the Subcommittee today.

Joining us for the first panel of witnesses are Ms. Faith DesLauriers, Legislative Director for the National Association of Veterans' Program Administrators (NAVPA). She is accompanied by Ms. Margaret Baechtold, Director of Veterans Support Services at Indiana University. Also joining us on this first panel is Dr. Alan Merten, President of George Mason University, who is representing the American Association of State Colleges and Universities (AASCU).

In the interest of time and courtesy to all of our panelists here today we ask that you limit your testimony to 5 minutes, focusing your comments and recommendations on areas of priorities in your written testimony.

The entire written statement that you have submitted to the Subcommittee has been entered into the record.

Ms. DesLauriers, we will begin with you. Welcome, and you are recognized for 5 minutes.

STATEMENT OF FAITH DESLAURIERS, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF VETERANS' PROGRAM ADMINISTRATORS; ACCOMPANIED BY MARGARET BAECHTOLD, DIRECTOR, VETERANS SUPPORT SERVICES, INDIANA UNIVERSITY, ON BEHALF OF NATIONAL ASSOCIATION OF VETERANS' PROGRAM ADMINISTRATORS; AND ALAN G. MERTEN, PH.D., PRESIDENT, GEORGE MASON UNIVERSITY, ON BEHALF OF AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

STATEMENT OF FAITH DESLAURIERS

Ms. DESLAURIERS. Thank you and good afternoon Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee.

Accompanying me today is Margaret Baechtold, Director of Veterans Support Services at Indiana University.

We appreciate the opportunity to appear before you today and for the opportunity to share the concerns and recommendations of veteran program administrators, as well as that of the population they serve regarding education benefits.

In keeping with the three areas that you asked for information, the concerns that NAVPA hears from veterans regarding their education benefits are that students pursuing their education through distance learning should have the same eligibility for housing stipends as students attending what is defined as in-residence training.

Retired and separated veterans who earned and are otherwise eligible for the Post-9/11 GI Bill have voiced their concern and extreme disappointment in being denied the ability to transfer their entitlement to their dependents.

Veterans have also voiced their concern that the ability to pursue their educational endeavors are restricted to that which is deemed by Congress to be traditional.

Students don't understand why VA distinguishes between tuition and fees with different caps for each rather than combining them into one maximum.

Students are concerned that VA remains unable to credit refunds made by the schools to their accounts, and veterans are receiving letters from the Debt Management Center (DMC), although those students are current with their payment plans negotiated with DMC, in an effort to repay the emergency advance payments for fall 2009.

This particular issue is effecting their credit and their ability to gain credit.

Feedback from NAVPA, the schools that administer the GI Bill on campuses, there is a critical need for consistent guidance as to the correct procedures for returning or refunding payments, as well the assurance that those funds returned to the VA will in fact be credited to the veteran's debt or overpayment.

Many students who access their education benefits are placed at a financial disadvantage because of VA's policy to count class enrollment sessions versus enrollment sessions during a standard semester.

It is imperative that there be an efficient communication mechanism between schools and the VA.

Inconsistent guidance to schools among and between the regional processing offices (RPOs) and education liaison representatives (ELRs) continues to be problematic. Responsibilities associated with the program have increased the processing time for each claim at school level approximately 300 percent, yet institutions continue to be compensated at the rate of \$7 for each student enrolled.

We request that that be changed, it has not been changed in over 30 years.

Reinstate the customer service units at each of the RPOs, specifically to work with the veteran program administrators.

Improvements to chapter 33 that NAVPA believes are needed, the GI Bill must remain an earned entitlement and not become a need-based award. Leave other scholarships, grants, et cetera, out of the equation.

Eliminate the inequities among rates paid to eligible individuals for attendance at schools of different types; public, private, foreign, graduate, undergraduate, resident or non-resident.

There should be an elimination of annual State tuition and fee maximums. That would improve timing of certification, processing, and payment and accuracy of those payments.

Tie the living stipend to the training time for all forms of course delivery and reduce the minimum training time requirement to half-time, rather than more than half-time.

And, correct the rule that makes it impossible for a reserve component member eligible at less than the 100 percent tier of chapter 33 to combine Federal tuition assistance, which is first pay, and chapter 33, which is second pay, in any way that would cover all of their charges. Clarify non-duplication of Federal programs.

NAVPA members fully support legislation that would expand the student work study program and overpayments created by the eligible individual as a result of a reduction or termination in enrollment but, should be recovered from entitlement.

NAVPA recommends elimination of the multiple levels of eligibility as it relates to required active-duty service.

Amend chapter 33 to expand educational and training opportunities such as on-the-job training/Apprenticeships and other viable and previously approved vocational training and continue to work toward providing equity in benefit and simplicity in rules regarding eligibility, payments, and the overall administration of the Post-9/11 GI Bill.

Again, thank you for this opportunity to participate in this hearing, to discuss current problems affecting veterans, as well as educational institutions, and to recommend solutions on behalf of our Nation's veterans, servicemembers and their dependents, and the National Association of Veterans' Program Administrators.

Madam Chairwoman, this concludes my statement. I would be pleased to answer any questions you or the Committee Subcommittee may have.

[The prepared statement of Ms. DesLauriers appears on p. 46.]

Ms. HERSETH SANDLIN. Thank you for your testimony.

Dr. Merten, you are now recognized.

STATEMENT OF ALAN G. MERTEN

Dr. MERTEN. Madam Chair Herseth Sandlin, Ranking Member Boozman, and distinguished Members of the Subcommittee, my name is Dr. Alan Merten and I am President of the George Mason University.

Today I represent and present the perspective of the American Association of State Colleges and Universities related to the implementation of the Post-9/11 GI Bill benefits programs. Thank you for holding this hearing.

When the Post-9/11 GI Bill was first introduced it, was anticipated that colleges and universities would see a 20 to 25 percent increase in enrollment of veterans. At Mason, we saw a 30 percent increase in fall 2009 enrollment and a 79 percent increase in spring 2010.

One of those newly enrolled veterans introduced President Obama, Vice President Biden, Senator Webb, Senator John Warner, and Secretary Shinseki at George Mason University when the bill was introduced nationally on August 3rd, 2009.

Your Committee asked that we address three areas. Concerns from veterans regarding their educational benefits. Second, feedback from institutions about implementation and administration of benefits. And three, improvements in the program that we suggest are needed.

GI Bill benefits have been historically provided to the veteran student. As Vietnam-era veterans, my wife and I received benefits in this manner.

The creation and implementation of the Post-9/11 GI Bill benefit program altered this procedure by having the Veterans Affairs issue the funds directly to the institution after a certifying process.

The compressed timeline that the VA faced in implementing this program created a difficult situation for many schools and for veterans.

One of the major and universal issues faced by veteran students is related to delays. While there have been some delays in processing benefits, most benefit delays have occurred in reprocessing and in payment of other allowances, such as housing and book stipends.

Because of the changes in how the benefits are issued, student veterans rely on their school officials to provide the guidance and information they need.

The VA has often been slow in providing information beyond the basic essentials regarding benefits to institutions and veterans.

It is important to remember that the school official is not a VA employee, and in many cases does this additional task as a collateral duty.

As a result of the Post-9/11 GI Bill, the workload on these staff members has increased to a point where many schools, like us at George Mason, have had to hire additional personnel to handle not only the certification process, but the billing process as well.

The Post-9/11 GI Bill has also presented higher education institutions with a number of challenges that include student veterans with academic, mental health, and physical disability needs.

The academic include veterans that require remedial education before starting college, some because they have lost skills in the

years since high school and others because they were not college-ready in the first place.

A recent RAND report indicates that one in five Post-9/11 veterans will suffer from combat stress or cognitive issues such as post-traumatic stress disorder (PTSD) or traumatic brain injury (TBI). Few schools, and even fewer student health centers are equipped to address these needs.

In addition to the mental health issues U.S. Department of Defense (DoD) indicates that there are over 36,000 servicemembers who have been wounded in action. Some of these wounded warriors have catastrophic combat injuries that are not typically found on campuses where disabilities have a far different meaning.

More effort to understand how institutions operate and work with the Federal Government must occur.

The VA interpretation of separating tuition and mandatory fees related to a cost of an education is just but one example. The higher education community refers to tuition and mandatory fees as a single amount, not two separate ones.

Student veterans change majors, drop or withdraw from a class, and have other circumstances that require the certifying offer to review and re-certify the veterans benefits.

To further complicate the return of funds in an overpayment situation, the VA established two procedures. One to use when classes that have not begun, another after classes have begun.

Contrast this process with the return of Federal financial assistant funds under the Higher Education Act. In these situations institutions recalculate the eligible amount and adjust accordingly. If a student has received an overpayment, the overage is returned to the Federal Government, if the student is eligible for additional funds, the school requests the additional funds.

Our recommendation is including asking Congress to clearly define the benefit amount for an individual. This entails, among other things, eliminating the separate factor for tuition fees.

The Post-9/11 GI Bill, which establishes a highest in-State rate for the academic year, fails to take into account tuition increases at institutions during the year. Some changes require to incorporate and to accommodate these tuition and fee increases that are midyear.

Another issue that Congress should address for the veteran is related to providing a basic allowance for housing, a basic housing allowance for nearly 70 percent of veterans who receive some of their education online.

Basic housing allowance benefits are only awarded now to veterans receiving their post-secondary education within the classroom setting.

Finally, we ask Congress to consider requiring the VA to collect and publish complete and timely data on the Post-9/11 GI Bill, including data on customer service by the VA to veteran students and institutions.

Institutions like George Mason University stand ready to work with the VA to provide and to ensure an ease of access for veterans enrolling in post-secondary education.

The good news is that the VA has increased its outreach to schools to work collaboratively and openly with the higher edu-

cation community to understand how the VA processes could be improved to better and more effectively assist veteran students.

The higher education community is prepared and eagerly looks forward to working collaboratively with the VA to streamline this program and reduce the confusion to institutions, the VA, and more importantly the veteran.

Thank you for your attention.

[The prepared statement of Mr. Merten appears on p. 50.]

Ms. HERSETH SANDLIN. Thank you, Dr. Merten.

We have a pending vote, but we are going to see if we can get through the questions that the Ranking Member and I have, at least for the folks on our first panel.

We have in past Congresses, and in this one, tried to grapple with the issue of other scholarships and other resources that veterans have available, and maybe even before they became eligible for education benefits with the VA they had taken out loans or had been eligible for Pell Grants.

I think you both mentioned it in your written testimony and referenced it briefly in the testimony you just provided, how do we keep the GI Bill from becoming a needs-based award? Is it related to VA being the last payer as it relates to how that effects other types of financial aid the student may receive.

Dr. MERTEN. From a perspective of President, and I also have to remember my wife always comments when someone asks me a detailed question, don't expect Alan for the detailed answer, he is just the President.

But from our perspective I would view and as a former beneficiary of the GI Bill this benefit is an earned benefit, pure and simple, and if there are other benefits that the veteran receives, you know, that is a separate issue, but I would hope this doesn't become a need base. This is a special benefit. It is not merit, it is not need, it is an award, and I think—hopefully that doesn't change.

Ms. HERSETH SANDLIN. Ms. DesLauriers.

Ms. DESLAURIERS. I believe it should not be reduced by any other financial assistance, that the GI Bill should not be reduced by any other assistance that is, the student receives regardless of where it comes from unless it meets the definition as currently defined in the law that it is another active-duty benefit.

So I think everybody agrees that if the student gets tuition assistance because they are on active duty, they should not be able to duplicate that benefit with their GI Bill.

Ms. HERSETH SANDLIN. Ms. DesLauriers, in your estimation, do you have any clear sense of what has prevented the VA from being able to credit refunds made by the schools to the students' accounts.

Ms. DESLAURIERS. No, ma'am.

Ms. HERSETH SANDLIN. Okay. Mr. Wilson may shed some light on that for us.

Ms. DESLAURIERS. Yes.

Ms. HERSETH SANDLIN. Then we have the issue that we have heard about and many of our colleagues have heard about directly from constituents or those from the State Approving Agencies that are working with some of these students. This is the issue of the

overpayments and the difficult position that many veterans are being put in. If either of you could elaborate on the problems that you are seeing from your vantage point. I think Ms. DesLauriers you had mentioned when they get their letters from the Debt Management Center or other collection agencies that are actually calling and hounding our veterans who relied on the information and the calculation of benefits. I mean, I have heard a lot from some of my constituents, and it is effecting their credit, their access to credit, as you mentioned.

Do you want to elaborate at all and from your vantage point of some of the problems that the students you are familiar with are experiencing.

Ms. DESLAURIERS. I have one particular case, and I didn't bring the student name with me, but I would be glad to provide that for you, because she did authorize me to do that should you ask.

Ms. HERSETH SANDLIN. Okay.

Ms. DESLAURIERS. But the one case was a recent case of a student who actually went into—she got the emergency money in advance last year and she was paying her payments faithfully every single month like was agreed, and all of a sudden she started getting these letters from the Debt Management Center indicating that her credit, it had been turned over to all of these various credit agencies, and then she got notice from her credit card company, they canceled her credit card. She could no longer use her card. And I believe that she did speak with her representative about it, and just by happenstance she ran into him at a particular town meeting and was able to talk with him, and I believe that he would address that, but those are the kind of situations, and that is not just unique to my campus.

Apparently something happened just recently—and I am sure that Mr. Wilson can identify what could have happened in the system that caused that to happen—but just in general when the student has a debt then they are going to be turned over to the collection agency, and they get letters to that effect.

Well the matter of fact is there is no debt. The school has returned the money, it is just not being identified as having been returned.

And I will tell you that one of the other issues is that even the schools are sending checks to DMC and they are not being cashed, they are actually going void, and then our checks then become void, we have to stop payment on them, that costs the schools money to stop payment on those checks and reissue again. We have had that happen more than once with the same student where the check is 90 day, 90 days, and it never was cashed. So we don't really know that until we realize that our accounts are not balancing.

Ms. HERSETH SANDLIN. Mr. Boozman.

Mr. BOOZMAN. Thank you, Madam Chair.

Dr. Merten, you mentioned the problem of the ancillary fees, and all of the problems associated with that, with them occurring and then they are not there. And Ms. DesLauriers, again, similar things.

I guess, as we have dealt with this it seems to me like, and I would really just like your opinion, it seems like the current situa-

tion that we are in really isn't workable. Do you agree with that? I mean—

Ms. DESLAURIERS. Yes, sir.

Dr. MERTEN. Yeah, I particular—I mean your comments before, it is time to step back a little. I mean here we have something we have to do. I believe as a Nation we have this obligation, so we have to do it.

Now if we have to do it there is really—if you want the three players, there is the veterans, there is the institutions, and there is it is Federal Government, Veterans Affairs.

We have to ask ourselves what is—what are we trying to accomplish and then what is the role of each of the three? And I think in many cases we didn't do that, and now we have to do it.

And if we—you know, it ain't rocket science, and it is just—I think there is just things that weren't thought of particularly how we as institutions operate and then how—and what the requirement of the veteran—the returning veteran is having enough difficulty getting used to college, and to add these information burdens on it is unthinkable.

Mr. BOOZMAN. Yeah. No, I agree, and we appreciate your help in helping us sort that out, and we have had enough lapse in time now. It is not like the law was just passed, we have given it time, we have worked through a couple cycles, and so we have experience.

So I guess the only comment I would make, Madam Chair, is that you know, again, this is just something that we have to pursue, and as you are, and I appreciate your leadership in doing this. That we have to bring it to a head in working with individuals like this and the rest of our panel, working with VA that is also working so hard to get this done. Hopefully we will be able to arrive at a solution.

Thank you.

Ms. HERSETH SANDLIN. All right, thank you, Mr. Boozman, and I know you made a recommendation in your opening remarks about a temporary moratorium on the collection efforts.

I think as you and I both know, we knew we were going to be in for some headaches, despite our support of this important benefit, because a lot of these things weren't completely thought through in the desire to move forward as quickly as possible to deliver the benefits. And as we do that, we need to recognize that we should be holding harmless the veteran.

We will work with the VA and with the institutions, while at the same time protecting the taxpayer. We all know from talking to our constituents that the veteran isn't being held harmless, and in a time of terrible downturn in the economy and tight credit, the last thing we need is for veterans credit scores to be effected as they are trying to get through, invest in themselves, and in many instances providing for their families.

We are going to have to head down for votes and then we will resume the questioning with Mr. Teague when we return for the first panel. We may have a second round of questioning for any further comments or questions that the Ranking Member or I may have. Okay.

The hearing will be in recess.

[Recess]

Ms. HERSETH SANDLIN. We appreciate everyone's patience as we have wrapped up the last votes for the day, so we can move ahead with the remainder of our hearing.

Ms. DesLauriers, in the essence of time I may have some additional questions that I will submit in writing that you can take for the record, Mr. Boozman may as well, and so we are going to move to our second panel.

But before we do and as you are taking your seats I do want to recognize Mr. Minnick for statement. Welcome. Thank you for joining us on the dais today.

OPENING STATEMENT OF HON. WALT MINNICK

Mr. MINNICK. Madam Chairwoman, Ranking Member Boozman, and Members of the Subcommittee, I thank you for allowing me to join this hearing today.

I would also like to thank our panel of representatives from the American Legion, the Iraq and Afghanistan Veterans of America, Veterans of Modern Warfare, and the Veterans of Foreign Wars.

I thank them for their military service and for the insight into what must be done to improve and simplify the new GI Bill, which this Congress passed with strong bipartisan support last year.

I would like to make a few brief remarks about the importance of this bill, H.R. 5933, and the "Post-9/11 Veterans Educational Assistance Improvements Act."

In 1945, the House Committee on Veterans' Affairs conducted a lengthy hearing to review the effectiveness of the first GI Bill, which was intended to give returning World War II veterans a college education in return for their service in saving the Nation from foreign aggression.

As we are doing today, Members of that Committee listened to veterans' groups request upgrades to the first version of the bill so that the benefits could be extended to things like vocational education and correspondence courses. And now, two generations later, we are doing the same thing today.

Just as the World War II GI Bill was upgraded to help educate what is often referred to as the greatest generation, we must upgrade and improve the new GI Bill to make it workable so it can fully satisfy the educational needs of a new generation of returning veterans.

As a veteran myself from the Vietnam-era, I have many friends who volunteered to serve in that war so they could go to college after they left the military and with their GI benefits to obtain the education necessary to launch into successful professional careers.

Having listened to many veteran service organizations and veterans from my home State of Idaho and elsewhere, I have introduced H.R. 5933 to offer the comprehensive improvements needed to make the new GI Bill fit the needs of this generations returning veterans.

To provide a brief example, students enrolling in an excellent private college in my district, Northwest Nazarene University in Nampa, Idaho, will directly benefit from this bill in several ways.

By raising the maximum tuition cap to \$20,000 per year H.R. 5933 will significantly increase the tuition benefits available for

veterans attending Northwest Nazarene, and other excellent, but expensive, private colleges.

The bill will also afford a living allowance to veterans opting to pursue their degrees online, a benefit they were previously denied.

It will also reimburse travel costs for distance learners, and includes a new \$1,000 allowance for increasingly expensive student books, both hard copy and electronic.

The bill will also make educational benefits available for those veterans electing to pursue vocational education or other technical training.

My offices in Idaho and Washington have listened to stories shared by veterans who have been unable to take full advantage of the new GI's benefits, benefits Congress intended to confer with last year's legislation. Many others have had their benefits reduced or unnecessarily limited because of the effect of regulations imposed under the Bill.

To fulfill the promise we make to today's young people who volunteer to put their lives in harm's way to serve in the military and preserve our way of life, we must provide them with the education they need after their military service to be successful in today's high tech world.

This bill makes the corrections to last year's landmark GI Bill required for us to redeem that promise.

In closing, I would like to thank Chairwoman Herseth Sandlin for her support in this effort and very much look forward to working with her, Chairman Filner, the Ranking Member, and my Republican colleagues in moving this bill through to passage in the remaining days of this Congress.

Thank you and I yield back.

[The prepared Statement of Congressman Minnick appears on p. 45.]

Ms. HERSETH SANDLIN. Thank you, Mr. Minnick, and I thank you for your hard work and your efforts not only with this Subcommittee and the full Committee, but working with a number of our veteran service organizations, and clearly with your constituents who have had concerns and have faced some barriers in fully accessing the education benefits that were authorized in the last Congress and what we can do to make the improvements. I thank you and I thank you for joining us today.

I would now like to invite the second panel to the witness table. Joining us on our second panel of witnesses is Mr. Donald Overton, Jr., Executive Director for the Veterans of Modern Warfare (VMW); Mr. James Wear, Assistant Director, National Veterans Service for the Veterans of Foreign Wars of the United States (VFW); Mr. Robert Madden, Assistant Director, National Economics Commission of the American Legion; and Mr. Tim Embree, Legislative Associate for the Iraq and Afghanistan Veterans of America (IAVA).

Thank you all for being here at the Subcommittee and we look forward to your testimony.

Again, your written statements have been made part of the hearing record, and so we ask that you keep your remarks to 5 minutes.

Mr. Overton, we will begin with you. You are now recognized for 5 minutes.

STATEMENTS OF DONALD D. OVERTON, JR., EXECUTIVE DIRECTOR, VETERANS OF MODERN WARFARE; JAMES D. WEAR, ASSISTANT DIRECTOR, NATIONAL VETERANS SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; ROBERT MADDEN, ASSISTANT DIRECTOR, NATIONAL ECONOMIC COMMISSION, AMERICAN LEGION; AND TIM EMBREE, LEGISLATIVE ASSOCIATE, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

STATEMENT OF DONALD D. OVERTON, JR.

Mr. OVERTON. Thank you. Chairwoman Herseth Sandlin, Ranking Member Boozman, and distinguished Members of the Subcommittee on Economic Opportunity, on behalf of Veterans of Modern Warfare and our National President, Mr. Joseph Morgan, we thank you for the opportunity to present an update on the Post-9/11 GI Bill.

My name is Donald Overton and I currently serve as Executive Director for VMW.

Since the enactment of the Post-9/11 GI Bill, VMW members across the Nation have been afforded the opportunity to pursue educational endeavors at varying institutions of higher learning, yet, far too many have been left behind.

It became readily apparent that this historically significant legislation had a multitude of unforeseen limitations. Hopefully, this Committee, along with your colleagues in the 111th Congress, will correct these limitations and ensure the maximum effectiveness of the most generous investment in veterans' educational benefits since the end of World War II.

H.R. 5933, or GI Bill 2.0, as it has been referred to, remedies a multitude of concerns espoused by our student veteran members. These would include the opportunity to pursue vocational, apprenticeship, on-the-job training, correspondence, and flight training educational programs; full GI Bill credit for full-time National Guard service, to include full-time title 32 Active Guard Reserve; a housing stipend for distance learners, or those studying less than full-time; Yellow Ribbon benefits to certain National Guard and Reserve personnel members; and an equivalent book stipend for active-duty students.

We are however concerned by certain language found within the legislation. Our primary concern may be found at section 11, the proposed elimination of the cost of living allowance for chapter 30, Montgomery GI Bill (MGIB) recipients to afford a cost of living allowance for chapter 33 Post-9/11 GI Bill recipients. Taking benefits from one class of veterans to pay for another is an unjust policy consideration and should not have been proposed. We urge you to eliminate this from any bill that goes forward.

Given the prescribed effective date of August 2011, we believe this will afford the VA and school administrators, ample time to train and prepare for the adjusted benefit package, which will also assuage what has been a primary concern of school administrators, the lack of communication, and training time by the VA.

Our Nation owes veterans much more than blood money, especially to our veterans who have been disabled in service to our country.

The central event in their readjustment process is being able to secure gainful work at a living wage. Without a major cultural transformation within the Department of Veterans Affairs as prescribed by H.R. 3719, the "Veterans Economic Opportunity Administration Act of 2009," the most well intentioned chapter 33 legislative remedies may be doomed to failure.

H.R. 3719 establishes in the Department of Veterans Affairs a Veterans Economic Opportunity Administration to be headed by an Under Secretary for Veterans Economic Opportunity. It will put under one roof the following VA programs. Vocational rehabilitation and employment; educational assistance; veterans' housing, loan, and related programs; veterans' entrepreneurship; and homeless veterans.

This bill also would establish as an interagency committee, the Department of Veterans Affairs-U.S. Department of Labor (DoL), as well as the Small Business Administration Joint Executive Committee on Economic Opportunity to recommend to the secretaries of Veterans Affairs and Labor and the administrator of the Small Business Administration strategic direction for the joint coordination and sharing of efforts to promote and administer veterans economic opportunity programs, as well as overseeing the implementation of those efforts.

Unfortunately, we have seen time and again the VA's failure to properly implement the benefit programs within their purview. These failures have been particularly pervasive within the Veterans Benefits Administration. It is imperative that during this era of cultural transformation within the VA, under Secretary Shinseki's bold leadership, that the Veterans Economic Opportunity Administration be created.

Removing these relevant programs from the antiquated and overburdened Veterans Benefit Administration will ensure the viability of veterans' economic opportunities for their futures, a just reward from a grateful Nation.

Madam Chairwoman, VMW again thanks you for this opportunity to express our views, and will be pleased to respond to any questions you or your colleagues may have.

Thank you.

[The prepared statement of Mr. Overton appears on p. 56.]

Ms. HERSETH SANDLIN. Thank you, Mr. Overton.

Mr. Wear, you are recognized.

STATEMENT OF JAMES D. WEAR

Mr. WEAR. Chairman Herseth Sandlin, Ranking Member Boozman, and the Members of the Subcommittee, on behalf of the 2.1 million members of the VFW and our Auxiliaries, we would like to thank the Subcommittee for giving us the opportunity to testify today on the veterans' concerns regarding their education benefits and improvements to the Post-9/11 GI Bill.

The VFW is very proud to have worked with this Subcommittee to pass the Post-9/11 GI Bill in July of 2008. A generation of veterans is now better equipped to seek higher education, with hundreds and thousands of veterans in schools across the Nation directly benefiting from the dedication, work, and leadership of this Subcommittee and its staff.

Last year, VA had a quote, “Spring 2010 GI Bill Benefit Processing” Web site. It was used to track their processing of education enrollments during the 2009–2010 academic year. There is no Web site to track the payment of educational benefits during this 2010–2011 academic year.

VFW suggests the same type of Web site should be set up by VA to track the processing of both chapter 33, Post-9/11 GI Bill, and non-chapter 33 education payments made during this academic year of 2010–2011.

VA is to be commended for having already processed over 150,000 chapter 33 enrollments, but VA’s educational workload reported this past Monday that there is 173,000, almost 174,000, non-chapter 33 enrollments still pending.

We believe that the VA needs to focus on not only chapter 33, but also on the timely processing of non-chapter 33 enrollments, Montgomery GI Bill, AEP, et cetera.

There are additional improvements that can be made by re-examining the Post-9/11 GI Bill with an eye toward simplifying and strengthening the benefits it provides. We offer a number of suggestions to improve, simplify, and strengthen the legislation with the goal of ensuring equitable benefits for equivalent service.

The VFW offers its strong support for H.R. 5933, the “Post-9/11 Veterans Educational Assistance Improvements Act of 2010.”

The VFW believes a number of changes can be made to the Post-9/11 GI Bill to adjust the needs of today’s servicemembers, veterans, and their families. Many of these changes are reflected in the Bill.

Of the many positive changes in this legislation, the provisions that would allow Guard and Reserve members to count active-duty service under title 32 towards chapter 33 eligibility is perhaps the most important. This change will credit these men and women for their services in securing our Nation’s borders and airports, cleaning up the Gulf, saving lives and property after natural disasters, such as Hurricane Katrina. Making sure the Reserve component receives equitable benefits for equivalent service is a top VFW priority.

To further strengthen the benefit, the legislation would also eliminate the State-based payment cap, replacing it with a guarantee that chapter 33 benefits will fully cover the cost of any public undergraduate or graduate program in the United States.

Further, it offers a dollar for dollar match up to \$20,000 per year for all approved non-public institutions of higher learning, IHLs, in the United States and foreign IHLs.

The VFW also supports providing housing stipends for veterans pursuing a program of education at a foreign IHL, at a half-time rate of training, through distance learning, and utilizing the chapter 31 vocational rehabilitation program.

This legislation looks to expand the GI Bill to include on-the-job training and apprenticeships.

The original GI Bill provided training for apprenticeships and vocational training for World War II veterans. We believe the Post-9/11 GI Bill should also provide our current veterans with the same opportunities to seek careers in skilled trades.

These programs represent the most effective direct employment programs available to our Nation's newest veterans. Many veterans have transferable knowledge and technical skills acquired in the military that gives them a head start on earning a technical education that would help us re-energize our economy.

The proposed change to the lump sum payment for books, supplies, equipment, and other educational costs for individuals on active duty pursuing a program of education is also supported by the VFW.

This legislation will establish a process allowing a veteran to take multiple licensure and/or certification tests and that there would be no charge to the veterans entitlement for these tests as long as they did not exceed \$2,000. Again, the VFW supports this.

By streamlining processes and opening new avenues to education and training, veterans will be better equipped to make their ambitions a reality.

Once again, thank you for hearing the voice of the VFW and its members. We look forward to continuing to work with you to improve the lives of America's veterans and their families.

Madam Chairwoman, this concludes my testimony. I would be pleased to respond to any questions you or the Members of your Subcommittee may have.

Thank you.

[The prepared statement of Mr. Wear appears on p. 58.]

Ms. HERSETH SANDLIN. Thank you, Mr. Wear.

Mr. Madden, you are recognized.

STATEMENT OF ROBERT MADDEN

Mr. MADDEN. Thank you.

Thank you, Madam Chairwoman and Ranking Member Boozman for allowing the American Legion to give its views on the implementation of the Post-9/11 GI Bill.

Last fall, the number of veterans receiving delayed payments rose by the tens of thousands. VA did not have enough staff to take on the overwhelming task of processing Post-9/11 GI Bill claims on their antiquated system.

Measures were taken to increase productivity, including hiring additional claims processors, mandatory overtime, and having the VA Central Office also process claims.

One year later where are we? While the VA has made strides in processing claims efficiently, the American Legion still receives calls and e-mails from veterans and their families about the financial burden they are forced to undergo due to the delayed payment of housing allowance.

Yes, VA does have the updated IT system up and running, but we still continue to receive information from the field that veterans are forced to make drastic decisions in their financial planning to make ends meet until they receive their payment.

Just last week, I received multiple e-mails from student veterans making note of the following issues with VA. One, initial processing is very slow. Two, unable to get a person on the phone to physically talk to about their issues. And three, the amount of funding initially allocated was incorrect and took time, long lengths to rectify.

Communication also seems to be a constant concern. RPOs give schools one policy while another RPO gives another school a different policy setting up veterans and their families for failure.

If a veterans benefit are not processed correctly, they are forced to navigate a maze of VA bureaucracy and departments that don't talk to each other, VA Education Services and VA Debt Management Center, and until these issues are rectified, sometimes taking months, the veteran has to survive without their monthly living allowance.

The American Legion consistently receives calls and e-mails about the undue burden, the slow process of GI Bill payments, and how it adversely affects them and their families. Veterans are incurring undue debt to manage the time between payments, and when they finally do receive those payments, many aren't sure if they are correct.

Yes, the new IT system should allow veterans to self-navigate their claim in December of 2010, but until then how many veterans need to go through the stress and burden making life changing decisions just to go to school.

This is an earned benefit that is designed to be a viable transition for veterans to continue with their education and make it a successful transition to employment. Veterans who might suffer from PTSD and TBI need to have a hassle-free transition. Going to college is a path to success, and if we make this process harder for them, we are doing them a disservice. This cannot continue on.

There are four additional issues that the American Legion would also like to address. Housing allowance for distance learners, full funding of title 32 Active Guard Reserves, vocation and technical training correspondence and flight training, and the transferability for those who have already retired.

The American Legion has organizational resolutions which advocate for these issues to be addressed. The American Legion is excited to work with this Committee on getting these measures passed and see equity brought to veterans and their families.

The American Legion currently is the ardent supporter of H.R. 5933 and looks forward working with the Committee to getting this passed.

I thank you for the opportunity to give the American Legion's position, and look forward to working with the Members of the Subcommittee on veterans education. I would be happy to answer any questions you might have.

Thank you.

[The prepared statement of Mr. Madden appears on p. 60.]

Ms. HERSETH SANDLIN. Thank you, Mr. Madden.

Mr. Embree, you are recognized.

STATEMENT OF TIM EMBREE

Mr. EMBREE. Thank you.

Madam Chairwoman, Ranking Member, and Members of the Subcommittee, on behalf of Iraq and Afghanistan Veterans of America's, nearly 200,000 members and supporters, thank you for allowing us to testify at this critical hearing on the status of the Post-9/11 GI Bill and recommended improvements.

My name is Tim Embree, I am from St. Louis, Missouri, and I served two combat tours in Iraq in the United States Marine Corps.

Our work on the new GI Bill is not done. Even though over 340,000 students have taken advantage of this historic new benefit, tens of thousands of veterans are still waiting for their chance to earn a first-class education.

Whether these students are pursuing vocational or distance learning programs or are serving full-time in the National Guard, too many young veterans can't take advantage of these new GI Bill benefits, and many others already using the new GI Bill have had their benefits cut by initially complicated regulations in chapter 33.

In order to complete our work on the new GI Bill, IAVA recommends swift passage of H.R. 5933, commonly referred to as the new GI Bill 2.0.

H.R. 5933, introduced by Representative Minnick and co-sponsored by Chairwoman Herseth Sandlin, and supported by all the veterans groups on this panel, will ensure that all student veterans have access to the new GI Bill and will assist the VA in delivering those benefits in a timely manner.

Over the past year, nearly one million people have visited IAVA's new GI Bill Web site. We have provided direct help to thousands of veterans trying to navigate their GI Bill benefits, and we have trained hundreds of schools on the ins and outs of the new GI Bill.

Our daily interactions with student veterans and schools have revealed many concerns regarding the VA's handling of the new GI Bill.

We do want to credit the VA for making some significant improvements in their handling of the new GI Bill since last year; however, we have been cautioning student veterans to prepare for another rough fall. IAVA is deeply concerned that the VA has been failing to communicate critical information to students and schools missing key Congressionally-mandated deadlines, and is already reporting a backlog of over 190,000 overall GI Bill claims.

Student veterans should be focusing on their studies and not having to worry about keeping a roof over their heads. Unfortunately without the new GI Bill 2.0 and better communication, that won't be the case.

As you will see in our written testimony, the current form of the new GI Bill's tuition benefits are both confusing and completely unpredictable.

For example, IAVA member, Aaron Sanvick, moved his family from California to Minnesota in order to utilize his hard earned new GI Bill benefits in a State with relatively high tuition rates. Aaron could have attended a number of more prestigious colleges, but he was committed to not incurring any student loans, and the Minnesota rates provided just that opportunity.

He started school in early August and wasn't initially concerned that the VA was late publishing the new tuition rates for the fall. However, on September 1st, exactly one month later, when the VA published the 2010-2011 rates, Aaron was in for a big shock. His tuition rates had unexpectedly dropped by 40 percent. Aaron and his family now owe the school an additional \$8,400 for this aca-

demographic year alone, forcing him to take out student loans to avoid being kicked out of school.

Family budgets are tight, drastic and unexpected changes like what happened to Aaron can be extremely destructive to the student and their family. Sadly this is the second time the tuition rates have dropped without warning. This year is Minnesota and last year was Florida.

New GI Bill 2.0 will not only restore Aaron's benefits, but will ensure that this never happens again.

New GI Bill 2.0 is a comprehensive effort to address the concerns of tens of thousands of student veterans and their families and involves changes that are large and small.

New GI Bill 2.0 helps veterans access valuable job training by granting Post-9/11 GI bill benefits to veterans in vocational, apprenticeship, and on-the-job training programs.

In today's rough job market this type of training is more important than ever.

New GI Bill 2.0 also helps initial Guard servicemembers by granting full GI Bill credit for full-time service. This will reward National Guardsmen for responding to national disasters such as the BP oil spill clean up, and the over 43,000 full-time active Guard and Reservists.

We believe that the same uniform in the same service deserve the same benefits.

This is also a historic precedence for the new GI Bill 2.0. One year after the World War II GI Bill passed, the 78th Congress realized they needed to amend the first World War II GI Bill to include veterans who had been left behind, ironically distance learners and vocational students, and to patch up the tuition benefit. It was actually the upgraded version of the World War II GI Bill that is currently lauded as one of the landmark pieces of legislation in the 20th Century.

This is why if we act now and finish the work this Congress began 2 years ago, the Post-9/11 GI Bill or new GI Bill will be remembered as one of the greatest investments in our country's veterans for the 21st Century.

History has shown us the importance of investing in our country's veteran, and IAVA applauds the phenomenal work this Committee continues to do on behalf of our Nation's veterans and their families.

IAVA is proud to speak on behalf of the thousands of veterans coming home every day. We work tirelessly so veterans know we have their back. Working together with this Congress and the Department of Veteran Affairs we will be able to guarantee that every veteran is confident that America has their back.

Thank you for your time today and I look forward to answering any questions you may have.

[The prepared statement of Mr. Embree appears on p. 63.]

Ms. HERSETH SANDLIN. Thank you, Mr. Embree. Let me just start with you. You had mentioned what happened in Minnesota and Florida, and this is really a question for anyone on the panel.

My recollection is that most veteran service organizations originally supported the individual State-by-State calculations and caps. I am now wondering in light of some of the changes that are being

proposed and some provisions in H.R. 5933, as you rightly identify, Mr. Embree, I have become a co-sponsor. I am all for being as generous as possible, I just want to make this a program that is a little bit easier to administer. That has been my concern all along as you know.

Do each of the organizations present at the witness table today oppose or support a State-by-State cap.

Mr. EMBREE. Well, ma'am, thank you for the question. From talking with the veteran service organizations—in fact we have formed a veteran service organization working group that has been focused on this subject for quite a while now. We talk on a regular basis. And the reason is, is because we realize it needs to be simplification and upgrades to the Post-9/11 GI Bill.

We feel that by including all public schools and creating a national baseline for all private schools, it simplifies it so folks know going into the school year as well as students—or students as well as schools both know going into the school year what their numbers will be. It takes away the uncertainty, it makes it easier for the VA to process the claims, and ideally it will make it a simple process for everyone involved.

So we feel that by making a national standardized format instead of a State-by-State format, we think it would be easier to implement the GI Bill.

Ms. HERSETH SANDLIN. Anyone else on the panel.

Mr. MADDEN. Well, speaking for the American Legion, Madam Chairman, we believe—we are not exactly opposed to the State-by-State, we believe that this is a better recommendation for fulfilling the tuition and fees.

Mr. WEAR. The VFW also has found such variation from State to State that a national one would make it a lot easier for all the veterans and the schools to know what they are going to expect, how much will it cost.

You know, the University of District of Columbia's tuition and fees makes it so much lower, and when you look at many other States, there is such a difference that a lot of the people are worried, well gee, how much is it going to be? It is this, you know, \$40, \$50 a credit, a lot more at various schools across the—all across the United States.

So we think if you can get a national one, everybody would have the same thing going in. They don't have to worry about it. How much more do you have to worry about besides your housing allowance and where to live and where the kids go, and you know, your studies? Let us focus on letting that veteran work on his studies, minimize the other things.

Mr. OVERTON. Madam Chairman, on behalf of Veterans of Modern Warfare, while we wholeheartedly support streamlining the benefit, we do have some concern with those States that are potentially impacted by the cap. They are very veteran densely populated States and there is varying impact there that we would like to see a bit of a greater statistical analysis of how many veterans are going to be potentially impacted and what those implications are going to be not only to the State economies—because let us face it, there are different regional economic concerns around the country.

So we would at least like to see some additional statistics come out of VA to better analyze and understand the impact of this cap system, but we fully support a streamline, and certainly \$20,000 looks like a good starting point, but once again, you know, given that current cap structure right now, five States, New York, New Hampshire, Pennsylvania, and Texas are going to be impacted by this proposal.

Ms. HERSETH SANDLIN. Have you given some thought to one of the contributing factors to the complexity and some of the delays? As I understand it, or the VA is that when the State budgets started hitting these crises points they are the perfect storm of trying to implement this on time and the delays that some of the State legislatures had to make as it related to their tuition rates for that particular academic year. Do you believe that this type of proposal gets around that problem.

Mr. EMBREE. Ma'am, if I may jump in. I do think it does shrink that problem a bit, because now we are used to—we know that the VA has been late before issuing tuition rates and the schools have been dealing with it. By the schools knowing—if you are a private school you know that you are at least getting that baseline then plus the Yellow Ribbon program so you can budget saying I know this many students can attend, or we know we have this much money coming in, and then we have to figure out the difference because we are part of the Yellow Ribbon program. Or if we are a public school we know that when your tuition rates do come out that the VA will honor that because all public schools will be covered. And 75 percent of students attend public schools, and the remaining folks in the private schools are eligible for the Yellow Ribbon under this new bill. It actually includes all folks, not just 100 percent students.

So it does make it easier for the schools to prepare and for the VA to also know what amounts they need to issue.

Ms. HERSETH SANDLIN. Mr. Boozman.

Mr. BOOZMAN. I guess the only thing I would ask is that in the Bill there is the elimination of the COLA for the Montgomery GI beneficiaries as the means to fund some of the increased benefits for Post-9/11 beneficiaries. It seems like the Post-9/11 students already receive more in educational assistance than those in the Montgomery GI Bill program. Isn't that a significant problem.

Mr. OVERTON. And I will address that on behalf of Veterans of Modern Warfare. We see that.

One of the things I think the ultimate end game here is, is to begin to probably sunset some of the previous GI Bill benefits. If we are able to make chapter 33 comprehensive and we are able to take those components of such things as the trade schools and these other options that individuals that are currently under chapter 30 MGIB benefits are now eligible to utilize chapter 33 and we begin to look that we are getting into that era where we are at about the ten-year limitation on MGIB beneficiaries for those individuals that are now going to be eligible for chapter 33, I think eventually that would also enhance VA's ability to implement if we began to phase out some of the older provisions as long as we ensure that chapter 33 has the mechanisms in place to supersede chapter 30 beneficiaries.

There is going to be a little bit of a gray area. There are reasons for extensions in these benefits and such, so again, we would caution and say let us make sure that we don't create a scenario where we have negative implications on any class of veteran out there.

Mr. BOOZMAN. No, and I agree, and that to me really is a concern, because that I think really would effect a number of individuals.

I agree with you in the sense that I think one of the things that really in working—both sides working together to create the Economic Opportunity Subcommittee I think really has been a benefit in the sense of allowing us to focus on these kind of issues versus everything getting wrapped up in the past with other benefits. I think it really has been very helpful and I really again praise Congressman Buyer and Congressman Filner in getting all that worked out early on.

And likewise, I appreciate your statement in support of looking at the VA and trying to make it such that we can, you know, again, make sure that we are spending adequate time, you know, on these issues. So I appreciate that.

I really don't have any further questions. I just appreciate all that you guys do as always. The testimony is very, very good, very helpful as always, and we appreciate you being here. Thank you very much.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. Minnick.

Mr. MINNICK. Thank you, Madam Chair.

I appreciate again all of your thoughts and the hard work you have put into this issue and the hard work you all are going to make in getting this through the legislative process.

In thinking about that one of the key issues is going to be the—I think all except Mr. Embree indicated they would like some further enhancements made in the interest of equality or dealing comprehensively with the problem, but the biggest obstacle to the success of this legislation is going to be the extent to which, if at all, it makes the deficit worse, and I think it is going to be very hard in a Congress where only a quarter of the people have ever been in the service and where there is strong momentum I think shared by all of us here today, that we not worsen the deficit.

If we are going to make further improvements, we are going to have to find other places where we can cut in order to make this bill revenue neutral.

Do any of you have constructive thoughts as to areas we might look beyond the pay fors that are contained in this legislation? And I would appreciate creative thought from any of the four of you, because I know the Chair is going to have trouble getting it scheduled and getting it approved unless we can assure that it is deficit neutral.

So Mr. Embree.

Mr. EMBREE. Yes, sir, thank you for bringing that up and thank you again for your leadership, and ma'am, for your leadership on this bill.

As you all are well aware H.R. 5933 has a lot of built in pay fors. We do not agree with any sort of cut to any benefits. We do agree to some freezes by making sure those veterans are included now

in chapter 33. We feel that the language is very important that it does that by allowing folks that are National Guardsmen that weren't included earlier under chapter 33, active Guard Reserve, vocational schools, on the job training, and things like that, we feel that is a very large pay for by shifting them over. It is not any elimination of money, that is shifting the money with the veterans. We are trying to get everyone under one chapter.

We also have a list of pay fors that are included that we do think together add up to quite a few dollars. Closing the part-time loophole. There are a lot of veterans attending school part-time that are eligible to receive nearly twice as many benefits as a full-time student right now.

So the regulation created a part-time loophole, which says that even though a part-time student qualifies for full living allowance by taking just 1 hour extra than halftime they get full—the burning of their entitlement is slower rate while getting that full rate for Basic Allowance for Housing (BAH).

We feel that is not a good way to spend GI Bill dollars. We think if you go part-time you get part-time of your benefit for living allowance, and if you go three quarters time you get three quarters time, full-time full-time. That is going to save a couple billion dollars over 10 years.

We also have included the active-duty loophole. Right now there is unlimited tuition and fees to active-duty folks that are taking classes through the GI Bill benefit. So we feel by eliminating that that is going save millions of dollars over those 10 years.

So by adding it all up we do believe that it is going to be a large—it is going to take a large chunk away from the cost of the bill, and we are also willing to look at other ways to pay for it. I think the veteran service organizations are very excited about finding a way to make this cost neutral to get it implemented as quickly as possible before the October recess.

Mr. MINNICK. Thank you. Mr. Madden.

Mr. MADDEN. I have to concur with Mr. Embree. We believe that the pay fors that are included within this Bill should possibly make this a neutral bill.

Obviously as an organization, we are not—we are opposed to making or cutting any benefits that are currently being received by veterans and their families.

Mr. MINNICK. But if we have to make further cuts to make it revenue neutral when we get a Congressional Budget Office (CBO) score will you work with us in doing that.

Mr. MADDEN. We would love that opportunity to work with you.

Mr. MINNICK. Thank you.

Mr. MADDEN. Thank you.

Mr. MINNICK. I yield back.

Ms. HERSETH SANDLIN. Thank you, Mr. Minnick.

Yes, CBO gives us headaches, and we are going to keep working to trying to work through that issue. The Post-9/11 GI Bill had a pretty big price tag too, but the budget situation, the public outcry about doing something about your debt and deficits has gotten even more severe from when the Post-9/11 GI Bill was added to the emergency supplemental. But we are committed to working with you on this and continuing the communication. The dialogue that

I know that Mr. Minnick's office has had with CBO, is not going to diminish my efforts that I undertook in the last Congress and in this one, whether it is in a budget negotiation or elsewhere to be able to make this a priority and find offsets. I think that the American public wants us to pay for our priorities, and this is a priority that we share, and so that is the battle we have to wage over here. Until we can get on the playing field to have that fight we have to deal with what we have currently.

Mr. Madden and Mr. Embree, you stated that you have concerns from what you are hearing from your members, other student veterans, about the communication of critical information. Certainly we have heard concerns about customer service. I have got concerns from my constituents as it relates to some of the regionalization and the ability of either State Approving Agency officers or others who are trying to work to get information.

Some of you had mentioned in your testimony the inability of some of your members that are student veterans to get answers, get access, and concerns that even the Web site is difficult to navigate.

Tell me a little bit more about sort of specifically what is the information that you feel the VA is not effectively communicating that is the most critical to the student veterans that could avoid some of the problems that we have experienced over the past year.

Mr. MADDEN. Thank you very much, Madam Chairwoman.

The incidents that I receive at the assistance director position is every student veteran comes to me and says, I don't even know what is going on. I call the Call Center, I get an answer from someone, I get another answer from somebody else. And this is not referring to the RPOs, this is referring to specifically the Call Center. They are not getting the answer they need. They call back 2 days later they get a different answer. They call back 2 days later they get a different answer.

So I believe with the new IT system and them allowing them to self-navigate their claim, knowing where their claim is during the process, being able to see that, I believe that will further educate them.

Obviously we are advocating for more outreach from the VA on a constant basis, but we—I think that will fill some of the disparity there with the new IT system and giving them the ability to see where their claim is at that current time.

Mr. EMBREE. Yes, ma'am. One of the major issues we found this past August, which was a similar issue we had last year was a tuition and fee rates, the chart coming out late, and that makes it impossible for students, as well as schools, to budget for the following semester.

Now we do understand that some of the States were late turning the information into the VA, so what we would like to ask for is the VA to post the chart incomplete. Post what State information they do have and then turn to the VSO community use us as an asset to pressure the States to get those tuition and fee rates turned into the VA so the VA can post those.

We want to remind the VA that we want to work with them on this. They have done a much better job, they are improving, but we need more communication and transparency with the veteran

service organizations so we can help them so if they have a situation where they have a partial chart they can post what information they do have and we can help them gather the rest of the information.

Mr. WEAR. Also when a veteran calls there should be a method to keep track of on this day they were told (a), 2 days later they are told (b). At some point you have got to be able to pull up Jim Wear's record and say on Tuesday I told you this, you call on Thursday or next Tuesday it is still that. So there has to be some way where when the VA get a call from a veteran they have to be able to pull up that person's information. What did you ask? Here is what we told you. So that they have a more consistent response, but centered on the veteran.

Whether they call a Call Center or an RPO, those all should go back to the veteran so when that veteran calls in again they are going to go to that record, not necessarily, you know, here is your question, oh, well here is our best guess or here is our answer.

It would be better if they focused on what the veteran had asked and use that as a tracking mechanism, the go back to that point so that they can get that veteran, here is what we told you. Well, okay, it has changed, but at least they would know what the veteran had been told and should be able to then say yes, no, be a little clearer on focusing bringing everything back to the veteran.

Mr. OVERTON. And briefly, Madam Chairwoman, if I could just address bringing us back to the concept of H.R. 3719 and the establishment of the fourth arm within VA, creating that what we look to do from the DoD/VA interface with a seamless transition, we really need to look at that across the board.

Right now Labor has great programs and the DoL Vets program under Assistant Secretary of VETS Jefferson, they do great things, but there is no collaboration between these agencies.

We have a lot of great programs out there, so finding a way to get these interagencies working together, and hopefully at some point also bringing the House Veterans' Affairs Committee and House Armed Services Committee back together again to begin addressing this as that seamless transition issue.

There is grave concern over even the SPAWAR concept, because once again we are looking at a DoD/VA interagency agreement that has been broken in the past. So are we going to be stuck in the same situation where DoD didn't provide VA with the necessary resources to fully implement and we end up with a he said she said game again in the future.

So we are concerned about that, but hopefully we can look at creating this arm and having accountability with the new Under Secretary bringing all those programs under a common umbrella allowing it to start from the Military Entrance Processing station all the way through with this electronic record for life that then takes the individual through active duty, through the transition process into the economic, you know, whether it be education, going into small business, we could create really I think the proper mechanisms to succeed at this and really have some cost saving measures as well.

Ms. HERSETH SANDLIN. Well, thank you. I just have one final question, just a point of a clarification,

Mr. Madden, from your testimony.

You stated that there are reports of veterans and their family members losing their future payments instead of the \$750 reduction the VA promised for obtaining the \$3,000 emergency payment. Can you just explain that a bit further for me.

Mr. MADDEN. Can you ask the question one more time? I am sorry.

Ms. HERSETH SANDLIN. Yes. In your written testimony you had stated that there are some reports from veterans and their family members about losing future payments instead of the \$750 reduction the VA promised for obtaining the \$3,000 emergency payment.

Mr. MADDEN. Originally they were told that they were going to lose their future payments as opposed to taking the \$750 out, and that is what I was told. So if that is wrong I apologize, but—

Ms. HERSETH SANDLIN. Oh, no, I am not saying it is wrong, The staff and I weren't entirely clear on—

Mr. MADDEN. Okay. I would be more than happy to get back with you.

Ms. HERSETH SANDLIN. So if you could take that for the record.

Mr. MADDEN. Certainly.

Ms. HERSETH SANDLIN [continuing]. And explain a little bit more some of the reports that you are hearing about.

Mr. MADDEN. Certainly.

Ms. HERSETH SANDLIN. Okay.

[Mr. Madden subsequently followed up in a letter, dated October 19, 2010, which appears on p. 90.]

Mr. MADDEN. Thank you.

Ms. HERSETH SANDLIN. Well, thank you for the testimony, the ideas, and recommendations. I think that Mr. Overton, you used the appropriate term of unforeseen limitations. Some were foreseen, some were unforeseen limitations, unintended consequences, a complex program and compressed timetable.

We just want to make sure that as we look at the types of upgrades that are necessary to meet the needs of all eligible veterans that we are taking the opportunity, as I think you all recognize, of streamlining and simplifying the program in a way consistent with moving toward the Long-Term Solution as well and not missing the opportunity as we also seek to enhance the benefits to serve more individuals and their families.

Thank you for your testimony, thank you for your service to our Country and your ongoing service to our Nation's veterans. Thank you.

I now invite our third panel to the witness table. Joining us on our third panel is Captain Mark Krause, Department of Veterans Affairs Program Manager, Space and Naval Warfare Systems Center (SPAWAR) Atlantic, and Mr. Keith Wilson, Director of Education Service, Veterans Benefits Administration, U.S. Department of Veterans Affairs.

Mr. Wilson is accompanied by the Honorable Roger Baker, Assistant Secretary for Information and Technology at the United States Department of Veterans Affairs.

Gentlemen, welcome back. I know you missed us as much as we miss you during August, but we are looking forward to the updates that you can provide the Subcommittee, as well as comments on

the testimony of our prior panels and questions that the Ranking Member and I may have for you this afternoon.

Mr. Krause, we will begin with you. Again, written statements have been made part of the record. We have heard a lot from our first two panels as it relates to not just sort of the ongoing state of affairs in implementing and administering the Post-9/11 GI Bill, the progress that many of the witnesses have identified that has been made to ongoing problems that we know persist.

This Subcommittee has been very active in our oversight of the administration of the new program, we know how important the Long-Term Solution is. I believe Mr. Madden in response to my last question identified that we hope this will alleviate some of the problems in the lack of communication or some of the critical information that some of the veterans have been experiencing in their ability to navigate a system that I think we hope will alleviate some of the other problems that we know have been harder to rectify.

Mr. Krause, I will turn it over to you first, and you are recognized for 5 minutes.

STATEMENTS OF CAPTAIN MARK KRAUSE, USN (RET.), U.S. DEPARTMENT OF VETERANS AFFAIRS PROGRAM MANAGER, SPACE AND NAVAL WARFARE SYSTEMS CENTER ATLANTIC, DEPARTMENT OF THE NAVY, U.S. DEPARTMENT OF DEFENSE; AND KEITH M. WILSON, DIRECTOR OF EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY HON. ROGER W. BAKER, ASSISTANT SECRETARY FOR INFORMATION AND TECHNOLOGY AND CHIEF INFORMATION OFFICER, OFFICE OF INFORMATION AND TECHNOLOGY, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF CAPTAIN MARK KRAUSE

Captain KRAUSE. Good afternoon, Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the current status of the Post-9/11 GI Bill Chapter 33 Long-Term Solution.

My testimony will address the current status of the Long-Term Solution, critical milestone completion, program challenges, future updates, and the ability of the Long-Term Solution to support future policy changes.

The VA/SPAWAR Chapter 33 Long-Term Solution team delivered and deployed releases 1.0 and 2.0 this year on the planned critical milestone dates.

All chapter 33 veteran claim examiners have been transitioned from the interim solution to the Long-Term Solution to process chapter 33 educational benefits claims.

Since January 2010, the team has accomplished the following. Enabled the VA to deliver chapter 33 benefits via a centralized Web-based system that implements a flexible rules-based engine. This will allow the VA to implement future changes and enhancements to chapter 33 policy and legislation in a more timely and efficient manner.

The VA/SPAWAR Team successfully implemented Agile methodology within the VA and have established an effective, engaged, and collaborative governance process to prioritize capability development, resolve issues and make timely decisions.

We have leveraged our Agile approach to implement additional functionality as reprioritized by the VA. Examples include the Fry Amendment, Letter Generation, Fiscal Year 9/10 retro-active housing rate adjustments, significant interim solution data errors, data conversion, switching from the planned interface with the financial accounting system to the older benefits delivery network financial system, developing a user authentication solution due to the unavailability of the benefits enterprise platform, and assuming an expanded role in interface development with VA legacy systems.

Over the last several months, the VA/SPAWAR Chapter 33 Long-Term Solution team has continued to peel back the onion to uncover and define more detailed chapter 33 requirements and processes. This discovery revealed a number of factors that increased the complexity and scope required by the Long-Term Solution.

A summary of these discoveries included automating business rules and streamlining the process to adjudicate claims were more complex than originally anticipated. Converting and remediating data conversion errors from the interim solution into Chapter 33 Long-Term Solution was more challenging than planned. Enhancing existing VA systems required to provide data to the Chapter 33 Long-Term Solution has proven more difficult than expected.

In the upcoming months, Long-Term Solution development will focus on providing system interfaces and capabilities to automate and streamline the claimant institution enrollment validation process, as well as initiating and providing chapter 33 payment instructions to the Department of Treasury.

To date, all critical milestones have been met. We delivered on release 1.0 on 31 March, delivered on release 2.0 on 30 June. The Long-Term Solution functionality planned for each critical milestone was based on a limited understanding of the requirements 14 months ago. On a biweekly basis, every 2 weeks at each sprint review, new requirements, user stories, functionality, and changes in scope are discussed and re-prioritized thru a detailed VA governance process.

Since then, the Chapter 33 Long-Term Solution Agile process has continued to better define program requirements, revealing additional technical complexities during releases 1.0 and 2.0 and resolving those complexities.

Due to the 4 extra weeks that were required to complete the data conversion and housing rate adjustment and the complexity of the Benefits Delivery Network (BDN), or the financial interface, we expect to deliver the VAONCE, which is essentially the VA online certification of enrollment data, interface on 30 September for user testing, and do not anticipate delivering the complete functionality planned for release 3.0, which is automating the financial transaction/authorization process currently required to authorize payments for claims and a financial interface with the BDN financial system, until the December 2010 time frame. The requirements for release 4.0 scheduled for December 2010, are still being defined.

Future updates to the Chapter 33 Long-Term Solution will be determined by VA leadership.

Chapter 33 Long-Term Solution is a rules-based system that will support future changes to the program, some of which we heard requested briefly today, such as the expansion of benefits, changes to payment procedures, and changes to policy and law.

The bottom line up front, Madam Chairwoman, is by the end of December we will have delivered the major functionality we promised, we will have the financial interface done, we will have the major automation of the financial processes that we promised done. We have another team now working on a veterans self-service capability in the E-Benefits portal. We are leveraging our folks, and we are also working on that project to deliver essentially to be able to view payment history, a claim status, and right now we are looking at the possibility of getting this by the end of December to allow you to change your personal information.

So essentially, we still want to declare victory, as Mr. Baker has so often told us in that at the end of December and January on this project.

And Madam Chairwoman, this concludes my statement. I am pleased to answer any questions you or any of the other Members of the Subcommittee may have.

[The prepared statement of Captain Krause appears on p. 70.]

Ms. HERSETH SANDLIN. Thank you, Mr. Krause.

Mr. Wilson.

STATEMENT OF KEITH M. WILSON

Mr. WILSON. Thank you. Good afternoon, Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to provide you an update on VA's implementation of the Post-9/11 GI Bill.

My testimony will address the current status of education claims processing for the fall 2010 enrollments and critical milestones for VA's Long-Term Solution.

Joining me today are the Honorable Roger W. Baker, Assistant Secretary for Information and Technology, and Mr. Mark Krause, VA Program Manager for SPAWAR, who has just discussed implementation of the Long-Term Solution.

I am pleased to report that VA has made tremendous strides in delivering Post-9/11 GI Bill benefits in a timely and accurate manner. We have also made significant progress in the development and deployment of our new processing and payment system.

As of the end of August last year, VA had processed payments for only 8,185 students for the fall 2009 semester. For the current fall term, VA has already processed payments for more than 135,000 students. The average time to process an enrollment certification in August was 10 days, down from 28 days 1 year ago.

In June and August, we successfully deployed release 2.0 and 2.1 of the Long-Term Solution. Through these deployments, we successfully converted over 600,000 chapter 33 claimant records from our interim processing system into the Long-Term Solution.

We also added greater functionality to that originally planned for the Long-Term Solution. Its functionality was expanded to enable

payment of retroactive housing allowance adjustments for those individuals eligible for the increased rates in 2010.

Additionally, the Long-Term Solution was improved to automatically generate letters to individuals to provide them better information on their benefits.

The Long-Term Solution was also enhanced to facilitate claims processing for the Fry Scholarship recipients.

VA is now processing all Post-9/11 GI Bill claims in this new system, thereby replacing the interim system and its associated manual job aids.

Our work is far from over, and as the Members know, we continue to experience challenges. We have been unable to deliver all the functionality in accordance with our timeline we developed 2 years ago. Although we are processing all Post-9/11 GI Bill claims in the Long-Term Solution, functionality to automate key portions of the process has been delayed.

The interfaces with the VAONCE Certification of Enrollment and the Benefits Delivery Payment System previously scheduled for September 30th, 2010, are now scheduled for October 30th of 2010, and December 31st, 2010, respectively.

These delays are due to increased functionality needed to improve immediate claims processing capabilities, challenges with conversion of the data from the interim system, and a more complete understanding of the complexities of the interface with BDN.

Additionally, by working with our key stakeholders, we continue to learn what is needed and make positive changes. We are working to improve our debt-management processes, ensuring that refunded payments are accurately credited to overpayments, and ensuring that overpayments are handled in an effective manner, thus minimizing negative impacts on students' pursuit of their educational goals.

Our guiding principle for system development and deployment has been, and will continue to be, to ensure that the deployment schedule and delivered functionality do not have a negative impact on our ability to pay veterans.

Additionally, building upon previous outreach strategies, the Post-9/11 GI Bill has been featured at the September 10th and 11th NASCAR events in Richmond, Virginia, in addition to other outreach activities we have incorporated. The race weekend was officially called the Post-9/11 GI Bill Weekend at Richmond International Raceway. I will talk about this more in our Power Point presentation.

While recognizing we will not meet all of the key milestones in our aggressive development and deployment schedule of the LTS, VA is nevertheless proud of its achievements in overcoming significant challenges and successfully transitioning from an inadequate temporary system to a state-of-the-art processing system that promises to deliver significantly improved automation and consistency.

VA has shown dramatic improvement over the last year in its ability to deliver timely and accurate benefits derived from this important legislation.

Madam Chairwoman, this concludes my oral statement. As requested we have provided more detail in the form of a Power Point

presentation. I would like to move to that unless you or other Members have questions at this point.

Ms. HERSETH SANDLIN. That is fine. About how long is the PowerPoint?

Mr. WILSON. I can make it as fast as you would like. It is about 15 minutes normal speed.

Ms. HERSETH SANDLIN. Let us try to do it in 5 to 10 minutes.

Mr. WILSON. Absolutely.

Ms. HERSETH SANDLIN. Okay.

[Slide]

Mr. WILSON. The first slide. Next slide. This slide provides a good graphic representation of where we are at from a claims processing perspective.

As I mentioned, last year at this time we processed and paid about 8,000 claimants. We have paid, this chart shows 150,000, it was prepared more recently than my oral testimony, so we are in very good shape from a claims processing standpoint.

And I want to emphasize though that we do not consider ourselves out of the woods. We are at the high watermark for the fall enrollment period, there is a lot of work that continues to need to be done, but we are in obviously much better shape than we were at this time last fall.

Next slide.

[Slide]

Mr. WILSON. We have been able to accomplish this success through a lot of hard work from our staff at the regional processing offices. Our daily productivity for chapter 33 claims the 9.5 claims per person per day, and for chapter 30 claims it is 25.4 claims per day, which does exceed our current goal. Basically we are processing in excess of 10,000 claims a day at this point. Beginning last fall, we were processing about 2,000 claims a day.

Next slide.

[Slide]

Mr. WILSON. This slide provides some basic information concerning where we are at in terms of payments. We have paid \$4.7 billion to about 340,000 individuals or to their schools. We have numbers there that show the split between private for profit, private non-profit, and public institutions. We have also in that total number we have paid \$41.7 million under the Yellow Ribbon program.

Next slide.

[Slide]

Mr. WILSON. This slide, it is a little bit busy, but it provides a general overview of the functionality that was originally envisioned for our four core releases versus the functionality that was ultimately delivered.

Basically at this point we expected to have the functionality that would allow us to interface with our systems thereby allowing us to begin automating the process. As I described in my oral testimony, those are due to be released now in October and December.

Next slide.

[Slide]

Mr. WILSON. The causes of the LTS delays, I believe I talked about that in my oral testimony, so I won't go over that in detail again.

One of the specific questions we were asked, Madam Chair, is how can Congress help? And there are two points that we have made on this slide.

Number one, legislative action could potentially harm our ability to continue to develop the Long-Term Solution, so we, as has always been the case, look to continue being actively involved with you as we are.

Also in terms of timeline what we have put on this slide is looking at a potential of 24 or 36 months to incorporate significant changes, if significant changes are called for in our IT development. We can talk about that more or Mr. Baker can talk about that more in detail if you chose to do so.

Next slide.

[Slide]

Mr. WILSON. Outreach. Outreach has been a major part of what we have been doing over the last year. We have developed a major outreach strategy to begin not reaching just the veterans that we have been reaching already and the servicemembers, but their family members as well. We have undertaken that in a multifaceted approach, we have had a lot of information on the Post-9/11 GI Bill appear in print media, radio, et cetera, we have also developed some national events, worked with national organizations in a way that we haven't done before, and we are very pleased with what we are beginning to see. We think there is a lot of potential, but I will talk about that in a little more detail.

Next slide.

[Slide]

Mr. WILSON. Recently at the Air Guard 400 in Richmond over last weekend, we partnered with TRG Motor Sports, Kevin Buckler and TRG Motor Sports, as well as Land and Castle, the driver of car 71, to sponsor a Post-9/11 GI Bill car in the race. We sponsored the car in that race, we also sponsored the events at the weekend.

We have had a tremendous amount of interest in that. We are still collecting initial information concerning getting our message out. The folks both at TRG, as well as Land and Mr. Castle, worked very hard. They have a lot of connection with the program themselves and showed a lot of commitment to getting the message out.

Our Web site traffic for new people coming to our Web site has been up 11 percent since that event. So obviously we got a lot more work to do, we are learning a lot, but it is one more potential for us to get information out on the program.

Next slide.

[Slide]

Mr. WILSON. NASCAR. We have been asked why NASCAR? For NASCAR the demographics are very good for us. About a third of the 75 million NASCAR fans are veterans servicemembers or have close family members that are, so it worked very well for us.

Just anecdotally, my staff that was at the event, probably 90 percent of the people that approached us were in those categories. It

was a very good demographic for us. We also had a lot of coverage, potential coverage with the viewership.

The Air Guard 400 was broadcast live on ABC, as well as on the Armed Forces network across the globe with about 6.6 million viewers worldwide.

Next slide, please.

[Slide]

Mr. WILSON. We also at the Air Guard 400 kicked off a series that we are calling "My Story." We have put together a series of short clips with the generous donation of time from some of our veterans who have gone on camera and told us what the impact of the Post-9/11 GI Bill has been on their lives. Those were broadcast live at the event. We have all four of them done now and will be using those for public service announcements, other opportunities to get the message out. They are very, very good.

Next slide, please.

[Slide]

Mr. WILSON. We have also been fortunate enough to work with an individual by the name of Mike Rowe, who hosts a show called *Dirty Jobs* on the History Channel. Mr. Rowe has done a public service announcement for us. He focuses largely on the trades. Has a very high interest in the trades. He was very generous with his time, and we have had some success with that as well. So we are very pleased with that as well.

Next slide.

That concludes the presentation. I would be happy to answer questions that you or other Members may have, Madam.

[The prepared statement and referenced slides of Mr. Wilson appears on p. 71.]

Ms. HERSETH SANDLIN. Thank you, Mr. Wilson. Let me start, if you can go to slide eight. Sorry, we don't need to go back. This is the slide as to what Congress can do.

As you know, I think our Subcommittee counsel and staff have worked closely to try to keep this Long-Term Solution on track, and in some of the proposals. I know that there were early efforts to try to make some changes, and we understood the compressed timetable you were on both short term, long term, but in my estimation some legislative action actually has the potential to positively impact the full deployment of the Long-Term Solution. Would you agree.

Mr. WILSON. I think the potential exists depending on what that would be, yes.

Ms. HERSETH SANDLIN. Okay. So the legislative action has the potential to either positively or negatively impact.

Mr. WILSON. That is an accurate statement, yes, ma'am.

Ms. HERSETH SANDLIN. Okay. Can you give me an example of what a significant system change would be in any of the pending proposals to make improvements to the Post-9/11 GI Bill.

Mr. WILSON. I would like to ask Mr. Baker to address that, if he could, please.

Mr. BAKER. From a technical standpoint, things that we can change that allow us to just change the rules engine can be done very quickly. Minor things that allow processing or that say in this

case pay a certain amount versus a variable amount. Those sort of things will be very quick.

If we have to go in and add an entire new feature to the system, some substantial change in the way that the system anticipates processing the benefits, that would require getting into the software and making code changes. That is going to take quite a bit longer from our perspective.

Ms. HERSETH SANDLIN. Are you able to provide a concrete example of that significant system change from any of the pending bills, particularly H.R. 5933.

Mr. BAKER. I apologize, I am not familiar enough with the bills to do that.

Ms. HERSETH SANDLIN. Okay.

Mr. BAKER. I don't know if Mr. Krause or Mr. Wilson can.

Captain KRAUSE. Ma'am, one of the—

Ms. HERSETH SANDLIN. How about the Senate version? How about the S. 3447.

Captain KRAUSE. From our point of view, I have talked to my engineers and it is all about the data. I have a lot of experience with Reserve databases and Reserve systems from the Navy side. A lot of their data systems are 28, 30-year old Cobalt systems, they don't play nice in a new environment, so it is all about if we can get the data interfaces and get access to that data, and then if the data is clean.

I know VA struggled for years with DoD data and not being clean and having to—I know Keith has told me stories about having to struggle with that. Well the Reserve data has its problems too. So it is all about the data. We just have to work with the National Guard folks and the Reserve folks to make sure that we access the right database, the right authoritative sources, and get that data and then clean it up.

So not an overwhelming challenge, but it will be a challenge.

Ms. HERSETH SANDLIN. So it is more the concern that I think Mr. Overton identified as it relates to the ongoing concerns between sharing of information between DoD and VA into this new system than it is any perhaps proposed legislative change that could cause more of the problem.

Captain KRAUSE. Right. I mean the Reserve systems and the active-duty systems at least in Navy and the Army and the Air Force, they have all been separate and they need to come together and be integrated, which was what DIMHRS (Defense Integrated Military Human Resources System) was all about. So essentially that has to happen. And because it hasn't happened yet I think the VA is going to have to, and myself supporting them, our team supporting them, we are going to have to go out and find those data sources and work with them.

So it will just add another complexity to it, but it is handleable.

Mr. WILSON. If I can add to that a little bit. The degree of change matters a great deal I believe from our perspective, and I will try to come up with a couple of examples.

If we were to create a new category of entitled individuals, for example, and they did involve Guard service, for example, that could potentially be fairly complex, because we wouldn't even know, for example, whether the eligibility information we need to

determine entitlement is actually captured somewhere. So that would be an issue.

Looking at a little differently though and saying that we create a different tier of benefit. We want to create, for example, a 15 percent tier of benefit. That would be different because we would be getting all the feed information the same, we would just be adding another slice to the pie.

So just as an example something like that might be easier to absorb.

Ms. HERSETH SANDLIN. On page three of your slide when we have over 150,000 of the Chapter 33 veterans paid for 2010 that includes both from the spring and from the fall semester.

Mr. WILSON. Those are unique fall enrollments for this current enrollment period. That was the information I captured on this slide.

Ms. HERSETH SANDLIN. Okay. Do you have any estimates on how many of those 150,801 might have received overpayments.

Mr. WILSON. I don't have that information available, but I would be happy to look at it for the record and provide it for the record. [The VA subsequently provided the following information:]

The Department of Veterans Affairs (VA) is unable to determine the number of overpayments associated with the 150,801 Veterans paid under the Post-9/11 GI Bill when slide 3 was prepared. However, the average number of education overpayments created on a monthly basis for all education programs in FY 2009 was 9,576. That average, not considering advance payments for chapter 33, rose to 23,505 for FY 2010. The average monthly dollar amount of overpayment established during FY 2009 for all education programs was \$10,040,925. That average rose to \$26,360,574 for FY 2010.

The Post-9/11 GI Bill program pays students' tuition and fees, a books and supplies stipend, and, in most cases, a monthly housing allowance. In the event a student withdraws from classes after these payments are made, an overpayment occurs in each of these benefit payments. Because the amounts paid to and on behalf of Veterans under the Post-9/11 GI Bill are significantly higher than in previous programs and include tuition and fee payments covering the entire term, the number and the amount of overpayments have increased.

Ms. HERSETH SANDLIN. Or at least look at the trend——

Mr. WILSON. Yes.

Ms. HERSETH SANDLIN. Because this is, as we have discussed, a significant problem and we would like to see some improvement as it relates to dealing with that problem.

And that leads me to the question that came up from

Ms. DesLauriers, and that is this issue of veterans who participated in the 3,000 emergency payment last November and then they entered a repayment plan and were automatically sent to Debt Management Center after 180 days. And why is this happening? How are we going to fix this problem? And will these veterans' accounts be cleared from the Debt Management Center.

Mr. WILSON. They will be cleared. We are aware that there are situations where that is occurring. When we are made aware of those situations we put those individuals directly in contact with the Debt Management Center and we work it out manually on a case-by-case basis, but it should not be happening as a category of cases, and we are working hard on that.

Ms. HERSETH SANDLIN. Mr. Boozman.

Mr. BOOZMAN. Because of all these concerns, what are the impediments to implementing a temporary moratorium on the chapter 33 collections?

Mr. WILSON. There are some technical challenges with doing that. I understand the interest in doing this from a conceptual perspective. We have had some initial discussions within VA on that. We do have technical concerns as to whether or not we could make what would be needed would be code changes and whether we could make those without creating additional risk within the system.

Mr. BOOZMAN. And again, I have the same concerns as the Chair, the question that she brought up and we will probably want to send some additional questions over, but I guess really the bottom line is we have the current overpayment process, and the question is, how do we adjust that? How do we fix it to ensure that veterans for whom schools who return funds to the VA are not subjected to the collection efforts?

And you mentioned that, but I guess, again, I pose the question again just for emphasis on how important this is. I mean this is something that we just simply have to get fixed and cleared up. And so whatever efforts that we need to expend in that way, it is just—I want you to know how important we all feel like. That just simply has to be fixed.

Mr. WILSON. Dr. Merten did a very good job I think of laying out the challenges and the different players, and he laid out three different players involved with this, VA and the schools and the student, and I can't disagree at all with what he said. I believe he is right on point.

I would argue though that there is actually more players than that involved within VA and within the schools. There are entities within those establishments that are involved with different points of the process as well. Within the schools, you have the finance offices and the certifying officials that often are not in the same location, may or may not, you know, be working well together. The same is within VA. We have the Debt Management Center involved, we have the regional processing offices involved, and then you have the student obviously involved in the entire process as well.

Every time there is a change in enrollment, for example, a school will have a certifying official send us a change in the enrollment, report the change of enrollment at some point during that person's process workload, separate from that the finance office will be refunding money, not necessarily at the same time it is being reported to VA, and then within VA we are processing that work as it comes into the RPO, crediting it, having that information connected with the Debt Management Center, and again, the veteran involved with all of this, and it happens every time there is a change in enrollment.

There is obviously thousands of certifying officials, thousands of debt management cases. There are a lot of cooks in the kitchen, and from my perspective that is the core of the problem, is there are a lot of people involved in something, and it is very difficult.

We are working very hard, the schools are working very hard, there is just a lot of moving parts in this.

Mr. BOOZMAN. Again, thank you all for being here.

In follow up, we probably have some other things that we would like to ask, and then perhaps maybe we could have some sort of a deadline as to when they get back in regard to this, you know, the true problems in implementing some sort of temporary whatever.

But, you have kind of sketched over that as far as the problems, but I guess we would really like to know specifically, what, because the reality is we have just got to fix this problem.

So if you can get back to us and staff with some more concrete things I think that would be very helpful.

Mr. WILSON. I would be happy to do that. We have had a series of meetings with schools. Just yesterday we received the latest documents referring to our meetings and we are in the process now of setting up another group of meetings. So we would be happy to do that.

[The VA subsequently provided the following information:]

Question: What are the specific problems in ensuring a consistent and consolidated message to schools and students about education benefits?

Response: We are committed to providing the best possible service to our veterans. As part of this commitment, VA has employees who are responsible for maintaining direct contact with participating schools to ensure that a consistent message is communicated. VA's education liaison representatives (ELRs) are the primary points of contact for school officials. ELRs have a wide range of responsibilities in support of education benefits programs and work closely with school officials to inform them of changes in VA policies and procedures.

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

VA continues to send representatives to professional and educational conferences to discuss the Post-9/11 GI Bill, hold training for school certifying officials who work with veterans at schools, and update the GI Bill Web site to provide the most comprehensive information available.

Mr. BOOZMAN. Good. Thank you very much.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. Krause, if the critical milestones that were previously discussed in past Subcommittee hearings were set over a year ago, why are we just now in the process of defining release 4.0?

Captain KRAUSE. Madam Chairwoman, throughout this project we have used the Agile methodology and we have built as we go. We had high level requirements when we started a year ago, but we never had the detailed requirements. We literally do them in many cases a month to 3 weeks in advance. That is how the Agile process works. We get the sprint planning session together, we get the subject matter experts together, we define the user stories, get them detailed enough so the developers can build them, and then in 2 weeks they have a tested developed product that they show the subject matter experts, they like it, and then we deploy it at the next milestone.

But about a year ago, we came under Mr. Baker's Project Management Accountability System (PMAS). It is his system where we do deliveries at least every 6 months—in this case every 3 months—and it is inflexible schedule dates, flexible functionality

requirements dates. That is how he is running his software IT projects, that is how he is turning them around.

So on any given milestone date, you know, if we—for instance this summer in order to protect the fall enrollment we focused unexpectedly on going back and automating the retroactive housing payments and doing some of the work needed to be done to automate the date of conversion so that the claim examiners didn't have to manually deal with hundreds of thousands of claims, they could focus on the fall enrollment.

So from a business perspective from Mr. Wilson's perspective it was all about protecting the fall enrollment and making whatever adjustments had to be made to the IT systems, even if they weren't planned, if they were out of scope we had to do it in order to protect the fall enrollment.

So that was what this summer was about. And that is why some of the functionality that we have delivered has been off a little bit on the milestones, which is permitted under the PMAS system, the Program Management Accountability System, as long as you make the dates.

Now on this milestone three date, as we have briefed we have going to deliver the VAONCE interface, but it is going to be available for testing on the 30th, it won't be deployed on the 30th, so we missed a date by 3 weeks because of some of the additional data conversion. But at the end of October, we will deliver the enrollment data, which will automatically populate the screens for the claim examiners so they can do their work more efficiently and quickly.

You know, we had to switch from going to the financial accountability accounting system (FAS) for the VA, FAS is what it is called, a modern system. We had to switch—in the summer Mr. Wilson made the decision, and Mr. Baker, that we had to go to the older more reliable BDN system. Well that was a change and we had to adjust to that.

And so for that reason because of the additional scope we did this summer and the concerns about the complexity of a financial system and the importance of getting it right the first time, we delayed it a few months to make sure we get it right, and we do all the additional testing the VA wants to do in November.

But as I briefed before, the bottom line is as we promised in December we will have finished all the major functionality that was expected from us. We will have a basis user interface or veteran self-service capability which can be built on and expanded, you know, part of the life cycle of the program.

So that is the plan, that is where we are. And we have tried to keep the staff, your staff, informed as we have gone along what the functionality of each of the releases have been. And when we saw ourselves switching that functionality we made sure that we did brief the staff within a week of making sure that we had our ducks in a row before we talked to them.

Ms. HERSETH SANDLIN. Will you and your team continue to be involved after December?

Captain KRAUSE. We will. It looks like the plan is for us continue to be involved after December, yes.

Ms. HERSETH SANDLIN. As we continue to peel back the onion, by the end of the spring semester next year, are we going to have a complete interface functionality for the veteran?

Captain KRAUSE. I think you will be working on this application—I mean an application as I mentioned the last time we met in January, these legacy systems last 30 years. You are always modernizing them, you are always doing a change, the users are always saying well I want this letter generation to say this, not this. You have to update it and fix it for me.

So releases I think will be continual on this regardless of whether SPAWAR does it or not for the next 10, 15 years. It is part of the life cycle of a software program.

Typically 80 percent of the cost of a software application is its life cycle cost which is the out years, which is after you deploy.

So I think we are just going along with that plan. And as the users come up with additional functionality they want in the spring, somebody is going have to do that work. It doesn't have to be us, it can be whoever does the work.

Ms. HERSETH SANDLIN. Do you believe that this VA has acquired sufficient technical expertise throughout this process to take it over on a day-to-day basis after December, after May?

Captain KRAUSE. As Mr. Baker briefed before, there will have to be a transition. We are looking at transitioning some of the things back to the VA sooner.

For instance, the hosting at Terremark, we are trying to transition that back to Mr. Baker's team in the February time frame. We are working with the technical acquisition center to do that.

We are looking at moving the training back to the VA to get that off our plates so the VA can take over that.

The OPTs, they will take over the operations of the system. A lot of that is some of the minor changes.

We are interested in transitioning back to the VA. And do I think they have the expertise. Under Mr. Baker and his leadership I think they have acquired that technical expertise, at least in my opinion very quickly over the last year. They have a lot of good people that can take some of this on.

So it is all about the transition and working with Mr. Baker to eventually do that.

Mr. BAKER. If I could comment on that. We are going to focus on having the expertise from an operations and maintenance standpoint. We will continue to rely on SPAWAR for the heavy development.

And I think Mr. Krause is right, by the end of this year we will have met the objectives we laid out originally, but that was 2 years ago, and change has occurred and there are more things we would like to do on that system.

So we are planning right now for a smaller, but still substantial budget for development during 2011.

I think your point relative to the Web site is spot on. One of the things about user interfaces is it is impossible to get them right the first time. You want to get them out, see what the users say about them and then make changes that make them more friendly, add functionality and add information to them.

I think we will see that occur with the Web site, we will see that occur with the interface that the claims processors use as we go along. I think all that is appropriate.

At some point, this system will have settled down and just be day in, day out operations and maintenance, but I don't think that will be until late 2011.

Ms. HERSETH SANDLIN. So any legislative changes we may make would delay that further is your concern unless we manage this from the legislative side effectively to do the streamlining that may make some of the hurdles easier to get across.

Mr. BAKER. The major thing I believe we would ask is in looking at the various proposals we can do a quick analysis of whether or not they can be implemented through the rules engine or whether they would take software changes. And it may well be that we can suggest things that would allow them to be implemented in the rules engine versus a software change, so that would be a very productive piece.

But my anticipation with any large piece of software is there are going to be legislative changes. Just like user interfaces, laws are seldom perfect the first time that they are passed, and I think working together will just make the program and software better.

Ms. HERSETH SANDLIN. I have a few other questions. But you had said one of the things to protect the fall enrollment. Is this part of why you did the interface with the benefits delivery network instead of the financial accounting system, and are you ultimately going to interface with the financial accounting system?

Mr. BAKER. We will ultimately interface with the financial accounting system. FAS was not ready.

Ms. HERSETH SANDLIN. When will it be?

Mr. BAKER. I don't have that. As a matter of fact one of the fundamental drivers for us to decide to go to BDN was exactly that question. We have more ability to determine where BDN and the Long-Term Solution are than we do on the FAS side of the business in the vets net area. That has been more problematic for us. I would say we are still working that area.

We took substantial risk out of the program by deciding that we would go to BDN, because we knew it was available and that we would go to FAS when it was available. We knew it would be able to process these, however it is not there yet.

Mr. WILSON. Now in terms of protecting the fall enrollment though, an important factor there was the ability to automate those retroactive BAH payments. Because if that had not been done successfully, we would have been in the position of having to manually adjust 153,000 awards while we are doing that.

Ms. HERSETH SANDLIN. Well, please continue to keep us updated then as it relates to the FAS system, what the transition and the interface will mean for the Long-Term Solution. I understand why you made that decision, but I have some ongoing concerns about our timetable and when the FAS will be as reliable as BDN and what the improvements will be to the long term system if you can move to the other interface, right?

Mr. WILSON. I will say one of the things I have learned in watching the metrics of our operational systems is that BDN is a very stable system. It has been in existence for a long period of time.

While our long term is not BDN, I am much less, if you will, fearful of that system today than I was a year and a half ago when I first came in. You know, its reputation is that it is an old system, but when you watch its performance day in and day out it has been very stable for us. So I have come to trust that system more than I did in the beginning.

Ms. HERSETH SANDLIN. Well, would you still be able to use that system as a back up if you were to transition and interface with the newer FAS system and there were problems? I mean do we have that option?

Mr. BAKER. They are substantially different systems.

Ms. HERSETH SANDLIN. So we have a risk whenever we make the transition.

Mr. BAKER. At some point we will cut over. I don't see that as an unusual risk of moving from payment system A to payment system B.

The data conversion is going to be much like what we just went through and that will be where the risk is. Most substantially it is in that data conversion, making sure the payments come over correctly.

Ms. HERSETH SANDLIN. Well, that was part of the delay, right? The complexity of the data conversion.

Mr. BAKER. That is exactly right.

Captain KRAUSE. Yes, ma'am. From the interim solution to the Long-Term Solution, Mr. Baker is talking about now an upcoming data conversion from BDN, which has a whole different data model into a new system, FAS, which is a completely different data model, different data structures. There will be a similar challenge there.

Mr. BAKER. But I think it should be said that we are doing that type of conversion on a regular basis as we move veterans from other programs out of BDN and into FAS as part of our transition.

Ms. HERSETH SANDLIN. Okay. Mr. Boozman.

Mr. BOOZMAN. Mr. Baker, can you tell us how the LTS is being used as the gateway to the VBMS and what is the anticipated cost of the VBMS?

Mr. BAKER. Of VBMS, the Veterans Benefit Management System?

Mr. BOOZMAN. Yes, sir.

Mr. BAKER. In the spring as we looked at the compensation and pension benefits, if you will, what I recognized was that there are a lot of similarities between what Compensation and Pension (C&P) does and what Education does. At that point, we had gained enough confidence in the architecture, the rules engine and the work flow that were being built for the education system that it made sense to have the same underlying architecture for the education benefits and for the compensation and pension benefits so that some day I could have one single system that actually just processed all benefits.

That is probably what I would refer to as the gateway from that standpoint. In other words, I have proven it works here, let us do the same thing again in my harder one.

The life cycle for VBMS, right now I would tell you is in the range of \$500 million. We are still defining as we go along, we are moving to an Agile methodology for that as well.

Again, we have had success with Agile and we want to use that on VBMS, but we are still wrestling with how to convert what used to be a very heavy process system. The old paperless process was built around defining all the requirements then building it for 3 years, delivering it to the customer and hoping they like it. We now use a much lighter process which is what we used in the GI Bill benefit system.

From a scaling standpoint, it kind of makes sense. If you look at the GI Bill as roughly \$100 million, C&P is much more than five times the size of education, and it is a much more complex benefit than education.

So the life cycle cost still feels about right to me there, but I am only doing it from a ballpark standpoint because we really haven't nailed that directly in.

Mr. BOOZMAN. Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. Wilson, I will just submit some additional questions for you as it relates to the concerns that we have heard about the Call Center, some of the inconsistencies that veterans continue to suffer through, and a couple questions relating to the VA's GI Bill benefits estimator versus what IAVA has put together and how familiar you are with their calculator. And we have just had some ongoing concerns as it relates to the reliability of the information some of the veterans are receiving.

But I want to thank each of you, all of our witnesses on the panels today. I know that a lot of folks have been putting in a lot of hard work in implementing the VA's IT systems on a compressed timetable. I know you have had to make some adjustments, I know you have done your best to keep us apprised of some decisions that you have had to make to try to keep to certain objectives that do have the veteran as the primary focus in trying to manage expectations.

As you have made process, there is a lot more work to be done, and the potential of other changes that we would like to make on the legislative side, whether that happens this Congress or not remains to be seen, but you know of some broad interest in trying to move in that direction.

But I know it has been challenging to implement a very complex, very comprehensive program. I know as Mr. Krause you said that the data is the key and that is in part what concerns us as it relates to DoD. As you said, the Reserve component issues, and I think one of the witnesses from the earlier panel had mentioned the need to move to sort of the life records system, but we are a ways away from that.

We will continue to plug away and keep our noses to the grindstone to continue to try to make progress, not just on some of the ongoing issues as you are working with the short-term interim solution, but what comes online with the new releases on the Long-Term Solution.

Again, thank you all, I thank the Ranking Member and our Committee staff, and we will take these suggestions and recommenda-

tions from our panelists today under consideration and continue to move this forward in a way that is good for our Nation's veterans and their families.

Thank you, and the hearing stands adjourned.

[Whereupon, at 4:12 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunity

During the 110th Congress, we successfully passed the Post-9/11 GI Bill to ensure that today's veterans are afforded equitable benefits similar to those afforded to veterans that served during World War II. Furthermore, with the leadership of Representative Chet Edwards of Texas, we successfully passed the Marine Gunnery Sergeant John David Fry Scholarship to provide education benefits to the dependents of the men and women who passed away due to injuries sustained in support of missions in Iraq and Afghanistan.

While these legislative accomplishments are significant, we must continue to provide the needed oversight while addressing the shortfalls of existing education programs to assure that student veterans receive their benefits in a timely manner without delay or undue hardship.

To take another step toward that goal today, I hope this hearing can focus on several critical issues related to the Post-9/11 GI Bill program:

- The ongoing effort to successfully implement the long-term solution to ensure that the VA's Information Technology systems are robust enough to efficiently manage the program.
- The current status of the program as we begin the Fall 2010 school semester.
- A discussion of what changes need to be made to the program in order to better meet the needs of eligible veterans.

Some of you may be aware that yesterday the full Committee successfully passed H.R. 5360, the Housing, Employment, and Living Programs for Veterans Act of 2010, otherwise known as the HELP Veterans Act which is fully paid for without placing a cost burden on the taxpayers. This bill seeks to provide a number of important improvements to VA education benefits, including increasing the flight training allowance for Chapter 30 recipients; reauthorizing and extending the recently expired veteran work-study program; and increasing the amount of reporting fees payable to educational institutions that enroll veterans receiving educational assistance.

I look forward to advancing this bipartisan bill as soon as time on the House floor is identified. I also look forward to working with my colleagues to consider other legislative proposals that seek to address the current needs of our Nation's veterans. One such legislative proposal is H.R. 5933, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010, which was introduced by Rep. Walt Minnick. I know several of our witnesses have referenced this legislation today and I look forward to learning more about how the proposals in that legislation, as well as those included in similar and related legislation, could potentially impact the Post-9/11 GI Bill program and its implementation.

Prepared Statement of Hon. John Boozman, Ranking Republican Member, Subcommittee on Economic Opportunity

Good afternoon.

Madam Chair, I appreciate the excellent testimonies submitted for this hearing, especially the administrative issues raised by the schools. It is clear that while not perfect, the level of benefits paid to veterans and to schools on their behalf is excellent. Unfortunately, administration of those benefits has not met the same standard because as VA and our staff noted in several meetings before passage as part of a defense supplement, the program is significantly more complex than any of its predecessors. Despite some early missteps, I am fully aware of the effort VA's staff has put into developing the long-term solution and I thank them for their work.

One of the basic difficulties is the wide variation in how public institutions in 50 states and the territories are funded and managed and how that impacts VA's implementation of the Post-9/11 GI Bill. We are now entering the second year of the program and I am very concerned about issues surrounding the management of overpayments. VA's basic position is that the veteran is responsible for returning any overpayment to VA and that schools should send overpayments to the veteran and the veteran send them to VA. This seems to be an unnecessarily bureaucratic process that also entails significant opportunity for less than optimal results.

We are also hearing about difficulties when schools send money directly back to VA as well as VA's concerns about how some schools do not identify the veterans whose accounts should be credited for returned overpayments and the resulting attempts by VA to collect overpayments from veterans. Perhaps Madam Chair, it is time for a temporary moratorium on chapter 33 collections until VA and the schools get the rules for handling overpayments straightened out.

I yield back.

Prepared Statement of Hon. Walt Minnick

Madam Chairwoman, Ranking Member Boozman, and members of the Subcommittee, I thank you for allowing me to join this hearing today. I would also like to thank our panel of representatives from the American Legion, the Iraq and Afghanistan Veterans of America, Veterans of Modern Warfare, and Veterans of Foreign Wars. I thank them for their military service and for their insight into what must be done to improve and simplify the new GI Bill which this Congress passed with strong bi-partisan support last year.

I'd like to make a few brief remarks about the importance of this process and this bill, H.R. 5933, the Post-9/11 Veterans Educational Assistance Improvements Act.

In 1945 the House Committee on Veterans' Affairs conducted a lengthy hearing to review the effectiveness of the first GI Bill which was intended to give returning World War II veterans a college education in return for their service in saving the Nation from foreign aggression. As we are doing today, members of that Committee listened to veterans' groups request upgrades to the first version of the bill so that the benefits would be extended to things like vocational schools and correspondence courses.

And now, two generations later, we are doing the same thing today. Just as the WW II GI Bill was upgraded to help educate what is often referred to as the "greatest generation," we must upgrade and improve the new GI Bill to make it workable so it can fully satisfy the educational needs of a new generation of returning veterans. As a veteran myself of the Vietnam Era, I have many friends who volunteered to serve in that war so they could go to college after they left the military and with their GI benefits obtain the education necessary to launch successful civilian careers.

Having listened to many veteran service organizations and veterans from my home state of Idaho and elsewhere, I have introduced H.R. 5933 to offer the comprehensive improvements needed to make the new GI Bill fill the needs of this generation's returning veterans.

To provide a brief example, students enrolling in an excellent private college in my district, Northwest Nazarene University in Nampa, Idaho, will directly benefit from this bill in several ways. By raising the maximum tuition cap to \$20,000 per year, H.R. 5933 will significantly increase the tuition benefits available for veterans attending Northwest Nazarene—and other excellent, but expensive, private colleges.

The bill will also afford a living allowance to veterans opting to pursue their degrees online—a benefit they were previously denied. It will also reimburse travel costs for distance learners and includes a new \$1,000 allowance for increasingly expensive student books, hard copy and electronic. This bill will also make the educational benefits available for those veterans electing to pursue vocational education or other technical training.

My offices in Idaho and Washington have listened to stories shared by veterans who have been unable to take full advantage of the new GI Bill's benefits. Benefits Congress intended to confer with last year's legislation. Many others have had their benefits reduced by unnecessarily limiting regulations.

To fulfill the promise we make to today's young people who volunteer to put their lives in harm's way to serve in the military and preserve our way of life, we much provide them with the education they need after their military service to be successful in today's high tech world. This bill makes the corrections to last year's landmark GI Bill required for us to redeem this promise.

In closing I'd like to thank Chairwoman Herseth Sandlin for her support in this effort and very much look forward to working with her, Chairman Filner, the Ranking Member and my Republican colleagues in moving this bill through to passage in the remaining days of this Congress.

Thank you and I yield back.

**Prepared Statement of Faith DesLauriers, Legislative
Director, National Association of Veterans' Program Administrators**

EXECUTIVE SUMMARY

Concerns NAVPA hears from veterans regarding their educational benefits:

- Students pursuing their education through Distance Learning should have the same eligibility for housing stipends as students attending what is defined as in-residence training.
- Retired and/or separated veterans, who earned and are otherwise eligible for the Post-9/11 GI Bill, have voiced their extreme disappointment in being denied the ability to transfer their entitlement to their dependents.
- Veterans have voiced their concern that the ability to pursue their educational endeavors are restricted to that which is deemed by congress to be traditional.
- Students don't understand why VA distinguishes between tuition and fees with different caps for each rather than combining them into one maximum
- Students are concerned that the VA remains unable to credit refunds made by the schools to their accounts.
- Veterans are receiving letters from the Debt Management Center although these students are current with the payment plans negotiated with DMC in an effort to repay the emergency advance payments from fall 2009.

Feedback NAVPA has from schools:

- There is a critical need for consistent guidance as to the correct procedures for returning or refunding payments, as well the assurance that funds returned to the VA will in fact, be credited to veteran's debts/overpayments.
- Many students who access their education benefits are placed at a financial disadvantage because of DVA's policy to count class enrollment sessions versus term enrollment periods.
- It is imperative that an efficient communication mechanism be established between schools and the VA.
- Inconsistent guidance to schools among and between RPOs and ELRs continues to be problematic.
- Responsibilities associated with this program have increased the processing time for each claim at the school level approximately 300 percent yet institutions continue to be compensated at the rate of \$7 for each student enrolled in most VA educational benefits, a rate that has not changed in over 30 years.
- Reinstate the customer service units at each of the RPO's specifically to work with Veterans' Program Administrators.

Improvements to Chapter 33 that NAVPA believes are needed:

- GI Bills must remain an earned entitlement and not become a "need-based award"—leave other scholarships, grants, etc. out of the equation.
- Eliminate inequities among rates paid to eligible individuals for attendance at schools of different types—public, private, foreign, graduate, undergraduate, resident or non-resident.
- Elimination of annual state tuition and fee maximums would improve timing of certification, processing, and payment accuracy.
- Tie the living stipend to training time for all forms of course delivery and reduce the minimum training time requirement to half-time, rather than more than half-time.
- Correct the rule that makes it impossible for a reserve component member eligible at less than the 100 percent tier of Chapter 33, to combine federal Tuition Assistance (first pay) and Ch 33 (second pay) in any way that would cover all their charges.
- Clarify Non-duplication of a Federal program.

- NAVPA members fully support legislation which would expand the student work study program.
- Overpayments created by the eligible individual as a result of a reduction or termination of enrollment should be recovered from entitlement.
- NAVPA Recommends elimination of the multiple levels of eligibility as it relates to required active duty service.
- Amend Chapter 33 to expand educational and training opportunities such as OJT/Apprenticeships and other viable and previously approved vocational training opportunities.
- Continue to work toward providing equity in benefit and simplicity in rules regarding eligibility, payments and the overall administration of the Post-9/11 GI Bill.

Good afternoon Chairwoman Herseth Sandlin, Ranking member Boozman, and Members of the Subcommittee. Accompanying me today is Margaret Baechtold, Director Veterans Support Services, Indiana University. We appreciate the opportunity to appear before you today and for the opportunity to share the concerns and recommendations of veterans' program administrators, as well as that of the population they serve regarding educational benefits.

Concerns we hear from veterans regarding their educational benefits

- Students pursuing their education through Distance Learning should have the same eligibility for housing stipends as students attending what is defined as in-residence training. Veterans should not be penalized for being responsible, disciplined adult learners, for putting their family first or whatever reason (personal, professional, geographical, etc.) one might have for choosing a mode of study other than that which is strictly defined as "in-residence" training. Veterans training under all other GI Bill programs receive full benefit reimbursement for pursuit of programs through distance learning.
- Veterans have voiced their concern that the ability to pursue their educational endeavors are restricted to that which is deemed by congress to be traditional. This not only restricts the method/modality by which they receive their educational plans, but restricts their personal choice in educational and training institutions, as well as careers.
- Retired and/or separated veterans, who earned and are otherwise eligible for the Post-9/11 GI Bill, have voiced their extreme disappointment in being denied the ability to transfer their entitlement to their dependents.
- Students don't understand why VA distinguishes between tuition and fees with different caps for each rather than combining them into one maximum, particularly for determining the maximum payment allowed for enrollment at private schools, out-of-state residents in the public sector, and graduate/professional enrollments in both.
- Students are concerned that the VA remains unable to credit refunds made by the schools to their accounts. Consequently, a debt or overpayment is created and payments are withheld from living stipends, book stipends and kickers to recoup a debt that does not exist. What is even more critical is the fact that this is negatively impacting their credit scores, credit card companies are cancelling their credit line and in many cases veteran students who counted on the promise of a housing allowance each month, are being evicted from their homes for a debt that does not exist.
- Veterans are receiving letters from the Debt Management Center (DMC) stating "*The following information on your delinquent indebtedness, along with your name and address, was reported to a number of consumer reporting agencies*". Although, these students are current with the payment plans negotiated with DMC in an effort to repay the emergency advance payments from fall 2009.

Feedback we have from schools administering education benefits:

- There is a critical need for consistent guidance as to the correct procedures for returning or refunding payments, as well the assurance that funds returned to the VA will in fact, be credited to veteran's debts/overpayments. Checks sent to the VA are being held until they are no longer negotiable. Schools are finding it necessary to track the check, stop payment and issue another check. Often the cycle is repeated. Even when the checks are cashed

the debt is being charged to the school rather than reconciling the students account with the returned funds.

- Many students who access their education benefits are placed at a financial disadvantage because of DVA's policy to count class enrollment sessions versus term enrollments periods. This often results in a reduction of the veterans student monthly entitlements and is contrary to the disbursement of Title IV funds. Recommendation: Consider changing the method of computing all credit hours earned in a standard college term to maximize the GI Bill benefit to the veteran.
- It is imperative that an efficient communication mechanism be established between schools and the VA. While schools are not always privileged to the eligibility tier on which payment will be made, there is an expectation that schools will defer tuition and fee payments based on the students' statement that they are eligible for Chapter 33.
- Inconsistent guidance to schools among and between RPOs and ELRs continues to be problematic.
- Veterans' Program Administrators, often referred to as Certifying Officials are the people who have the most contact with individuals eligible to train under this newest GI Bill. They are working untold hours to assist in the administration of this program and to maintain compliance with the rules governing all veterans' education programs. It is not business as usual. The program complexities, counseling, fiscal and reconciliation responsibilities associated with this program have increased the processing time for each claim approximately 300%. Institutions continue to be compensated at the rate of \$7 for each student enrolled in most VA educational benefits. If the educational institution delivers an advance payment check, compensation is increased to the rate of \$11 for that student. These fees have not changed since the inception over 30 years ago; however, several programs have been added on to the school VA veteran's program administrator's responsibility at the institution. It is time and appropriate for that fee, paid to the college or university, to be increased. NAVPA recommends \$50.00 per student and to eliminate the difference in reporting fee for the certification of advance payments. Fees should be designated for the office of veterans' affairs for services, outreach, and professional development.
- Customer Relations/Communication continues to be inconsistent and all too often inaccurate, regarding information given to both the students and the schools by the VA Call Center. Recommendation: Reinstate the customer service units at each of the RPO's specifically to work with Veterans Program Administrators.

Improvements to Chapter 33 that NAVPA believes are needed:

- GI Bills must remain an earned entitlement and not become a "need-based award"—leave other scholarships, grants, etc, out of the equation.
- Eliminate inequities among rates paid to eligible individuals for attendance at schools of different types—public, private, foreign, graduate, undergraduate, resident or non-resident.
- Elimination of annual state tuition and fee maximums would improve timing of certification, processing, and payment accuracy. Recommendation: (1) Provide tuition and fee payments for the public sector based on the actual cost (i.e. tuition and mandatory fees) as certified by the educational institution. (2) Provide tuition and fee payments for enrollment in the private sector, foreign schools and for out of state/non-residents attending public schools, based on actual cost, as certified by the educational institution; not to exceed the highest cost program in the public sector. That is, establish a "national maximum" (tuition and mandatory fees) allowed for all education and training programs. For the purpose of updating the National Maximum each year, it is recommended that the effective date of the new rate be October 1 of each academic year.
- Tie the living stipend to training time for all forms of course delivery and reduce the minimum training time requirement to half-time, rather than more than half-time. For example, allow 50% of the monthly living stipend for half-time enrollment, 75% for three-quarter-time, and 100% for full-time. Keep it simple as well as equitable—Use the Montgomery GI Bill payment schedule as a successful model.
- Develop an Education Benefits Web Portal. A web portal will provide an efficient mechanism for information exchange with, and access to, education systems by veterans and other stakeholders, such as schools, state approving

agencies, etc. At minimum, provide access to Veterans' eligibility data on VA-ONCE to verify benefits remaining, eligibility tier, overpayments, etc.

- Correct the rule that makes it impossible for a reserve component member eligible at less than the 100% tier of Chapter 33, to combine federal Tuition Assistance (first pay) and Ch 33 (second pay) in any way that would cover all their charges. This disadvantage also applies to ROTC scholarship recipients.
- Clarify Non-duplication of a Federal program. DVA advisories concerning which programs would duplicate federal benefits appears to conflict with current laws. A brief summary of CFR 21.7143 (c) provides that; (1) payment of educational assistance is prohibited for a unit course or courses which are being paid for entirely or partly by the armed forces during any periods he or she is on active duty; (2) payment of educational assistance is prohibited for a unit course or courses which are being paid for entirely or partly by the Department of Health and Human Services during any period that he or she is on active duty with the Public Health Service or (3) for a unit course or courses being paid for entirely or partly by the United States under the Government Employees Training Act.
- NAVPA members fully support legislation which would expand the student work study program. Allow veterans and other eligible persons the opportunity to work in the college/university veterans' affairs office and/or administrative or academic departments at the degree granting institution of higher learning in which the student is pursuing their academic credentials. Additionally, allow them to take advantage of these programs while enrolled at a minimum of ½ time student status, especially critical for summer sessions and other non-standard length enrollment periods. Many veterans have not graduated when their MGIB entitlement has expired after having reached its 36th month. These veterans are still in school; still have some time remaining relative to the delimiting date, yet have no VA educational benefit to help them through the remaining few months of school. We recommend that the VA Work-study program not be limited to 36 months, rather be made available to them as long as they have not reached their delimiting date.
- Eliminate overpayments—To establish an overpayment puts unnecessary burden on the student and the Department of Veterans' Affairs in the effort to recover the overpayment. We are suggesting that an individual has 36 months of entitlement under a single program and that an overpayment should not exist until the eligible individual has used 36 months. Overpayments created by the eligible individual as a result of a reduction or termination of enrollment should be recovered from entitlement.
- The percentage or tier of eligibility for the Post-9/11 GI Bill is the most complicating factor in determining eligibility, processing claims and making other financial awards by both the VA and the educational institutions. NAVPA recommends elimination of the multiple levels of eligibility as it relates to required active duty service. The level of benefit should be reduced to two levels, one level for a cumulative period of active duty of 3 or more years and another for less than 3 years. We suggest that to establish basic eligibility, an otherwise eligible individual must serve on active duty for 181 cumulative days following September 10, 2001, completed the initial obligated period of service and met all other eligibility requirements.
- NAVPA encourages the Secretary and Congress to amend Chapter 33 to expand educational and training opportunities such as OJT/Apprenticeships and other viable and previously approved vocational training opportunities. Many veterans are not interested in attending college, but have the skills necessary to master a trade. Limiting training opportunities (career options), consequently dilutes the readjustment element of the program.
- Continue to work toward providing equity in benefit and simplicity in rules regarding eligibility, payments and the overall administration of the Post-9/11 GI Bill.

Again, thank you for this opportunity to participate in this hearing, to discuss current problems affecting veterans as well as educational institutions, and to recommend solutions on behalf of our nation's veterans, servicemembers and their dependents, and the National Association of Veterans' Program Administrators.

Madam Chairwoman, this concludes my statement. I would be pleased to answer any questions you or other members of Subcommittee may have.

**Prepared Statement of Alan G. Merten, Ph.D., President,
George Mason University, on behalf of American Association of
State Colleges and Universities,
Executive Summary**

Concerns Heard from Veterans Regarding Educational Benefits

VA's delays and problems in implementing Chapter 33 are well-documented in both hearing testimony and the press. Specific new concerns are as follows:

- Veteran students filling out help desk tickets on the VA Web site are given unrelated information and directed to the FAQ site, causing frustration
- Continuing delays (2–3 months) in receipt of Certificate of Eligibility from VA

Feedback from Schools Administering Educational Benefits

Despite implementation pressures facing the VA, VA did not make an effort to understand how institutions operate and work with the Federal Government. Specific examples are as follows:

- VA did not take advantage of existing program models directing federal funds to institutions on behalf of students (e.g., Title IV programs under the Higher Education Act of 1965);
- VA's interpretation of the higher education term "tuition and fees" caused significant confusion. The higher education community usually refers to tuition and fees as a single amount, not two separate ones; VA's separation of "tuition" and "fees" confused not only veteran students, but institutions;
- The VA did not issue clear, coherent, and consistent Chapter 33 operational guidance to institutions, adding to increased administrative burden on institutions;
- VA's required fund return processes have caused veterans to owe significant monies to the Federal Government and do not align with the Return of Title IV Funds process under the HEA, which does not disadvantage students in this manner.

Needed Improvements to Chapter 33

AASCU recommends Congress consider the following:

- Congress should clearly define the benefit amount for which an individual veteran student is eligible and eliminate the separate tuition and fee charts constructed by the VA;
- Future legislation should clearly establish the benefit equal to the established charges for the program of education at a public institution, adhering to the underlying tenet of the Post-9/11 GI Bill of covering the cost of public education for veterans;
- Basic Allowance for Housing (BAH) should be implemented for online students due to enrollment patterns of veterans;
- Congress should consider requiring VA to collect and publish more complete and timely data on Post-9/11 GI Bill usage, including VA customer service data for students and institutions.

Madame Chairwoman Herseth-Sandlin, Ranking Member Boozman, and distinguished Members of the Subcommittee, my name is Dr. Alan Merten and I am president of the George Mason University. Today, however, I am here to present the perspective of the American Association of State Colleges and Universities (AASCU) related to the implementation of the Post-9/11 GI Bill benefits program at its 430 institutions located in 49 states, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Thank you for holding this hearing and providing the opportunity to present this testimony. The Post-9/11 GI Bill is an excellent, timely opportunity for veterans and their families to pursue postsecondary education.

I would also like to note that AASCU is the contract administrator for the Department-of-Defense-funded Servicemembers Opportunity Colleges (SOC). The SOC Consortium is a network of approximately 1,900 colleges and universities offering educational services to our nation's Armed Forces and veterans. In order to be included in the Consortium, an institution must establish flexible policies appropriate for the unique demands on servicemembers and dependents. These policies address items such as enrollment and transfer of credit.

While national- and institutional-level data on the Post-9/11 GI Bill program and veteran students on campus is lacking, some specific data points about AASCU institutions serving veteran students are as follows:

- AASCU's San Diego State University, one of the many military-friendly AASCU institutions, enrolled over 1,100 active-duty military, reservists, veterans, and military dependents in Spring 2009;
- Of the 7 brick-and-mortar campuses reported by the VA as having enrolled the most veteran students using Post-9/11 GI Bill benefits in 2009–10, 3 campuses (Old Dominion University, Troy University, and University of Maryland-University College) were AASCU members. These institutions enrolled over 5,000 of the 12,000+ students on those 7 campuses (approximately 43 percent of enrollment), with University of Maryland-University College alone enrolling over 3,000 veteran students;
- In 2007–08 (prior to Post-9/11 GI Bill implementation), according to the National Center for Education Statistics, approximately 21 percent of all military undergraduates (including active-duty, reserve, and veterans) were enrolled at public 4-year institutions.

When the Post-9/11 GI Bill was first introduced it was anticipated that colleges and universities would see a 20–25 percent increase in enrollment of veterans. At Mason, we saw a 30 percent increase in our Fall 2009 enrollment of veterans and a 79 percent increase in Spring 2010. One of those newly enrolled veterans introduced President Obama, Vice President Biden, Senator Webb and Senator John Warner, and Secretary Shinseki at George Mason University when the bill was introduced nationally on August 3, 2009.

The Committee asked us to address three areas:

- concerns heard from veterans regarding their educational benefits,
- feedback from institutions about implementation and administering benefits,
- improvements to the Chapter 33 program that AASCU would suggest are needed.

Historically, GI Bill benefits were provided directly to the veteran student. As Vietnam-era veterans, my wife and I received benefits in this manner. The creation and implementation of the Post-9/11 GI Bill program altered this dynamic by having the Department of Veterans Affairs (VA) issue tuition and fee payments directly to the institution after a certifying process. The compressed timeline the VA faced in implementing this program created a difficult situation.

I would like to highlight some of the issues faced by veterans on our campuses. The VA's delays and problems in implementing Chapter 33 are well-documented in both hearing testimony and the press. In fact, VA has gone on record to say that its performance was not acceptable. Thus, one of the major and universal issues being faced by veteran students is delays. In addition to delays in processing original benefits, many Post-9/11 GI Bill benefit delays have occurred in reprocessing and in payment of other allowances, such as housing and book stipends. In addition, delays of up to a year are occurring with regard to appeals for claim re-evaluations.

Given that tuition and fee benefit payments are now directed to institutions, veteran students rely more heavily on school officials to provide guidance and information related to their benefits. The VA's guidance to both institutions and veterans has been generally basic in nature. This has frustrated both institution officials and the veteran student population. Veteran students have informed institutions that they find the VA Web site—which VA has heavily publicized as a way of providing Post-9/11 GI Bill information to veterans and institutions alike—difficult to navigate. Reportedly, VA's responses to inquiries submitted online are often inadequate and do not address the specific problem about which they have inquired. Students also find they cannot get through to the VA toll-free number (a problem shared by institutions). Institutions report that staff at the VA toll-free hotline provide information to students that is later found to be incorrect, which places more administrative burden on institutions.

The school official is not a VA employee and in many cases does this task as a collateral duty. As a result of the Post-9/11 GI Bill, the workload on these staff members has increased to the point that many schools like Mason have had to hire additional personnel to handle not only the certification process but the billing process as well. While the VA does pay schools an annual reporting fee of \$7.00 for each certified veteran, that amount hardly covers the costs. Senator Chuck Hagel (R-Neb.) said, "the biggest obstacle might be reintegrating soldiers seamlessly into society," and he suggests that higher education can do that better than any other institution. Higher education can do this but it needs to be supported and equipped to ensure this success.

The Post-9/11 GI Bill has also presented higher education institutions with a number of challenges that many are not yet prepared to meet. These include a number of student veterans with academic need, mental health and disability issues.

There are academic issues that many veterans face. Some veterans require some remedial education before starting college, some because they have lost skills in the years since high school and others because they were not college-ready in the first place. Some have received their GEDs through the military. Some may benefit from first attending community colleges whose open enrollment policies and education model is often more conducive to adult learners.

A recent RAND report indicated that 1 in 5 Post-9/11 veterans will suffer from combat stress or cognitive issues such as Post Traumatic Stress Disorder or Traumatic Brain Injury. These potential student veterans require additional support from university staff who must work with military specific combat stress issues as the veteran attempts to cope with battlefield experiences. Not all schools and not all student health centers are equipped to address these needs.

In addition to the mental health issues, the Department of Defense indicated recently that there are over 36,000 servicemembers who have been wounded in action. Some of these wounded warriors have catastrophic combat injuries that are not typically found on campuses where disabilities have a far different meaning. Such injuries represent a growing concern in higher education on how to be Americans with Disabilities Act (ADA) compliant since most institutions of higher learning are only prepared for historic disabilities. Since this service is mandated by law regardless of cost, there appears to be no legally acceptable response if the institution were to fail in providing these services.

Despite the implementation pressures facing the VA—which AASCU fully understands—more effort on VA's part to understand how institutions operate and work with the Federal Government should have occurred. For many decades, programs directing federal funds to institutions on behalf of students have existed, namely Title IV programs under the Higher Education Act. Even a cursory examination of these programs would have guided the VA toward a more efficient implementation of the Post-9/11 GI Bill. Further, the VA interpretation of the higher education term "tuition and fees" caused significant confusion. The higher education community usually refers to tuition and fees as a single amount, not two separate ones; VA's separation of "tuition" and "fees" into two discrete charts, while well-intentioned, was confusing for not only veteran students, but institutions.

Other higher education officials have testified before Congress to these same concerns. It is VA's seeming refusal to take into account higher education's established operating procedures that has led to many of the current implementation issues. While the delays above are an administrative issue, VA has not issued clear, coherent, and consistent Chapter 33 operational guidance to institutions. Campus administrators must routinely address diverse issues involving veteran students. Many of these issues are nuanced and need more than basic operational guidance. While we understand VA's time constraints and initial focus on getting benefits processed, unfortunately the lack of clear and comprehensive guidance anticipating complex situations has complicated and delayed the delivery of benefits.

Institutions have the opportunity to elect to receive Post-9/11 GI Bill tuition and fee benefits for veteran students either electronically or via individual checks. Institutional feedback is that neither approach seems to be ideal. If institutions receive payments electronically, the electronic funds transfer process does not allow for individual annotations explaining why a particular tuition and fee benefit is being returned to VA (e.g., a student having dropped from full-time enrollment to part-time enrollment). If institutions opt to receive individual checks for each veteran student, a cumbersome reconciliation process is necessary for institutions to ensure the correct monies are credited to veteran students' accounts.

A common concern is that administrative burden has increased throughout the implementation of the program, mainly due to the necessity to resolve over- or underpayments by VA. The issue of over- and underpayment requires close examination. When students change majors, drop or withdraw from a class, or have other life circumstances affect their finances or attendance, the institution must recalculate benefits. This reevaluation may result in either decreased or increased benefit eligibility. The VA issued guidance on how to handle these circumstances that required institutions to return *all* of the originally issued benefit and start the certification process over from scratch.

Contrast this process with the Return of Title IV Funds process under the Higher Education Act. In these situations, institutions recalculate benefit eligibility and adjust accordingly. If the student has received an overpayment, the excess amount is returned to the Federal Government. If a student is eligible for additional funds,

the school requests the additional funds. In both situations, however, the student is not usually in a limbo state of having no funds credited to his or her account.

If, for some reason, federal Title IV grant funds received directly by a student (i.e., a refund of grant monies in excess of tuition and fees) are later determined to be an overpayment and thus must be repaid by the student, the institution can receive those funds from the student and conduct appropriate fiscal transactions with the Department of Education on the student's behalf. That way, the institution is always acting on behalf of the student. However, this is not the case with Post-9/11 GI Bill benefits administration.

VA's requirement that institutions return the entire initial benefit amount issued has placed veterans in the position of owing significant monies to the Federal Government. The VA is being extremely diligent in pursuing these veteran students; however, there are instances where funds returned to the VA by institutions were not properly credited by the VA to individual students' accounts. These processing issues have resulted in detrimental circumstances, as highlighted by the document attached to this testimony (see Attachment A).

To further complicate the return of tuition and fee funds in an over- or underpayment situation, the VA established two different procedures for the flow of funds. If classes have not begun, the institution must return the funds directly to the Federal Government. After classes have begun, VA directs that the payment—even if an overpayment—should be issued to the student. The VA will then collect any monies owed to the Federal Government directly from the individual. This further complicates an already convoluted process. Further, based on past experiences with over- and underpayments of Post-9/11 funds, some schools are reluctant to issue a check for over \$20,000 to a student but would rather act as the responsible agent. By contrast, the benefit adjustment process for Title IV education benefits is the same throughout the entire academic calendar.

Given the above examples, it is difficult not to wonder whether if VA had better consulted with the Department of Education and/or higher education institutions during the ramp-up to Post-9/11 GI Bill implementation, some of its 2009–10 performance failures might have been mitigated and taxpayer money saved.

As noted earlier, Chapter 33 is a tremendous opportunity for veterans and their families to pursue higher education; therefore, we offer the following as suggestions to further enhance and improve the current program.

First and foremost, Congress needs to clearly define the benefit amount for which an individual veteran student is eligible. This specifically entails eliminating the separate tuition and fee charts constructed by the Veterans Administration as the means to determine Post-9/11 GI Bill payment eligibility. The current tuition and fee charts as constructed by VA are not only an interpretation of the current Post-9/11 GI Bill language that we believe Congress did not intend, but are also inconsistent with commonly accepted higher education practices, as noted earlier.

Standard practice in most institutions of higher education is to bill a student for tuition, required fees, and any other applicable charges (e.g., room and board for a resident student) for a single term. The bill is generally itemized—except at those institutions charging a “comprehensive fee” that includes tuition, required fees, room, and board—but usually not separated into one payment for tuition and one payment for fees. Federal Title IV funds are also generally applied to the total of tuition and fees rather than being divided into one payment for tuition and one payment for fees.

Thus VA's interpretation of Post-9/11 GI Bill language to separate “tuition” and “fees” into two separate categories runs counter to how higher education operates. This is not merely a semantic issue. When the tuition and fee charts were originally issued by VA, this method had the financial consequence of lowering Post-9/11 GI Bill benefits for veteran students in California, where “fees” are commonly used to characterize what other states call “tuition.” This terminology is common knowledge in the higher education community and to California residents. It was apparently unknown to VA. Fortunately, public outcry from both veteran students and public and private institutions in California—as well as Congressional concern—rectified this problem. But VA's interpretation of the Post-9/11 GI Bill to create these charts negatively affected veteran students and institutions of higher education alike.

The Post-9/11 GI Bill establishes a highest in-state rate for the academic year that fails to take into account tuition increases at institutions during that academic year. For example, at Mason our summer tuition rate increase was approximately 8 percent. Since this increase was above the highest in-state rate established for the academic year, it was not covered.

The underlying tenet of the Post-9/11 GI Bill is to ensure that costs at a public institution are covered for a veteran student. As such, any future legislation should clearly establish the benefit equal to the established charges for the program of edu-

cation at a public institution. This removes any confusion between “tuition” and “fees” in different states and gives the veteran student a clearer idea of what he or she is eligible for in advance of enrollment.

In addition, there is a notion being discussed of designating the VA as the “last payer” for the veteran. While AASCU understands some of the reasons for this notion, please understand that the idea will *not* simplify Chapter 33 or reduce confusion for veteran students. Let me be clear: Should Congress pursue this notion, it will again be faced with rewriting this legislation within the next two years due to the intolerable chaos it will inflict on both veteran students and program administrators.

Even before the Post-9/11 GI Bill, Mason experienced a similar issue with our ROTC program. The Post-9/11 GI Bill is an entitlement for a veteran’s service to the armed forces but it cannot be used in conjunction with ROTC benefits, which are paid to a student for future service. When we questioned this dilemma the VA stated that the student has to choose which federal benefit he/she wishes to receive. A veteran shouldn’t have to forgo a benefit they have earned to take advantage of another.

Another issue that Congress should address on behalf of veteran students is related to providing a basic allowance for housing (BAH) for online students. Currently, BAH benefits are only awarded to veterans taking at least one course on campus. Nearly 70 percent of active-duty servicemembers take online courses; thus, as students transition to veteran status, they are already accustomed to utilizing distance learning options. The lack of this benefit has resulted in decisions creating further hardship. For example, a student who otherwise would have taken an online course who now must travel to a face-to-face classroom may incur transportation costs or child-care costs that would have otherwise been avoided. Also, veteran students recovering from service-related injuries (particularly those students suffering from PTSD or TBI) report feeling forced to go into a classroom to keep their BAH even though to them, a distance-learning environment would better suit their recovery process.

Finally, AASCU would ask Congress to consider requiring VA to collect and publish more complete and timely data on Post-9/11 GI Bill usage, including data on customer service by VA to both veteran students and institutions. As has been noted not only in testimony to the House and Senate but in the higher education press and in other media, VA’s statistics related to Post-9/11 GI Bill usage and claims processing are incomplete and confusing. Publishing more timely and complete data would allow veteran students and taxpayers to better understand VA’s progress in administering this complex program. Furthermore, given that this is a new program, a unique opportunity exists for VA to use the data collected to refine and streamline its processes and functions. In addition, it will be useful for the larger higher education community to use the data in improving programs and services for veteran students.

According to the American Council on Education 2009 report on “Serving Those Who Serve: Higher Education and America’s Veterans,” only about 71 percent of eligible servicemembers use their VA education benefits, only 6 percent use their full benefits, and on average, they only use 17 months of a 36-month entitlement.

While many of the circumstances highlighted today are a direct result of the Post-9/11 GI Bill implementation process, institutions like Mason stand ready to work with the VA in order to ensure ease of access for veterans enrolling in postsecondary education. Many of the issues discussed are operational in nature; thus legislative fixes are not necessarily appropriate. Furthermore, institutions of higher education were extraordinarily flexible and generous in the 2009–10 academic year at the request of VA when dealing with veteran students whose Chapter 33 benefits were delayed by VA’s implementation problems.

The good news is that the VA has increased its outreach to schools and appears much more willing to work collaboratively and openly with the higher education community to understand how the VA processes—and their interface with higher education business practices—could be improved to better and more effectively assist veteran students. We are encouraged that this effort will continue and can resolve the operational issues that have plagued implementation.

The initial unwillingness on the part of the VA to reach out to schools hurt veteran students first and foremost. It also hindered the efforts of higher education institutions across the country to assist veteran students’ enrollment and facilitate their success. The higher education community is prepared and eagerly looks forward to working collaboratively with the VA to streamline this program and reduce the confusion to institutions, the VA, but most importantly the veteran.

Thank you again Madame Chairwoman. I look forward to your questions.

Attachment A

The Higher Education community presents the following scenarios that lead to the return of Post-9/11 GI Bill benefits to the Department of Veterans Affairs. This outline of common scenarios is provided in response to VA concerns regarding the receipt of funds from institutions.

1. Veteran enrolls but never attends class.

When a veteran applies for Post-9/11 benefits, the institution of higher education must verify enrollment then complete and send the veteran's Certificate of Eligibility (COE) to VA. Upon receipt of the COE, VA calculates the veteran's benefit and remits payment to the school, often prior to the start of class. Not infrequently, a veteran will withdraw before classes begin but after payment of Post-9/11 benefits has been received by the school. This payment must be refunded to VA.

2. Veteran's Post-9/11 benefits and other tuition-restricted aid exceed cost of tuition and fees.

Veterans are frequently eligible for multiple types of financial aid in addition to Post-9/11 benefits. Schools often receive other aid for a veteran after his or her Post-9/11 benefits have been received. When the combination of Post-9/11 benefits and other aid exceeds the cost of tuition and fees, the excess payment must be returned to the aid source. If we understand the proposed legislative change correctly, VA is 'last payer'; therefore the Post-9/11 benefits comprise the excess payment and must be refunded to VA.

3. Veteran declines Post-9/11 benefits after they have been paid by VA.

Veterans may change their mind and decide not to use their Post-9/11 benefits after they have already received them. These benefit payments must be refunded to VA.

4. School receives Post-9/11 benefit payments from VA on behalf of veterans for whom school has not completed Certificate of Eligibility.

In order to determine a veteran's eligibility for Post-9/11 benefits a COE must be submitted to VA by the school. If the school receives a benefit payment without having submitted a COE the payment must be refunded to VA.

5. School receives duplicate and inaccurate Post-9/11 benefit payments from VA.

When schools receive a duplicate Post-9/11 benefit payment for the same veteran, the duplicate payment must be refunded to VA. When schools receive an under- or over-payment of Post -9/11 benefits for a veteran, schools must refund the entire payment to VA and request VA to remit the correct payment amount.

The table below contains specific examples of the situations described above.

School	Example
1. Western Illinois University	Veteran withdrew before class after Post-9/11 benefits had been paid; WIU refunded benefits to VA via check in Dec 2009; VA cashed the check in Feb 2010 but didn't process it to the veteran's account until Aug 2010.
2. University of Illinois	Veteran received ROTC scholarship after Post-9/11 benefits had been paid; UI refunded benefits to VA via ACH in early March 2010 according to VA's ACH return policy; VA still has not processed the refund and was still requesting payment from the veteran in late Aug 2010.
3. University of Illinois	Per veteran's request, UI refunded Post-9/11 benefits to VA via ACH in early March 2010 according to VA's ACH return policy; VA did not process the refund until late July 2010; meanwhile VA reported veteran as delinquent to the credit bureaus, ruining his credit and causing Discover to cancel his credit card.

School	Example
4. University of Illinois	UI received \$8,305.60 Post-9/11 benefit payment from VA on January 19, 2010 then received another payment in the amount of \$9,343.80 from VA on May 13, 2010 for the same veteran.
5. Illinois State University	ISU received payment from VA for a veteran's books and supplies stipend (which should have been remitted directly to the veteran).
6. Illinois State University	ISU certified a veteran's Post-9/11 benefit eligibility at 70 percent but received payment from VA in March 2010 at 60 percent; ISU questioned VA's eligibility calculation in March 2010 and was told by VA that 60 percent was correct; at veteran's request, ISU questioned VA again in August 2010 and was told student eligibility is 70 percent.
7. The George Washington University	GWU received Post-9/11 benefit payments from VA via check and ACH for the same veteran.

**Prepared Statement of Donald D. Overton, Jr.,
Executive Director, Veterans of Modern Warfare**

Chairwoman Herseth Sandlin, Ranking Member Boozman, and Distinguished Members of the Subcommittee on Economic Opportunity, on behalf of Veterans of Modern Warfare (VMW) and our National President Joseph Morgan we thank you for the opportunity to present our views on an "Update on the Post-9/11 GI Bill."

My name is Donald Overton and I am a 100% service-connected combat disabled Army veteran of the first Gulf War currently serving as Executive Director for Veterans of Modern Warfare. VMW is a 501(c)19 National Wartime Veterans Service Organization founded in 2006. VMW represents active-duty, National Guardsmen, Reservists, and Veterans who have served honorably in our Nation's armed forces from August 2, 1990 through a date to be prescribed by Presidential proclamation or law.

Since the enactment of the Post-9/11 GI Bill more than a year ago, VMW members across the Nation have been afforded the opportunity to pursue educational endeavors at varying institutions of higher learning. However, far too many have been left behind. It became readily apparent that this historically significant legislation had a multitude of unforeseen limitations. Hopefully, this committee, along with your colleagues in the 111th Congress, will correct these limitations and ensure the maximum effectiveness of the most generous investment in veterans' educational benefits since the end of World War II.

Considering the current global economic climate, and our Nation's fiscal obligations both foreign and domestic, veterans' education and employment has fortunately remained a top national priority. VMW salutes the House Committee on Veterans' Affairs for its ongoing efforts and consideration of H.R. 3337 (Post-9/11 Veterans' Job Training Act of 2009), H.R. 4765 (authorizing VA to receive work-study allowances for certain outreach services provided through congressional offices), H.R. 3813 (Veterans Training Act), H.R. 3719 (Veterans Economic Opportunity Administration Act of 2009) and H.R. 5933 (Post-9/11 Veterans Educational Assistance Improvements Act of 2010).

VMW staunchly supports these legislative initiatives, although we are somewhat concerned by certain provisions. Since many of these initiatives have been incorporated and seemingly culminated into H.R. 5933, we will focus our Chapter 33 benefits package comments on this bill, while we address our concerns over effective and efficient implementation. Without a major cultural transformation within the Department of Veterans Affairs, as prescribed by H.R. 3719, the most well intentioned Chapter 33 legislative remedies may be doomed to failure.

Student Veterans Chapter 33 Concerns

Chapter 33 Post-9/11 GI Bill benefits failed to provide:

- the opportunity to pursue educational programs at institutions other than institutions of higher learning, including vocational, apprenticeship, on-the-job training, correspondence and flight training;

- full GI Bill credit for full-time National Guard service, to include full-time Title 32 Active Guard Reserve and state activation service;
- housing stipend for distance learners, or those studying less than full-time;
- Yellow Ribbon benefits to certain National Guard and reserve personnel members;
- multiple licensing or certification testing reimbursements; and
- an equivalent book stipend for active-duty students.

Although this list is not exhaustive of the concerns of our student veteran members, it does provide a framework from which to develop and implement substantial legislative improvements to the Post-9/11 GI Bill benefits package. These improvements will have a positive impact on the lives of tens of thousands of Americans who have served in our Nation's armed forces, as well as on their families and the global economy.

Chapter 33 Improvements

H.R. 5933 (Post-9/11 Veterans Educational Assistance Improvements Act of 2010) remedies a multitude of concerns espoused by our student veteran members. This legislation would:

- revise definitions concerning eligibility, and include certain National Guard service as service qualifying for such assistance;
- revise assistance amounts (including monthly stipends), and types of approved programs of education;
- allow the pursuit of educational programs at institutions other than institutions of higher learning, including on-the-job training and apprenticeships, flight training, and correspondence courses;
- provide an assistance amount for programs of education pursued while on active-duty;
- repeal the limit on the use of such assistance for the payment of only one licensing or certification test;
- allow an individual entitled to supplemental educational assistance to transfer such entitlement to the post-9/11 program;
- bar the duplication of benefits under other educational assistance programs;
- increase the amount of the reporting fee paid by the Secretary of Veterans Affairs (VA) to an educational institution for providing information concerning an individual's enrollment in a program of education;
- extend to certain National Guard and Reserve personnel eligibility to receive public-private contributions for additional educational assistance;
- reauthorize through 2016 the Veterans' Advisory Committee on Education;
- revise cost-of-living adjustments under the Montgomery GI Bill educational assistance program; and
- provide an alternate subsistence allowance amount for veterans entitled to such allowance because of service-connected disabilities.

While we applaud these adjustments, VMW remains concerned by language found in H.R. 5933 at:

Section 3 "Modification of Amount of Assistance and Types of Approved Programs of Education"

- (a) ...
 - (1) ...
 - (A) ...
 - (B) ...
 - (C) ...
 - (A) An amount equal to—
 - (i) ...
 - (ii) in the case that such institution is a non-public or foreign institution of higher learning, the lesser of—
 - (I) ...
 - (II) \$20,000 for each academic year

Establishing these tuition caps will have a negative impact on student veterans attending private colleges within the following states: Michigan, New Hampshire, New York, Pennsylvania and Texas. There is no guarantee that the Yellow Ribbon program will be capable of absorbing these monetary offsets, and without current statistical data to analyze the number of student veterans potentially impacted, or the overall extent of this provision, we would encourage a comprehensive analysis prior to insertion of this provision in the legislation that will ultimately be enacted.

Our other concern may be found at Section 11, the proposed elimination of the Cost of Living Allowance for Chapter 30 Montgomery GI Bill recipients to afford a Cost of Living Allowance for Chapter 33 Post-9/11 GI Bill recipients. Taking benefits from one class of veterans to pay for another is an unjust policy consideration and should not have even been proposed. We urge you to eliminate this from any bill that goes forward.

Given the prescribed effective date of August 2011, we believe this will afford the VA and school administrators' ample time to train and prepare for the adjusted benefit package. This will also assuage what has been the primary concern of school administrators: the lack of communication and training time by the VA.

Implementation Improvements

Our Nation owes veterans much more than "blood money," especially to our veterans who have been disabled in service to our country. The central event in their readjustment process is being able to secure gainful work at a living wage.

H.R. 3719 (Veterans Economic Opportunity Administration Act of 2009), establishes in the Department of Veterans Affairs a Veterans Economic Opportunity Administration, to be headed by an Under Secretary for Veterans Economic Opportunity who will administer VA programs of economic opportunity assistance to veterans and their dependents and survivors. It will put under one roof the following VA programs: (1) vocational rehabilitation and employment; (2) educational assistance; (3) veterans' housing loan and related programs; (4) veterans' entrepreneurship; and (5) homeless veterans.

This bill also would establish as an interagency committee the Department of Veterans Affairs-Department of Labor-Small Business Administration Joint Executive Committee on Economic Opportunity to recommend to the Secretaries of Veterans Affairs and Labor and the Administrator of the Small Business Administration strategic direction for the joint coordination and sharing of efforts to promote and administer veterans economic opportunity programs for education and training, vocational rehabilitation, employment, small business, and homelessness, and to oversee implementation of those efforts.

We have seen time and again the VA's failure to properly implement the benefit programs within their purview. These failures have been particularly pervasive within the Veterans Benefits Administration (VBA). It is imperative that during this era of cultural transformation within the VA, under Secretary Shinseki's bold leadership, that the VEOA be created. Removing these relevant programs from the antiquated and over-burdened VBA will ensure the viability of veterans' economic opportunities for their futures, a just reward from a grateful Nation.

Conclusion

Madame Chairwoman, VMW again thanks you for this opportunity to express our views, and will be pleased to respond to any questions you or your colleagues may have.

Prepared Statement of James D. Wear, Assistant Director, National Veterans Service, Veterans of Foreign Wars of the United States

CHAIRWOMAN HERSETH SANDLIN, RANKING MEMBER BOOZMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 2.1 million members of the Veterans of Foreign Wars and our Auxiliaries, we would like to thank the subcommittee for giving us the opportunity to testify today on veterans' concerns regarding their education benefits and improvements to the Post-9/11 GI Bill.

The VFW is very proud to have worked with this subcommittee to pass the Post-9/11 GI Bill in July of 2008. A generation of veterans is now better equipped to seek higher education, with hundreds of thousands of veterans in schools across the nation directly benefiting from the dedication, work and leadership of this subcommittee and its staff.

VA's latest education workload report dated September 7, 2010, shows the number of non-Chapter 33 education enrollments pending at 168,237. While VA recently reported that their automated data integration system had allowed them to process 130,000 Chapter 33 enrollments so far this year, we believe that they also need to focus on timely processing of non-Chapter 33 enrollments as well.

VA is to be commended for the timely processing of these claims and for having the "Spring 2010 GI Bill Benefit Processing" Web site available to track their processing of education enrollments during the 2009–2010 academic year. However, there is no analogous "Fall 2010 GI Bill Benefit Processing" Web site to track current education payment progress during the 2010–2011 academic year. VFW requests that VA have a Web site to track the processing of both Chapter 33 and non-Chapter 33 education payments during the 2010–2011 academic year.

While VA's Web site will help to track enrollments, there are additional improvements that can be made by reexamining the Post-9/11 GI Bill with an eye toward simplifying and strengthening the benefits it provides. We offer a number of suggestions to improve, simplify and strengthen the legislation with the goal of ensuring equitable benefits for equivalent service.

The VFW offers its strong support for H.R. 5933, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010. We are enthusiastic about the direction this legislation takes the Post-9/11 GI Bill. The VFW believes a number of changes must be made to the Post-9/11 GI Bill to address the needs of today's servicemembers, veterans and their families. Many of these changes are reflected in the bill.

Of the many positive changes in this legislation, the provisions that would allow Guard and Reserve members to count active-duty service under Title 32 orders toward Chapter 33 eligibility is perhaps the most important. This change will credit these men and women for their service securing our nation's borders and airports, cleaning up the Gulf, and for saving lives and property during and after natural disasters such as Hurricane Katrina. We need to reward this continuous noble service with Post-9/11 GI Bill eligibility. Making sure the Reserve component receives equitable benefits for equivalent service is a top VFW priority.

Because of variations in state tuition and fees, this legislation would eliminate the state-based payment cap, in favor of the guarantee that Chapter 33 benefits will fully cover the cost of public undergraduate or graduate programs across the United States. Further, it offers a dollar for dollar match up to \$20,000 per year at all approved non-public and foreign institutions of higher learning.

In the Post-9/11 GI Bill, half-time training was linked with less than half-time training. This legislation separates those definitions to clarify the difference between half-time training and less than half-time training. This change will make the rate of benefit payment easier for the veterans and the institutions of higher learning to understand as well for VA to administer.

This legislation seeks to provide a housing stipend for half-time students. VFW supports proportionate housing stipends. Current law does not pay a living allowance for half-time students, yet students enrolled with one credit more than half-time receive the full living stipend. The legislation proposes that if veterans enrolled in a program of education on a half-time basis the monthly housing stipend would be 50 percent of full-time basic housing stipend. This would make rates simpler to understand and greatly reduce the number of over charges to veterans. The VFW supports proportionate housing stipends for half-time students.

The VFW also supports providing housing stipends to veterans so that they can focus on their studies knowing their housing costs will be covered while pursuing a program of education at a foreign institution of higher learning.

One of the primary purposes of the GI Bill is to serve as a transition program. We encourage every veteran to attend classes in a traditional classroom setting among their civilian peers. We believe the GI Bill helps reintegrate veterans into civilian life by encouraging socialization in the classrooms and lecture halls of America. Nevertheless, the VFW supports providing housing stipends for distance learning so veterans can focus on their studies knowing not only are their housing costs provided for but their transportation costs are minimized. Also, offering one of the newest technological means of delivering learning to students helps educational institutions keep down tuition and fees.

There are many essential well-paying jobs that require training not provided in colleges or universities. This legislation would expand the Post-9/11 GI Bill to include programs of education at institutions other than institutions of higher learning to include On-the-Job Training and Apprenticeships. The original GI Bill provided World War II veterans benefits for apprenticeships and vocational training. We believe the Post-9/11 GI Bill should also provide current veterans the same opportunity to seek careers in skilled trades. These programs represent the most effective direct employment programs available to our nation's newest veterans. The legislation would include certified Vocational Programs (non-degree granting institutions) and On-the-Job Training (OJT)/Apprenticeship programs to allow veterans the opportunity to learn a trade while receiving a living allowance, tuition and book stipend. Many veterans have technical skills and transferable credit acquired in the

military that gives them a head start on earning a technical education. We should encourage veterans to invest in technical educations as these skill sets will help us to re-build our cities and restart our economy.

Each veteran should receive a living allowance based on BAH and the zip code of the OJT program. The annual \$1,000 book stipend would best be paid in \$500 intervals at the beginning of the training and then six months thereafter to aid the veteran in covering the cost of tools and program supplies.

We support educational assistance for flight training and programs of education taken by correspondence.

The VFW supports legislation which allows a lump sum for books, supplies, equipment and other educational costs for individuals on active duty pursuing a program of education.

This legislation would also establish a protocol allowing veterans to take multiple licensure and certification tests at no charge to their entitlement until the test costs exceed \$2,000.00. The VFW supports this.

This legislation ensures that supplemental education assistance under Subchapter III of Chapter 30, transfers into Chapter 33. The VFW supports the inclusion of these important incentives to assist the Department of Defense (DoD) in managing its military retention programs.

This legislation also adds to the Chapter 31 program an equitable housing stipend for veterans utilizing the Vocational Rehabilitation and Education programs. The VFW supports this.

These changes to the GI Bill are absolutely necessary to ensure that veterans have every opportunity to pursue and complete programs of learning that will not only help them make the transition from warrior to civilian, but will also provide them the tools to become and remain productive, taxpaying, members of society for a lifetime. By streamlining processes and opening new avenues to education and training, veterans will be better equipped to make their ambitions a reality.

Once again, thank you for including the voice of the VFW and its members; we look forward to continuing to work with you to improve the lives of America's veterans and their families.

Madam Chairwoman, this concludes my testimony. I will be pleased to respond to any questions you or the members of your subcommittee may have. Thank you.

**Prepared Statement of Robert Madden, Assistant
Director, National Economic Commission, American Legion**

EXECUTIVE SUMMARY

Although the Post-9/11 Bill was the single greatest benefit offered to the Post-9/11 veteran, the implementation fell far short of the needs of those new veterans. Delays in applying for and receiving benefits has been the single greatest failure during the implementation in the past year. The American Legion heard from hundreds of veterans and their families discussing the issue of delayed or no payment. These late payments caused veterans and families to drop out of school due to financial hardship.

To alleviate some of these issues, the Department of Veterans Affairs has increased the number of claims processors and is implementing a new IT system to help streamline the claims process and should have a self-navigating system that veterans can access by December 2010. This will go a long way in addressing many of the preliminary problems that still plague veterans and their family members.

The American Legion recommends communication between Regional Processing Offices (RPO) be uniform. There are schools that have campuses across the nation and are therefore using multiple RPOs for information. Institutions are receiving multiple policy protocols from separate RPOs for the same situation which in turn causes confusion for veterans and educational institutions. This process of getting different responses from separate RPOs needs to be addressed and communication must be accurate and similar across the Nation.

In order to properly serve the veterans and families of this country, The American Legion recommends several changes to the Post-9/11 GI Bill. Those changes include: Allowing housing allowance for distance learners; addition of vocational, apprenticeship, on-the-job training and flight training; transfer of educational benefits to dependents of those who have retired from active duty, and inclusion of Title 32 Active Guard Reserves to receive Federal benefits under Chapter 33.

No matter what era, we should not forget the sacrifice of those who served in our military. However, the latest generation of veterans and their families have experi-

enced a new hardship and experience due to multiple deployments and a changing nature of war. These veterans deserve the highest quality of service when receiving benefits and should be granted the opportunity to choose their education and employment path when returning to school.

Madam Chairwoman, Ranking Member Boozman and Members of the Subcommittee:

Thank you for this opportunity to present The American Legion's views on the status of the Post-9/11 Veterans Educational Assistance Act of 2008. The American Legion commends the subcommittee for holding a hearing to discuss this very important and timely issue.

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

The American Legion has not only been a lead supporter of the Post-9/11 GI Bill, but also a concerned advocate during the implementation. The 111th Congress has held hearings on the long-term and short-term implementation strategies for administration of the Post-9/11 GI Bill by the Department of Veterans Affairs (VA). These hearings updated Congress on VA's development of the information technology components for the new law and the progress made during implementation. The American Legion testified before Congress last year about its concerns regarding VA's implementation strategies and urged VA to be ready to fulfill its administrative duties "right the first time."

Since the passage and the implementation of the Post-9/11 GI Bill, VA had a rough and rocky start. Thinking they were fully prepared to implement the biggest changes in GI Bill history, VA set out to put their best foot forward in August 2009. They soon found that the implementation system was flawed and there was no easy way to process a Certificate of Eligibility or an actual claim. A processor for the old Montgomery GI Bill needed only around 30 minutes to process a claim, but for the components of the Post-9/11 GI Bill, this time ballooned to close to 2 hours per claim. This time-intensive process compounded by a lack of adequate staff fostered a significant backlog of education claims.

Unfortunately, many veterans waited weeks and months just to get their Certificate of Eligibility, and even longer to actually receive benefits. These men and women gave up their jobs in order to better their employment chances by going to school. It should be noted, to be able to get the most out of the benefit, a veteran or family member needs to take a course load of over half-time. In the worst case scenarios, veterans who recently left the military were without a job and without their education benefit from VA. The American Legion received hundreds of calls and emails from veterans discussing their financial difficulties and the possibility of homelessness was sometimes mentioned. The American Legion responded to a number of these veterans with Temporary Financial Assistance, one of our many programs to assist veterans and their families.

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

Another recurring issue is overpayment. There have been reports of schools being overpaid, which is why many schools are waiting for the add/drop period before sending in the veteran's enrollment certification. In spite of this move by the schools, the veteran is still being overpaid; consequently, the schools send back the money, but it is not being reported back to the VA in a timely manner. Ultimately, the veteran is then denied their housing allowance and books stipend, until their

payment is recouped by VA. This causes an undue burden for the veteran and his/her family and causes, again, another financial hardship. Every time a mistake happens, it does not affect VA, but does manage to cause problems for the veteran. Closer oversight on these issues would be the fix to many of these problems.

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

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

The American Legion also sees other areas where the Post-9/11 GI Bill can be improved. Those who have served since September 11, 2001 and retired before the implementation of the Post-9/11 GI Bill should be allowed to transfer their educational benefits to their dependents. We also note the increased utilization of online distance learning. Currently, those who attend classes strictly online are prohibited from receiving the housing allowance. These men and women take these classes due to the flexibility they offer. Veterans who attend these classes have families and may need flexibility to be able to advance their career and should be entitled to the housing allowance. The greatest equity issue is those men and women who served during the crisis of September 11, 2001. These Title 32 Active Guard Reserve members served under federal orders but were not allowed to include their federal time for eligibility for the Post-9/11 GI Bill. These men and women served valiantly and with distinction. This is a must fix and needs to be addressed immediately.

Currently, there are two bills, H.R. 5933 and S. 3447, which are companion measures. These bills propose changes to the Post-9/11 GI Bill to make the Post-9/11 GI Bill a stronger benefit for veterans and their families. The American Legion supports both of these bills. Veterans should be free to choose their school and get the education they believe is best for them and their family.

Even with some challenges and missteps, The American Legion continues to ensure veterans and their families get the necessary assistance during this education transition. The American Legion recently held the "Veterans on Campus" education symposium, which tried to identify best practices on how to assist veterans in their transition from the military to college life. We found a large number of student-veterans and academia did not have sufficient information about the Post-9/11 GI Bill benefits. VA needs to provide more outreach to colleges and universities around the country to ensure these student-veterans have a full range of knowledge concerning their education benefits. The American Legion is excited about the final implementation of the new IT for veterans. We hope this IT solution helps resolve many of the application, payment and communication problems that have been experienced.

Although the VA has taken many necessary steps in order to provide a fluid transition for veterans and their families, we have seen numerous bumps along the way. Sometimes, as in the case of the emergency payment, VA has had to make some tough choices to correct those problems. The American Legion will continue to monitor the continued transition for the Post-9/11 GI Bill.

The American Legion appreciates the opportunity to present this statement for the record. Again, thank you Madame Chairwoman, Ranking Member Boozman, and Members of the Subcommittee for allowing The American Legion to present its views on this very important issue.

Prepared Statement of Tim Embree, Legislative Associate, Iraq and Afghanistan Veterans of America

Madam Chairwoman, Ranking Member, and members of the subcommittee, on behalf of Iraq and Afghanistan Veterans of America's over two hundred thousand members and supporters, I would like to thank you for allowing us to testify before your subcommittee. As a representative of IAVA, I also extend the gratitude of tens of thousands of our members who can now afford to attend school, and become the Next Greatest Generation.

I. Executive Summary:

Our work on the new GI Bill is not done. The Post-9/11 GI Bill is a historic commitment to this generation of veterans and over 300,000 students have taken advantage of this hard earned benefit. But, while some student veterans are on the path to earning themselves a first class future, tens of thousands of veterans are being left behind. Too many young veterans find themselves unable to take advantage of these GI Bill benefits and many others, already using the new GI Bill, have had their benefits cut by needlessly complicated regulations in Chapter 33. In order to complete our work on the new GI Bill, IAVA recommends swift passage of H.R. 5933, commonly referred to as the New GI Bill 2.0.

New GI Bill 2.0 finishes the Post-9/11 GI Bill and includes:

- **Vocational Training:** Invaluable job training for students studying at vocational schools.
- **Title 32 AGR:** Grant National Guardsmen responding to national disasters full GI Bill credit.
- **Distance Learners:** Provide living allowances for veterans in distance learning programs.
- **Tuition/Fees:** Expand and simplify the Yellow Ribbon Program.
- **Active Duty:** Include a book stipend for active duty students.

Over the past year IAVA has helped thousands of veterans navigate through their GI Bill benefits and we have trained hundreds of schools on the ins and outs of the new GI Bill. Our daily interactions with student veterans and schools have revealed the following concerns regarding the VA's handling of the new GI Bill.

- **Student veterans complete their assignments on time and so should the VA:** Nine months late updating the new BAH rates and one month late publishing the 2010-11 tuition/fees chart.
- **Delays are imminent:** 160,000 backlogged GI Bill claims, 60 percent more than any other time this decade with the exception of last year. This will mean unacceptably long wait times, yet again.
- **Processing remains plagued by repeated mistakes:** Many veterans have been erroneously denied benefits and are forced to spend months trying to unravel the errors.
- **Lack of reliable information costs veterans:** The irrevocable choice between the new and old GI Bill is worth thousands of dollars and VA still lacks good resources to help inform that choice.
- **Refunds of overpayments:** There are no guidelines for schools to follow to repay the VA for erroneous tuition overpayments and this results in veterans having their entire GI Bill withheld.

II. Introduction

IAVA believes that by finishing the work Congress began two years ago, this historic commitment to our veterans will be remembered as one of the shrewdest investments in our country's men and women in uniform for generations to come.

Today's veterans are our country's leaders of tomorrow. Hundreds of thousands of combat veterans from Iraq and Afghanistan have served honorably and are now looking to utilize the Post-9/11 GI Bill to begin the next chapter of their lives. Thanks to the most generous increase in education benefits since World War II these veterans and their families now have the opportunity to pursue a "first-class" education.

IAVA has gained unique insight into where implementation of the New GI Bill has succeeded and where it has failed. For over two years, IAVA has been assisting student veterans navigate this generous, yet complicated, new benefit. Nearly 1 million people have visited our premier GI Bill resource, www.newgibill.org. We offer the most accurate benefits calculator, Frequently Asked Questions (FAQs), and resources where veterans can find answers to their GI Bill questions. As we have stat-

ed over and over again, the VA must improve their outreach. By working closely with IAVA and the VSO community the VA could be solving problems before they arise rather than constantly reacting to the latest crisis.

On top of the VA's rocky implementation, we recognize that the new GI Bill is still a work in progress. Once finished, the new GI Bill will be a shining moment in the history of our great republic. Everyday we wait to pass upgrades to the new GI Bill, tens of thousands of veterans are ineligible to access this new education benefit and many others using the new GI Bill have had their benefits cut by one of the many poorly written regulations in Chapter 33.

III. Lessons Learned for the New GI Bill's Sophomore Year

IAVA has been cautioning student veterans to prepare for another rough autumn and has been pleading with the VA to be as transparent as possible. The VA has made some significant improvements in their handling of the new GI Bill since last year. However, IAVA is deeply concerned that the VA has been failing to communicate critical information to students and schools, missing key congressionally mandated deadlines and will likely have unacceptably long delays in the processing of GI Bill benefits again this semester.

A. Student veterans complete their assignments on time and so should the VA.

The VA has owed over 150,000 student veterans additional living allowance payments for over 9 months. In January the Department of Defense's new housing rates took affect and in turn students attending over 4,000 colleges were due an increase in their living allowances. This increase amounted to over \$200/month at some schools including Long Island University, University of Massachusetts and University of Connecticut.

"When are they going to adjust the BAH rates for 2010? No matter who I call or email about this issue, I never get a straight answer. I am currently living in Milwaukee, Wisconsin and the rates were increased by \$111 for my area as of Jan 1 2010. It is nearly August and they have yet to increase. Any info you can provide me with would be helpful."—Chris (IAVA Vet)

Sadly, the VA's only mention of how they would handle the new rate changes was a tweet from one of the VA's many twitter accounts on December 18th and was not mentioned again for over 9 months.

@DeptVetAffairs: For GI Bill students: BAH rates will remain the same to begin the spring semester. Any changes won't happen until later in the spring.

Phone calls to the GI Bill call center left veterans even more confused about when they could expect to be paid. IAVA believes that keeping veterans like Chris in the dark for over 9 months about their benefits is completely unacceptable. Thankfully, earlier this month the VA finally made a public announcement on their Web site outlining how they will handle this issue.

The living allowance payments were not the only benefit the VA has been delinquent. The VA is mandated to issue the state tuition caps on August 1st of each year to help veterans and schools adequately plan for the fall semester. Unfortunately, the VA failed to publish this tuition chart for exactly a month. As a result, students started school with no idea what the new GI Bill would cover. Schools were asked to submit enrollment certifications and the VA would just process the tuition benefits later. Now the VA will have to go back and recertify all the new GI Bill claims they received in the month of August during the VA's busiest season of the year.

Why does this matter? Ask the student veterans attending schools in Minnesota like Northwestern College who are now on the hook to pay an additional \$7,000 in tuition this year. These students started classes in late August only to see their tuition benefits drop \$300/credit a week later. Northwestern was likely deferring those tuition costs in the hopes that the GI Bill would be paying at least as much as last year, but now those students will have to shell out an additional \$7,000 just to stay in class. The VA will claim that they did not know all the tuition caps until September 1st, but they did know many of them and should have published what they had as soon as they knew them.

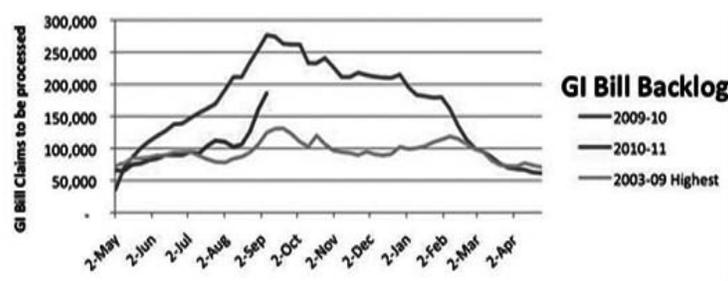
"I just talked to the financial aid director at my school here in St. Paul, Minnesota. I found out today that the VA has cut the MN tuition cap at \$450 per credit. It was listed on their Web site as \$750 until this week. Partially as a result of the \$750 rate, I made the decision to move my family from California to Minnesota. Now I am faced with suddenly receiving \$4200 less per semester in

assistance than I had anticipated My school choice was directly affected by the amount that I thought I would be receiving, based upon the VA's officially posted rates. Also, there are those who have barely managed to budget enough money to go to school. Now telling them that they will be receiving significantly less than they had been depending on could force them out of school. I understand that budgets are tight everywhere. However, I feel cheated by finding out after the fact. This is information they should have given us months ago."—Aaron (IAVA Vet)

B. Student veterans need to know that GI Bill delays are imminent.

"When I called today to check on my GI Bill status, the telephone advisor told me that due to the upgrade that put them behind for about a week they are estimating it can take around 41 days for them to process the enrollment information and get the funds to the schools and vets."—Brent (IAVA Vet)

Student veterans enrolling in school this Fall should be prepared to wait a long time for their GI Bill benefits to process. The VA has a GI Bill backlog of over 185,000 claims, nearly 50 percent more than any other time this decade, except last year. And although the VA has kept the number of outstanding new GI Bill claims at a steady rate (~18,000) the old GI Bill users are suffering because of it (over 168,000). These delays are unacceptable and continue to put too much pressure on student veterans. They should be trying to focus on their studies and not worrying about keeping a roof over their heads due to the VA's inability to manage information. The VA should also publish the expected wait times prominently on their Web site, to help student veterans have realistic expectations of when their benefits will arrive.



IAVA recommends the VA implement the following concrete ideas: 1) Post a waiting time widget on the VA's GI Bill homepage saying, "Now working on GI Bill claims from (fill in the date)" and 2) Reinststitute the practice of disclosing the date of the oldest pending GI Bill claim in the Monday Morning Workload report.

C. Processing of new GI Bill claims remain plagued by repeated mistakes.

In the haste to clear the deck of GI Bill claims, many veterans have been erroneously denied benefits and are forced to spend months trying to unravel the errors.

"Since January of this year I have been receiving letters that I owe the VA for 2 semesters that they claim I dropped out. I never did and have been given the run around by both the VA and the school but neither side tell me anything. I have been doing this for 6 months and worst of all is that they are taking my entire check leaving me with nothing to purchase books or to use to pay bills. Because of this I am in extreme debt, I have a two-month-old baby, which needs diapers and baby wipes and have fallen into depression again because the creditors call me constantly asking for payment. I am not working at the time because I want to focus on school. I am getting disability and work-study payments, but even so I keep going in the negative side in my bank account. I have no clue how else to pressure the school and the VA to promptly fix the situation and give me back the money they wrongfully took. If you can't help me could you please send me to someone who can." IAVA Vet

IAVA contacted the VA regional office on this student veteran's behalf. They corrected his file, erased his debt and issued him a back payment of over \$7,900. He told IAVA that the VA finally paid him on his daughter's birthday and that he can now buy her a real birthday present. And while IAVA is eternally grateful to the Regional Offices for continuing to solve the GI Bill issues we send their way, this

story is just the tip of the iceberg. Many other veterans don't even know there has been a mistake or they give up when no one seems to be willing to take up their cause. IAVA believes that the VA must do an immediate audit of their GI Bill claims processing and publically announce their error rates. Veterans who are fighting with the VA about their benefits should know that they aren't alone.

D. Lack of reliable information costs veterans.

Veterans making the irrevocable choice between the old and new GI Bill are forced to make that decision without immediate, reliable access to key information that may affect tens of thousands of dollars in their education benefits.

"My VA rep at my school told me to apply for the new post 9/11 GI Bill because I had already collected the 36 months on the old GI Bill. So, I applied for the new GI bill to get the extra 12 months of benefits and I just received an approval letter for 3 days of the new GI bill benefits because I still had 3 days left on the old GI bill."—Charles (IAVA Vet)

If Charles had known that he had 3 days remaining on the old GI Bill he could have simply waited an extra couple of days before he applied and he would have been able to attend school for at least another academic year under the new GI Bill. Unfortunately for Charles the lack of good information meant that he simply lost his new GI Bill benefits.

Charles' story is a cautionary tale for all student veterans and more importantly the VA. While the VA has spent most of their focus making sure veterans know that their choice to use the new GI Bill is "irrevocable" (bold and italics on the VA form), they have failed to show student veterans what that actually means to them personally. For example, the VA's GI Bill benefits estimator is an inexcusable tool for a Department that has spent millions on GI Bill information technology. This tool does not help veterans compare benefits between the old and GI Bill in any meaningful way.

"How do I determine what the amount is for so I can make sure I'm getting the proper benefits? In other words, I want a statement. I called the VA and they told me "no"—there was no statement and I would have to determine the benefits myself by pro-rating book costs, BAH, etc. There must be an easier way...."—Jonathan (IAVA Vet)

The VA has testified numerous times that they are scheduled to unveil a student portal for veterans to track their GI Bill benefits by the end of the year. Many student veterans and schools have requested this functionality and IAVA sincerely hopes that the VA meets its own internal deadline of Dec 2011. However, IAVA is deeply concerned that veterans and schools have not been involved in the development of this new functionality. We believe that the VA should immediately engage student veterans, campus officials and veterans groups during the final stages of development. IAVA also strongly encourages the VA to allow school certifying officials access to student information. More often than not the school certifying official is the only source of GI Bill information the veteran ever receives.

E. The VA has no structure for schools to refund of overpayments.

Some errors in the certification and processing of GI Bill claims are inevitable, and we must do everything we can to minimize those errors. However, to not have a contingency plan when they do occur is extremely irresponsible and has taken a profoundly negative toll on student veterans who have been affected. If a school has been overpaid there is no mechanism for the school to repay the VA directly. While the school starts the refund process to the student veteran, the VA will immediately put a hold on the student's GI Bill benefits whether they were aware of the overpayment or not. Take the following case for example:

"My school was underpaid and sent the VA a bill for a little over \$200. The VA thinks that is all they had to pay and sent me a letter saying I have to pay all the money back. I did not change classes or even drop any. I have tried to call them but the phone is busy; I emailed them but they said to call them in the reply. What am I supposed to do? School starts Fri . . . I just got the letter today and my school said I have to contact a rep myself. The appeal letter said it will be 3+ months for it to process. Please Help!!"—Mickel (IAVA Vet)

One month later:

"I just withdrew from school because I did not have the money to drive there without the VA paying me. I had no choice. The school will try to send back every cent of the money they paid them."

Four months later, with the help of the Atlanta Regional Office, we were finally able to get the VA creditors off Mickel's back and get him the money he deserved; however, he had already dropped out of school and was even further behind his civilian counterparts.

Student veterans like Mickel deserve better. In order to prevent this from happening in the future, the VA should develop a simple process for schools to refund overpayments directly to the VA and improve communication between the Education Liaison Representatives (ELRs) and the school certifying officials.

IV. H.R. 5933: New GI Bill 2.0

H.R. 5933 will improve the new GI Bill and ensure that all student veterans have access to this generous education benefit. By simplifying and streamlining the administrative rules, H.R. 5933 would enable the Department of Veteran Affairs (VA) to process GI Bill claims in a timely manner. H.R. 5933, which we have come to call the "New GI Bill 2.0," is a comprehensive effort to address the concerns of tens of thousands of student veterans and their families by including:

- **Vocational Training:** Offering valuable job training for students studying at vocational schools
- **Title 32 AGR:** Granting National Guardsmen responding to national disasters full GI Bill credit
- **Distance Learners:** Providing living allowances for veterans in distance learning programs
- **Tuition/Fees:** Expanding and simplifying the Yellow Ribbon Program
- **Active Duty:** Including a book stipend for active duty students

Even the original WWII GI Bill needed a tune up like H.R. 5933. One year after the passage of the WWII GI Bill the House Committee on World War Veterans Legislation (an early predecessor to this committee) conducted a marathon four day long hearing to review the effectiveness of this new benefit.

In a small touch of irony, veterans groups like the Legion, VFW, and DAV collectively asked the committee, as we are today, to upgrade the WWII GI Bill to include vocational schools, correspondence courses and to simplify the tuition benefit.

Congress promptly responded and passed H.R. 3749, "To Amend the Servicemen's Readjustment Act of 1944." These upgrades finished the work Congress had started and secured the WW II GI Bill as one of the greatest investments in the 20th century. It was actually the amended version of the WWII GI Bill that helped build America's middle class and laid the foundation for what Tom Brokaw dubbed the "Greatest Generation." IAVA believes that just like the WWII GI Bill, the Post-9/11 GI Bill needs the comprehensive improvements in H.R. 5933 to become the smartest investment in the 21st century and to help lay the foundation for the next greatest generation.

A. Invaluable Professional Job Training

H.R. 5933 will help veterans access valuable job training by granting Post-9/11 GI Bill benefits to veterans in vocational, apprenticeship and On-The-Job training (OJT) programs. IAVA member Charles Conrad returned home from war to face a bleak economy. He had finished two tours, was released from his stop-loss orders and was ready to begin the next chapter of his young life. Charles moved to Pittsburgh and enrolled in the Pennsylvania Gunsmith School, a well-known vocational school founded in 1949. Charles, like countless other veterans, assumed that by combining his military experience with a vocational certificate, he would make himself marketable in today's rough job scene. Unfortunately, Charles was let down by the new GI Bill. Currently, the Post-9/11 GI Bill does not pay for trade schools—and now Charles is left struggling to pay down piles of bills.

I was depending on the housing allowance and without it I can't even afford the school . . . It's a slap in the face to me that I can't use the Post-9/11 GI Bill . . . It's like saying a trade school isn't good enough for the new GI Bill, but it is for the old GI Bill. Is there any way that trade schools will ever be allowed under the new GI Bill?

Most people don't realize that a majority of WWII veterans used their GI Bill benefits to attend vocational schools. Although there are a limited number of vocational programs at the local community colleges currently authorized, allowing veterans to enroll in the vocational program of their choice would enable all of our war-fighters to use their hard-earned new GI Bill benefits.

B. Full Credit for Full Time Served

H.R. 5933 will help National Guard servicemembers by granting full GI Bill credit for full-time service. New GI Bill 2.0 classifies state activations for national disasters (e.g., Hurricane Katrina and the BP oil spill) and full-time Title 32 Active Guard Reserve (AGR) service as qualifying service. This correction will help almost 30,000 Army National Guard and 13,500 Air National Guard servicemembers serving on Title 32 or “state” orders. This vital improvement will also ensure that the thousands of National Guard troops from Louisiana, Alabama, Florida, and Mississippi who are currently protecting our coastline from the oil spewing in the Gulf will receive credit towards their Post-9/11 GI Bill benefit.

IAVA member Sergeant First Class (SFC) Bradford Mingle has been wearing our country’s uniform every day for the past 19 years, including during a recent tour in Afghanistan. SFC Mingle is part of the Active Guard and Reserve program (AGR), which means he works full-time for the National Guard. Imagine SFC Mingle’s surprise and anger when he applied for the New GI Bill, only to have the VA tell him he hadn’t served long enough to qualify for the full benefits.

I am an AGR soldier with 19 years active duty but I’m not qualified to get what an Active Army Soldier gets? Is our service not worth as much? Why are AGR Soldiers always left out?

According to the current law, only one of SFC Mingle’s 19 years of active duty service actually counted toward his GI Bill eligibility. Yet a full-time reservist doing the same job as SFC Mingle would qualify for the full GI Bill simply because his or her checks were paid for by the federal government, rather than the state government. Same uniform, same service—vastly different benefits.

C. Fairness for Disabled Veterans Utilizing Distance Learning

Many disabled veterans and single parents are attending online courses to achieve their dream of a college degree. But, under the current rules, even if they are taking a full course load, they do not qualify to receive the new GI Bill’s substantial monthly living allowance. If these veterans were able to take just one course at a local college, they would qualify for the full living allowance. Yet enrolling in a course at a brick-and-mortar institution is nearly impossible for a single mother simultaneously struggling to keep food on the table or for a disabled veteran who cannot navigate a flight of stairs without assistance.

IAVA member Specialist (SPC) Weaver was awarded a bronze star for his meritorious service during two tours in Iraq. He is currently at home recovering from the fractured spine he sustained after being ejected from a moving vehicle. SPC Weaver suffers from vertigo, hearing problems and loss of mobility. Despite his injuries, SPC Weaver still dreams of completing his education and has been looking to attend college online, where he can complete his degree at his own pace. In spite of his service, SPC Jeffrey Weaver cannot benefit from the New GI Bill in its current form.

This seems quite absurd as it is fact that many service-disabled veterans are undergoing treatments and have special needs. Although I am not totally disabled, because of my current conditions, it would be nearly impossible to collect on the Post-9/11 GI Bill entitlements. This seems to be an issue we need to raise to Congress.

A living allowance for students of online institutions would help veterans to avoid having to choose between keeping a roof over a family’s head and concentrating on being a successful student. The allowance would enable them to provide for their families while increasing their future earning potential through education. The New GI Bill was supposed to encourage student veterans to focus on their education and not their financial situation—but without the New GI Bill 2.0 upgrade, student veterans pursuing degrees through distance learning are left out in the cold.

D. Simplify the Yellow Ribbon Program

New GI Bill 2.0 simplifies the tuition benefit by abolishing the confusing state cap program and replacing it with a simple promise. Under the current form of the New GI Bill, the tuition benefits are confusing, and completely unpredictable. In California, tuition caps have been raised three times this year alone. Worse, nationwide tuition caps have fluctuated wildly since last year and states like Florida and Minnesota have seen their benefits drop for no apparent reason.

Recently, in front of the Senate Veterans’ Affairs Committee, the VA admitted to “delays in determining the 2009–2010 maximum tuition, and fee rates resulted in

delayed processing of payments for students attending school in those states.” The VA later said that reforming the tuition and fees benefit was its top priority fix for the New GI Bill. Considering that the VA was late exactly a month publishing the new tuition/fees chart this year, we need a GI Bill benefit that is easy to calculate and is easily understood by those who use the benefit as well as those who distribute it.

Under the proposed New GI Bill 2.0, if a student veteran attends a public school, the New GI Bill will pay for the entire cost of tuition and fees—no questions asked. If a student veteran attends a private school, the VA will pay a nationally recognized, baseline amount. If a private school is more expensive than the national baseline, the school is encouraged to take part in the yellow ribbon program in order to eliminate the remaining gap in education costs.

IAVA member Lieutenant Colonel (LTC) Brian Pummill is in an extreme, remote location in Afghanistan. LTC Pummill should be focused solely on the mission at hand, but his thoughts are back at home as he tries to explain to his college-bound daughter how the New GI Bill’s tuition benefit will work. Even after a long career successfully navigating military bureaucracy, LTC Pummill is thoroughly perplexed by the VA’s confusing tuition and fee caps.

I don’t understand how to calculate how much TUITION AND FEES the VA will pay Saint Mary’s College . . . I see calculations that just compute this by \$321/credit hour, but this doesn’t come close to the MAXIMUM FEES BY TERM of \$12,438.00 indicated for SMC. Since SMC’s TUITION AND FEES for 2010–2011 are the same for ALL FULL–TIME STUDENTS, REGARDLESS OF THE CREDIT HOURS THEY ARE TAKING, why wouldn’t we take the Maximum fees by term (\$12,438), multiply that by 2 (\$24,876), then divide by 9 months (\$2,764/month), to calculate the per month value of the GI Bill at SMC, if that is the actual cost of Tuition and Fees to attend SMC. The same calculation by the credit hour, assuming you take 32 credit hours per year, is only \$321.75 times 32, which is only: \$10,296.00. How does a student qualify to be reimbursed at the MAXIMUM TUITION AND FEES PER TERM, instead of by the credit hour—at SMC, the difference between these two calculations is staggering.

H.R. 5933 will simplify the benefit and help servicemembers like LTC Pummill get their mind back on the mission.

E. Other Improvements to the New GI Bill

New GI Bill 2.0 is an essential comprehensive upgrade, involving changes large and small. These changes are vital to the academic success of student veterans pursuing a higher education. H.R. 5933 will also:

- Grant active duty students a book stipend worth \$1,000/year
- Increase Vocational Rehabilitation monthly benefits by up to \$780/month
- Reimburse students who take multiple accreditation/certification tests
- Allow enlistment kickers to be transferred to dependents
- Increase school reporting fees
- Simplify the types of discharges that qualify for benefits

VII: Conclusion

The Post-9/11 GI Bill, or “New GI Bill,” will be remembered as one of the greatest investments in our country’s veterans for generations to come if we act now and finish the work this committee began two years ago. History has shown us the importance of investing in our country’s veterans, and IAVA applauds the phenomenal work this committee continues to do on behalf of our nation’s veterans and their families.

IAVA is proud to speak on behalf of the thousands of veterans coming home every day. We work tirelessly so veterans know we have their back. Together, with this Congress and the Department of Veteran Affairs, we can guarantee that every veteran is confident that America has their back.

Thank you.



**Prepared Statement of Captain Mark Krause, USN (Ret.),
U.S. Department of Veterans Affairs Program Manager, Space
and Naval Warfare Systems Center Atlantic, Department of the Navy,
U.S. Department of Defense**

Good afternoon Chairwoman Herseth-Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the current status of the Post-9/11 GI Bill Chapter 33 Long Term Solution (CH 33 LTS). My testimony will address the current status of the LTS, critical milestone completion, program challenges, requirements for legislative fixes, future updates, and the ability of the LTS to support future policy changes.

Current Status of Long Term Solution Development Program

The VA/SPAWAR CH 33 LTS Team delivered and deployed Releases 1.0 and 2.0 this year on the planned critical milestone dates. All CH 33 Veteran Claim Examiners (VCEs) have been transitioned from the Interim Solution to the LTS to process CH 33 educational benefits claims. Since January 2010, the Team has accomplished the following:

- Enabled the VA to deliver CH33 benefits via a centralized web-based system that implements a flexible rules-based engine. This will allow the VA to implement future changes and enhancements to CH33 policy and legislation in a more timely and efficient manner.
- The VA/SPAWAR Team successfully implemented Agile methodology within the VA and have established an effective, engaged, and collaborative governance process to prioritize capability development, resolve issues and make timely decisions.
- Leveraged our Agile approach to implement additional and unplanned scope changes: Fry Amendment, Letter Generation, FY-9/10 retro-active housing rate adjustment, significant Interim Solution data errors, data conversion, switching from the planned interface with the Financial Accounting System (FAS) to the older Benefits Delivery Network (BDN), developing a user authentication solution due to the unavailability of the Benefits Enterprise Platform (BEP), and assuming an expanded role in interface development with VA legacy systems.

Over the last several months the VA/SPAWAR CH 33 LTS Team has continued to “peel back the onion” to uncover and define more detailed CH 33 LTS requirements and processes. This discovery revealed a number of factors that increased the complexity and scope required by the LTS. A summary of these discoveries include:

- Automating business rules and streamlining the process to adjudicate claims were more complex than originally anticipated.
- Converting and remediating data conversion errors from the Interim Solution into Chapter 33 LTS was more challenging than planned.
- Enhancing existing VA systems required to provide data to the Chapter 33 LTS has proven more difficult than expected.

In upcoming months LTS development will focus on providing system interfaces and capabilities to automate and streamline the claimant institution enrollment validation process as well as initiating and providing CH33 payment instructions to the Department of the Treasury.

Critical Milestones

To date, all critical milestones have been met. LTS functionality planned for each critical milestone was based on a limited understanding of the requirements 14 months ago. On a bi-weekly basis at each Sprint Review, new requirements/user stories and changes in scope were discussed and re-prioritized thru the governance process. Since then, the CH 33 LTS Agile process has continued to better define program requirements, revealing additional technical complexities/challenges during Releases 1.0 and 2.0.

Due to the four extra weeks that were required to complete the data conversion and housing rate adjustment and the complexity of the BDN financial interface, we expect to deliver the VAONCE (VA online certification of enrollment) interface on 30 Sept for user testing, and do not anticipate delivering the complete functionality planned for Release 3.0 (automating the financial transaction/authorization process currently required to authorize payments for claims and a financial interface with BDN) until the Nov/Dec 2010 time frame. The requirements for Release 4.0, scheduled for December 2010, are still being defined.

Future LTS Updates

Future updates to the CH 33 LTS will be determined by VA leadership. CH 33 LTS is a rules-based system that will support future changes to the program such as the expansion of benefits, changes to payment procedures, and changes to policy and law.

Madam Chairwoman, this concludes my statement. I am pleased to answer any questions you or any of the other members of the Subcommittee may have.

Prepared Statement of Keith M. Wilson, Director, Education Service, Veterans Benefits Administration, U.S. Department of Veterans Affairs

Good afternoon Madam Chairwoman, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to provide an update on the Department of Veterans Affairs (VA) implementation of the Post-9/11 GI Bill (chapter 33 of title 38, United States Code). My testimony will address the current status of education claims processing for fall 2010 enrollments and critical milestones for VA's Long Term Solution (LTS). Joining me today is Mr. Mark Krause, VA Program Manager for the Department of the Navy's Space and Naval Warfare Systems Center Atlantic (SPAWAR), who will discuss the implementation of the LTS.

As the Subcommittee Members know, the Post-9/11 GI Bill is the most extensive educational assistance program authorized since the original GI Bill was signed into law in 1944. Secretary Shinseki and the entire Department are committed to making sure all Servicemembers, Veterans, and their family Members eligible for this important benefit receive it in a timely manner so they can focus on what is most important: their education. We greatly appreciate the guidance and support of this Subcommittee, and Congress as a whole, as we continue our efforts to implement this important legislation.

Current Workload and Processing

Our focus is on serving our Veterans. As we have made changes in how we process claims and in how we implement the LTS, above all else, the driving force in our decisionmaking is to ensure that we provide the fastest and most accurate education benefits possible.

I am pleased to report that VA has made tremendous strides in delivering Post-9/11 GI Bill benefits in a timely and accurate manner. We have also made significant progress in the development and deployment of our new processing and payment system. As of the end of August last year, VA had processed payments for only 8,185 students for the fall 2009 semester. For the current fall term, VA has already processed payments for more than 135,000 students. The average time to process an enrollment certification as of August 31, was 10 days, down from 28 days 1 year ago.

In June and August, we successfully deployed releases 2 and 2.1 of the LTS. Through these deployments, we successfully converted over 600,000 chapter 33 claimant records from our interim processing system to the LTS.

We also added greater functionality to that originally planned for the LTS. Its functionality was expanded to enable payment of retroactive housing allowance adjustments for individuals with Basic Allowance for Housing (BAH) rates that had increased between 2009 and 2010. Additionally, the LTS was improved to automatically generate letters to individuals that provide information about their benefits. The LTS was also enhanced to facilitate claims processing for Fry Scholarship recipients. VA is now processing all Post-9/11 GI Bill claims in the new system, thereby replacing the interim solution and its associated manual processing tools.

Our work is far from over, and, as the Members know, we continue to experience challenges. We have been unable to deliver all functionality in accordance with the timeline we developed 2 years ago. Although we are processing all Post-9/11 GI Bill claims in the LTS, functionality to automate key portions of the process has been delayed. The interfaces with the VA Online Certification of Enrollment (VA ONCE) and the Benefits Delivery Network (BDN) payment system, previously scheduled for September 30, 2010, are now scheduled for October 30, 2010, and December 31, 2010, respectively. These delays are due to increased functionality needed to improve immediate claims processing capabilities, challenges with conversion of data from the interim system to the LTS, and a more complete understanding of the complexities of the interface with BDN.

Additionally, by working with our key stakeholders, we continue to learn what is needed and make positive changes. We are working to improve our debt-management processes—ensuring that refunded payments are accurately credited to overpayments and ensuring that overpayments are handled in an effective manner—thus minimizing negative impacts on students’ pursuit of their educational goals. Our guiding principle for system development and deployment has been, and will continue to be, to ensure that the deployment schedule and delivered functionality do not have a negative impact on our ability to pay Veterans.

Fall 2010 Enrollment

Effective August 1, 2009, section 1002 of Public Law 111–32 expanded the Post-9/11 GI Bill to include the children of Servicemembers who die in the line of duty. This new authority, known as the “Marine Gunnery Sergeant John David Fry Scholarship,” is now available for the children of Servicemembers who died in the line of duty since September 10, 2001. Eligible individuals can receive 36 months of entitlement. VA began accepting applications for this program on May 1, 2010. As of September 1, 2010, VA has processed approximately 280 Fry Scholarship claims.

On June 3, 2010, VA sent a notice to school certifying officials informing them that they may submit enrollment certifications for training pursued during the fall semester even if they do not know a student’s actual tuition and fee charges. Upon receipt of the student’s actual charges, the certifying official was asked to submit an amended enrollment certification to VA with the corrected information. This will ensure that students receive their Post-9/11 GI Bill housing allowance and books and supplies stipend in a timely manner for the fall semester.

As of August 30, 2010, VA has received fall enrollment certifications for more than 200,000 individuals, of which approximately 135,000 have been processed. We have exceeded our claims processing productivity expectations for the fall 2010 enrollment period. We set a goal of processing an average of 6 Post-9/11 GI Bill claims per employee per day, or 20 non-Post-9/11 GI Bill claims per employee per day. We are currently averaging 9.5 Post-9/11 GI Bill claims and 25.4 non-Post-9/11 GI Bill claims processed per employee per day. The overall volume of claims completed per day has dramatically improved over last year. During the fall 2009 enrollment, VA was processing an average of 2,000 claims for all benefit programs per day. We are currently processing more than 10,000 claims per day for all benefit programs

Payments Since Inception of Program

Since August 1, 2009, VA has paid more than \$4.7 billion in Post-9/11 GI Bill benefits for approximately 340,000 individuals. From August 1, 2009 to July 31, 2010, VA paid \$697 million in tuition and fee benefits to public schools, \$618 million to private for-profit schools, and \$437 million to private non-profit schools. VA also paid a total of \$41.7 million under the Yellow Ribbon program. More than 66,000 students have applied to use benefits transferred to them by their spouses or parents.

Long Term Solution

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

VA’s automated system is being released in four phases to ensure robustness and stability. Release 1 of this effort, which was deployed on March 31, 2010, was limited to a “pilot” release and delivered the capability to complete new original claims; automatically calculate awards including tuition and fees, housing, books and supplies, Yellow Ribbon, and Montgomery GI Bill—Active Duty and Reserve Educational Assistance Program kickers; and automatically calculate awards for overlapping terms and intervals.

VA deployed Release 2 of the Post-9/11 GI Bill LTS to the Regional Processing Offices (RPO) on June 30, 2010. This release allowed VA to process changes in enrollment information, claims for Fry Scholarship students, and claims for transfers of entitlement. This functionality also allowed for expanded letter generation from the new system. Additionally, data conversion from the Interim Solution Front End Tool database to the LTS occurred for 153,000 cases without payments. Development of this release and the data conversion activities were more complex than expected, and not all of the originally planned functionality was delivered on June 30,

2010. In order to minimize the need to manually reconcile data or BAH payments, a subsequent Release 2.1 was developed to complete the data conversion process for all remaining cases, conduct BAH payment adjustments, and provide any remaining Release 2 functionality.

Release 2.1 was deployed on August 23, 2010. This release replaced the functionality of the interim solution and associated manual processing tools. Release 2.1 converted the approximately 393,000 records from the Interim Solution and made BAH adjustments for approximately 150,000 individuals. Beneficiaries received BAH adjustments on or about September 7, 2010. Post-9/11 GI Bill beneficiaries had received housing allowances based upon the 2009 BAH rates until September 1, 2010, due to limitations of our manual processing procedures. Release 2.1 allowed for the transition to 2010 BAH rates, and generated retroactive payments to compensate students for any increase in housing rates due, since the Department of Defense's implementation of the new rates in January 2010. Other major functionality included in Release 2.1 included capability for reconciliation of converted data, and batch interfaces of converted data to the BDN and the LTS. Currently, Veterans Claims Examiners at the four RPOs are processing Post-9/11 GI Bill claims using the LTS.

The delay of Release 2.1 of the LTS affected future releases. Release 3 was originally scheduled for deployment on September 30, 2010; however, this schedule date will be adjusted. The realignment of priorities with respect to BAH 2010 adjusted payments, data conversion, extensive testing required for Release 2.1, and the complexity of interfacing with the legacy BDN will impact the range of functionality that can be delivered in Releases 3 and 4. VA is examining the deliverable schedule to determine the functional elements that are achievable by December 2010. It is anticipated that the delay in Release 3 will also impact Release 4, which was originally scheduled for December 2010. SPAWAR will determine the impact to Release 4 after completing an assessment of the Release 3 schedule.

The LTS is based on industry standard service-oriented architecture. This provides a high degree of integration potential and interoperability meaning the system will be able to adapt to future needs. Additionally, the LTS is based on a rules engine that is modifiable to account for future needs. While the system is inherently flexible, it is not possible for VA to determine a specific timeframe to adapt to required changes until the precise changes are defined from a functional requirements perspective. Therefore, VA is unable to commit to being able to implement potential changes within a specific timeframe. VA believes a generally accepted timeline of 24–36 months to incorporate significant system changes should be considered.

Outreach—Summer/Fall 2010

VA continues to conduct a nationwide outreach and media campaign focused on two goals: to increase general awareness of its education programs, emphasizing the Post 9/11 GI Bill; and to provide eligible participants with clear and easily accessible information through the GI Bill Web site (www.GIBILL.va.gov).

Some of the principal components of the campaign will facilitate the following improvements:

- Establish a basic strategy and plan, with a single cohesive message and pathway to the GI Bill Web site;
- Revamp and update the GI Bill Web site for ease of use and navigation;
- Reach advertising visibility targets of 20 percent for national general awareness and 80 percent for our direct customers; and
- Enhance existing social-media platforms like our Post-9/11 GI Bill Facebook page to include campaign material.

In the fall of 2009 and again this year, VA placed ads highlighting the Post-9/11 GI Bill in print and Web outlets in an effort to reach eligible participants and key stakeholders, like higher education personnel. Ads were placed in magazines such as *Marine Corps Times* and *Chronicle of Higher Education*. Web ads were placed on Web sites such as GIJobs.com and Military.com.

In addition, VA also partnered with NASCAR to increase awareness of the Post-9/11 GI Bill. Working with The Racer's Group (TRG) Motorsports, we placed the Post-9/11 GI Bill logo and Web address on the rear panel (TV Panel) of the #71 racecar of Bobby Labonte for the Coca-Cola 600 during Memorial Day weekend, which was broadcast on Sunday, May 30, 2010, on the Fox Network. Additionally, the Speed Channel broadcast the practice sessions live on Saturday afternoon, May 29, 2010.

Our return on investment for participating in NASCAR was very positive. An estimated 6.5 million people watched the race, 165,000 attended the race, and approxi-

mately 700,000 Servicemembers deployed overseas watched and listened to the race broadcast over the Armed Forces TV and Radio Network. Hits to the GI Bill Web site increased by 29 percent Saturday—the day before the race—and 34 percent during the race. Additional coverage of the race, mentioning the Post-9/11 GI Bill, was also in *USA Today*, the *New York Post*, NASCAR.com, Motorsports.com, Twitter, and Facebook.

ESPN and NASCAR studies show that one-third of the average 6.5 million television viewers are Veterans or on active duty, and most NASCAR fans have an influencer relationship with a Veteran. NASCAR’s strong influence in both rural and Active Duty/Deployed audiences are in full alignment with the goals of our outreach plan.

Building upon the success of the Coca Cola 600 race, the Post-9/11 GI Bill was also featured at the September 10 and 11 NASCAR races in Richmond, Virginia. The race weekend was officially called “The Post-9/11 GI Bill Weekend at Richmond International Raceway.” The GI Bill logo and Web address was prominently featured for the entire race weekend and in pre- and post-event media coverage.

Conclusion

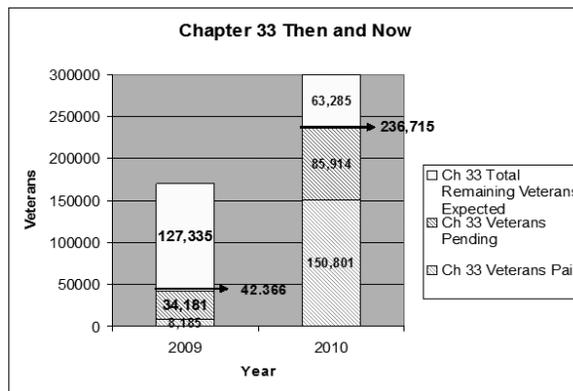
While recognizing we will not meet all of the key milestones in our aggressive development and deployment schedule for the LTS, VA is nevertheless proud of its achievements in overcoming significant challenges and successfully transitioning from an inadequate temporary system to a state-of-the-art processing system that promises to deliver significantly improved automation and consistency. VA has shown dramatic improvement over the last year in its ability to deliver timely and accurate benefits derived from this important legislation. Recognizing that much of the fall enrollment period is still before us, we remain vigilant and focused on ensuring we are timely in meeting the needs of our Veterans. We are indebted to the Subcommittee for its consistent support.

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

**GI BILL UPDATE
September 16, 2010
AGENDA**

- Current Workload and Processing
- Fall Enrollment Progress
- Expenditures
- Long Term Solution (LTS)
- Outreach

Ch 33 Then and Now: Fall Progress



Fall 2010 Enrollment

- Productivity exceeding goal
 - Chap 33 at 9.5/day/VCE (Goal is 6)

- Non Chap 33 at 25.4/day/VCE (Goal is 20)
- One year ago, 2,000 claims for all benefit programs per day. Today, over 10,000 claims for all benefit programs per day.
- Average of 24 days to process chapter 33 originals, and 14 days for chapter 33 enrollment certifications

Chapter 33 Benefits Since Inception

- As of 9/1/2010, VA has paid over \$4.7 billion to 340,000 individuals and their schools
 - Approximately \$2.1B to schools and \$2.6B to students
- Between August 1, 2009 and July 31, 2010, VA paid a total of \$1.75B to schools:
 - \$618M to for-profit schools
 - \$437M to private, non-profit schools
 - \$697M to public schools
 - \$41.7M of the above figures was paid under the Yellow Ribbon Program

LTS: Expected vs. Actual Functionality

Expected Functionality	Actual Functionality
<p>R1: Replace functionality of FET and Job Aid; Adjudicate original and supplemental claims. 3/30/2010</p> <p>R2: Expansion of R1 functionality and automated data feeds for claim and Veteran information. 6/30/2010</p>	<p>R1: Replaced by Limited Release 1—Pilot release to subset of users; New original claims only. 3/30/2010</p> <p>R2: Replace functionality of FET and Job Aid; Adjudicate original and supplemental claims. Converted 150,000 non-pay records from FET to LTS. 6/30/2010</p> <p>R2.1: Converted 393,000 records with payments from FET to LTS. Adjusted BAH rates and authorized retroactive payments for 153,000 students. 8/23/2010</p>
<p>R3: Automated data feeds to financial processing system and school enrollment interface. 9/30/2010</p>	<p>R3: School enrollment interface. Release delayed 1 month, does not include payment interface. 10/30/2010</p>
<p>R4: Expansion of previous release functionalities and Veteran Self-Service capability. 12/31/2010</p>	<p>R4: BDN payment interface and other data feeds. 12/31/2010; begin incorporating Veteran self-service components. Spring 2011</p>

Causes of LTS delays

- Delay in full interim system deployment
- Job Aids to augment limited functionality
 - Added Functionality to meet urgent needs
 - BAH housing retroactive payments and adjustments
 - Automated letter generation
 - Fry scholarship
- Data conversion complexity
- Improved understanding of payment interface complexity
 - BDN interface needed to address FAS unavailability

What Congress Can Do

- Long Term Solution (LTS)
 - Legislative action has the potential to negatively impact full deployment of the LTS
- Post-9/11 GI Bill
 - VA believes a generally accepted timeline of 24–36 months to incorporate significant system changes should be considered.

Outreach

- VA is conducting a nationwide media campaign to:
 - Increase general awareness of our education programs
 - Provide clear and easily accessible information through the GI Bill Web site.
- Key goals of the FY 2010 fall campaign:
 - Establish a single cohesive message and pathway to the GI Bill Web site
 - Revamp the GI Bill website for ease of use and navigation
 - Reach advertising visibility targets of 20 percent for national general awareness and 80 percent for our direct customers
 - Enhance existing social media platforms (i.e. Post-9/11 GI Bill Facebook page) to include campaign material

Outreach Activities

NASCAR Sponsorship

Saturday, Sept 11, 2010
7:30 PM; ABC Sports & AFN
Richmond, VA



NASCAR

Demographics

- One out of three military service Members are NASCAR fans
- Nineteen percent of NASCAR fans have served, or are currently serving in the military.

Event

- Car Sponsorship for AirGuard 400.
- Richmond International Raceway weekend sponsorship.

Value

- Viewership of 6.6 million on ABC

- Additional viewership of 1 million on the Armed Forces Network
- An average of 4 million radio listeners
- Kickoff for “My Story” clips

“My Story” Videos

2 videos completed
2 additional underway
Rollout at AirGuard 400
PSA usage



Outreach Activities
Mike Rowe on Post-9/11 GI Bill Benefits



<http://www.mikeroweworks.com/2009/11/post-911-gi-bill/>

**Statement of John L. Wilson, Assistant
National Legislative Director, Disabled American Veterans**

Madame Chairwoman and Members of the Subcommittee:

On behalf of the 1.2 million members of the Disabled American Veterans (DAV), I am honored to present this statement for the record on the Post-9/11 GI Bill, in accordance with our congressional charter and DAV's mission to advance the interests, and work for the betterment, of all wounded, injured, and disabled American veterans.

The Post-9/11 GI Bill, which went into effect August 1, 2009, provides educational benefits for servicemembers who have served on active duty for 90 or more days on or after September 11, 2001. The benefits depend on the number of days served on active duty. It also creates a benefit package that gives current and previously activated National Guard and Reserve members the same benefits as active duty servicemembers.

The Post-9/11 GI Bill education benefit includes: 100 percent of in-state tuition and fees of public colleges and universities; a monthly housing allowance (living stipend) based on an E-5 with dependents for the zip code of the school's location; up to \$1,000 a year for books and supplies; a one-time relocation allowance; and the option to transfer benefits to family members while still on active duty.

Approved training under the Post-9/11 GI Bill includes graduate and undergraduate degrees, and vocational/technical training of up to 36 months with benefits generally payable for up to 15 years following release from active duty. Additionally, tutorial assistance, and licensing and certification test reimbursement are approved under the Post-9/11 GI Bill.

Speaking about the Post-9/11 GI Bill, Secretary Shinseki stated that "safely investing one's money requires study of the markets and a reasonable understanding of its forces. Here is an investment option that is guaranteed to pay high dividends for years to come."

While the Post-9/11 GI Bill is a comprehensive package of educational benefits, DAV submits that the "high dividends" are not likely to be earned by a certain group—otherwise eligible service-connected disabled veterans who will opt out of VA's Vocational Rehabilitation and Employment (VR&E) program due to the low monthly stipend.

To be eligible, VR&E participants must have a discharge that is other than dishonorable, a service-connected disability rating of at least 10 percent from the Veterans Benefits Administration (VBA), or a memorandum rating of 20% or more that they received from VBA before separating from active duty, and an employment handicap. An employment handicap is an impairment that impacts a veteran's ability to obtain or retain employment based on their demonstrated abilities, aptitudes and interests.

If qualified, participants can receive a comprehensive rehabilitation evaluation to determine their abilities, skills, and interests for employment. In addition, they can receive vocational counseling and rehabilitation planning for employment services, resume development, on-the-job training, apprenticeships, post-secondary training at a college, vocational, technical or business school and other important benefits. These are critical services, which may make the difference in a veteran not only obtaining but maintaining gainful employment. The living stipend provided to VR&E participants may make the difference in being able to provide shelter for his or her family.

The Post-9/11 GI Bill living stipend currently averages \$1,200 a month, but can run as high as \$2,700 for full-time students, depending on school zip code. By contrast, the subsistence allowance under VR&E is approximately \$548 for full-time students with no dependents and approximately \$800 for those with two dependents, regardless of zip code.

Under the current construct, disabled veterans are potentially placed in the difficult position of having to choose between VR&E or the Post-9/11 GI Bill as a result of the substantial differences in the monthly living stipend. As a result, we are deeply concerned that disabled veterans, in order to provide for their families out of economic necessity, will forgo receiving the comprehensive rehabilitative assistance available to them through VR&E and, instead, choose the more generous Post-9/11 GI Bill.

Recent unemployment statistics underscore the reality of our concern and that of this Subcommittee. July 2010 employment statistics of the Labor Department's Bureau of Labor Statistics showed the overall unemployment rate for veterans generally rose to 8.4 percent, up from May's 7.8 percent. For veterans from Iraq and Afghanistan specifically, the unemployment rate rose to 11.8 percent, an increase from the June rate of 11.5 percent and May's 10.6 percent. While this is an improvement from March of this year when the unemployment rate was 14.7 percent for this group, the stagnant economy continues to make both small and large private businesses reluctant to hire, thus dimming veterans' employment prospects. These unemployment statistics underscore the reality that the transition from military service to veterans' status for this highly trained and well motivated group, which we have addressed in previous testimony as problematic and in need of additional legislative action, makes the additional services available to them through VR&E programs even more valuable.

Given this set of circumstances, what choice should a veteran make? One can understand the logic of economic necessity driving veterans in choosing a benefit with a much higher stipend versus one with a lower stipend but more comprehensive services.

There is a solution already in Congress that, if enacted, would resolve this dilemma. H.R. 5933, Post-9/11 Veterans Educational Assistance Improvements Act of 2010, provides a legislative remedy. While there are several other important provisions of this bill, our focus rests on Section 8, which would amend Section 3108(b) title 38, United States Code, making veterans entitled to Chapter 31 subsistence allowance and entitled to Chapter 33 able to elect the E-5 monthly housing allowance at the average national amount while participating in VR&E programs.

S. 514, the Veterans Rehabilitation and Training Improvements Act of 2009, introduced March 3, 2009, also addresses the subsistence allowance. The relevant section of this bill for our purposes, Section 2(b), modifies the amount of the subsistence to the basic allowance for housing for E-5s with or without dependents, as applicable, while participating in VR&E programs.

Our position on this issue as reflected in this testimony is found in the attached DAV Resolution No. 099, passed at our most recent National Convention, held July 31-August 3, 2010, in Atlanta, Georgia. DAV believes that the anticipated "high dividends" of which Secretary Shinseki spoke will not be earned by otherwise eligible service-connected disabled veterans who will opt out of VA's Vocational Rehabilitation and Employment (VR&E) program due to the low monthly stipend.

Subsistence allowances must be comparable, regardless of program, to ensure maximum participation and maximum benefit, whether it is assisting veterans in finding employment, participation in vocational rehabilitation, or other such services. The Administration and Congress must never force service-connected disabled veterans with employment handicaps to utilize less financially supportive programs than those available to their non-disabled counterparts, or even more tragically, opt out of vocational rehabilitation for the more financially beneficial Post-9/11 GI Bill. Truly, our service-connected disabled veterans deserve better.

Madame Chair, to you and the Subcommittee, I thank you for the opportunity to present the views of DAV.

RESOLUTION NO. 099

SUPPORT FOR LIMITED DUAL ENTITLEMENT TO VOCATIONAL REHABILITATION AND EMPLOYMENT CHAPTER 31, AND THE POST-9/11 EDUCATION ASSISTANCE PROGRAM UNDER CHAPTER 33 IN ORDER TO ENSURE THAT DISABLED VETERANS ARE NOT FORCED TO CHOOSE THE LESSER OF TWO BENEFITS

WHEREAS, our nation established veterans' programs to repay or reward veterans for their extraordinary service and sacrifices on behalf of their fellow citizens, especially those veterans disabled as a result of military service; and

WHEREAS, these programs include the Vocational Rehabilitation and Employment (VR&E) program for service-connected disabled veterans with employment handicaps as well as the post-9/11 Post-9/11 GI Bill under title 38, United States Code, chapter 33 (Post-9/11 GI Bill); and

WHEREAS, the Post-9/11 GI Bill currently provides a more financially lucrative subsistence allowance than does the current VR&E Chapter 31 program; and

WHEREAS, such a disparity will ultimately force service-connected disabled veterans with employment handicaps to either utilize a program less financially supportive to them and their families than their non-disabled counterparts, or opt out of vocational rehabilitation for the more financially beneficial post 9/11 Post-9/11 GI Bill ; and

WHEREAS, our Nation's first duty to veterans is the rehabilitation and welfare of its service-connected disabled; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, July 31–August 3, 2010, supports limited dual entitlement to assistance under the Vocational Rehabilitation and Employment program under Chapter 31 and the post-9/11 educational assistance program under chapter 33.

**Statement of Judith Flink, Executive
Director, University Student Financial Services,
University of Illinois at Chicago, IL**

Mr. Chairman and Members of the Committee: My name is Judith Flink. I serve as Executive Director of University Student Financial Services for the three campuses of the University of Illinois. I have worked in the University's business office and been actively involved in higher education for over 30 years. On behalf of myself, colleagues in the AAU Bursar organization, colleagues from other educational institutions around the country, and most importantly, on behalf of the veterans attending or seeking to attend our institutions, I thank you for this opportunity to testify.

In 2008, Congress passed landmark legislation recognizing the contributions and needs of millions of Americans who served their country in our armed forces in Afghanistan, Iraq and elsewhere. This legislation, the Post-9/11 GI Bill, makes possible educational dreams that not only express a special thanks to our veterans, but also contribute directly to the economic recovery and future of America.

America's postsecondary institutions are proud to have supported the enactment of this bill and welcome the opportunity to serve veterans in our classrooms. Today, universities across the country enroll thousands of veterans who receive support through federal GI benefits. Part of my hope in being here is to promote changes to the program that will increase that number.

Unfortunately, as you are aware, implementation of the vitally important education benefits authorized by the bill has not been smooth. Delays in getting the program up and running, followed by numerous subsequent flaws in the interface between the VA and educational institutions, have created hardship for veterans and institutions. My colleagues and I recognize the enormity of implementing this program and creating the systems to manage it. We sincerely applaud the VA for its excellent work in getting the program up and running under difficult circumstances. Our desire is to strengthen our partnership with the VA in an effort to help the program run better.

With that in mind, I focus my testimony on flaws in the system that if corrected will more effectively fulfill the promise of this program. Included with my remarks is a list of concerns compiled by the University of Illinois and 16 peer institutions. While the list is not exhaustive, it identifies major concerns that render access to educational benefits under this program difficult for veterans and expensive for the federal government. Some of these concerns result from legislative provisions, and many are the result of VA policy and procedures.

The majority of our remaining concerns are administrative in nature. VA policies and procedures often fail to accommodate the education community's existing systems and procedures, thereby creating needless delay and hardship for veterans. I will not belabor the Committee with all the concerns on our attached list. Allow me to highlight just three of them.

Perhaps our greatest concern as university business officers is the VA's refund policy which requires institutions to refund tuition overpayments to students who must then refund them back to the VA. This policy mirrors that of the original GI Bill wherein all benefits (including tuition) were paid directly to the students who were then responsible for paying their tuition bills to the school and for refunding any overpayments back to the VA. But under the Post-9/11 GI Bill, tuition benefits are paid to the school not the student. Therefore, the requirement to refund overpayments to students instead of directly to the VA is not only inefficient, it also puts students at risk of losing future benefit eligibility under the program if they fail to understand or fulfill their responsibility to return those funds to the VA. This risk is high. In all other financial aid programs, overpayments are refunded directly to the aid source bypassing the student. Thus, students have come to expect that when they receive a refund from the school it is theirs to use for books and living expenses. By the time they receive notification from the VA of the amount they must repay, the money may have been spent. The VA will then suspend future benefit eligibility until payment is received which would delay or prevent the student from continuing their education.

A second major concern is the VA's remittance of payment for students for whom the institution has certified a different amount, or for whom the institution has not even completed a Certificate of Eligibility. No explanation is provided with these payments. Therefore, the institution must contact the VA for an explanation of the discrepancy before releasing payment to the student. When the institution calls, the VA's phone lines have long delays with hold times up to 40 minutes. Sometimes calls are dropped altogether due to the high volume and the institution must dial again. For months, the VA's phone lines were closed on Thursdays and Fridays. These delays and their resultant hardship to the Veteran could be eliminated if the VA included an adequate explanation to the school with each payment.

Our third concern is a lack of universal published guidance. The VA will provide guidance through Policy Advisories but often as a response to a specific question posed by an institution. The Advisories may not be disseminated to all participating schools creating a lack of consistent, uniform policy among institutions. This lack of guidance results in confusion and conflicting administration between institutions and creates frustration on the part of veterans. The creation of a single source of readily accessible Post-9/11 GI Bill administrative manual would eliminate the majority of this frustration and burden.

While I've only mentioned three of our concerns, the attached list is more comprehensive. We are confident, however, that many of them can be successfully resolved through open dialogue between schools and the VA. Our recent attempts to initiate this dialogue met with disappointing results. We received a written response from the VA, for which we are grateful, but were not given the opportunity to discuss the matter in more detail or open a meaningful dialogue.

My peers and I respectfully ask your assistance to open this dialogue. We believe regularly scheduled meetings between the VA and a working group from the education community will enable both parties to collaborate on proposed program changes and regulations *prior to* implementation. We would like to be considered as both a resource and partner for the VA and Congress in our mutual endeavor to improve delivery of Post-9/11 GI Bill tuition benefits to our veterans.

Thank you again for the opportunity to speak with you. I hope my testimony can be a spring board for productive dialogue between all parties who share your commitment to strengthening and improving services to our veteran community. I would be pleased to respond to any questions Members of the Committee might have.

**ATTACHMENTS STUDENT SPECIFIC EXAMPLES OF REFUND PROCESS
AND IMPLEMENTATION ISSUES WITH THE POST-9/11 GI BILL**

School	Example
1. Western Illinois University	Veteran withdrew before class after Post-9/11 benefits had been paid; WIU refunded benefits to VA via check in Dec 2009; VA cashed the check in Feb 2010 but didn't process it to the veteran's account until Aug 2010.
2. University of Illinois	Veteran received ROTC scholarship after Post-9/11 benefits had been paid; UI refunded benefits to VA via ACH in early March 2010 according to VA's ACH return policy; VA still has not processed the refund and was still requesting payment from the veteran in late Aug 2010.
3. University of Illinois	Per veteran's request, UI refunded Post-9/11 benefits to VA via ACH in early March 2010 according to VA's ACH return policy; VA did not process the refund until late July 2010; meanwhile VA reported veteran as delinquent to the credit bureaus, ruining his credit and causing Discover to cancel his credit card.
4. University of Illinois	UI received \$8,305.60 Post-9/11 benefit payment from VA on January 19, 2010 then received another payment in the amount of \$9,343.80 from VA on May 13, 2010 for the same veteran.
5. Illinois State University	ISU received payment from VA for a veteran's books and supplies stipend (which should have been remitted directly to the veteran).
6. Illinois State University	ISU certified a veteran's Post-9/11 benefit eligibility at 70% but received payment from VA in March 2010 at 60%; ISU questioned VA's eligibility calculation in March 2010 and was told by VA that 60% was correct; at veteran's request, ISU questioned VA again in August 2010 and was told student eligibility is 70%.
7. George Washington University	GWU received Yellow Ribbon benefit payment from VA on behalf of a veteran for whom VA had calculated 100% eligibility; VA later discovered they had incorrectly accounted for the veteran's ROTC years, and recalculated Yellow Ribbon eligibility at 80%.
8. George Washington University	GWU received Yellow Ribbon benefit payment from VA on behalf of a veteran for whom VA had calculated 100% eligibility; VA paid half the benefit by check, half by wire; VA later discovered veteran was only eligible for 90% Yellow Ribbon benefits.
9. George Washington University	GWU received a \$7,000 overpayment of Post-9/11 benefits for a veteran on March 9, 2010; GWU called VA to ask what to do with the funds and was instructed to wait for VA to call back later; after hearing nothing from VA for 4 months, GWU credited the overpayment to the veteran's account at GWU on July 13; a week later VA called and requested GWU to refund \$7,954.92 to VA.
10. George Washington University	A GWU veteran was active duty at start of Fall 2009 but scheduled to go off active duty mid semester; veteran also wanted to participate in Yellow Ribbon; GWU contacted VA for instructions and was told to certify Yellow Ribbon eligibility after veteran went off active duty; VA paid veteran's full tuition plus YR plus housing stipend; VA then created a debt for the housing stipend.

**LIST OF CONCERNS REGARDING ADMINISTRATION
OF THE POST-9/11 GI BILL**

The Post-9/11 GI Bill was signed into law August 1, 2009. Certification and processing of VA Chapter 33 program benefits began immediately thereafter. The volume of applicants overwhelmed VA resources and the program got off to a rough start. Improvements have been made in VA's process, but the program continues to present significant challenges to the education community.

Following is a list of VA Chapter 33 issues and suggestions submitted by administrators from educational institutions (hereinafter collectively referred to as Institution) around the country. The issues needlessly delay delivery of benefit payments to veterans and unduly burden Institutions. The suggestions offer potential solutions.

Issues:

- VA refund policy is highly labor-intensive because:
 - VA under- and over-payments with no attached explanation result in long processing delays as Institution attempts to contact VA for details.
 - VA policy is inconsistent—some overpayments must be refunded to VA, others to the student; some refunds must be electronic, some by paper check.
 - VA policy of refunding to the student is contrary to all other forms of student financial assistance that require Institutions to refund to the aid source.
 - The policy of refunding to the student results in inaccurate IRS Form 1098-T reporting. For example, if VA remits \$10,000 Chapter 33 tuition benefits to Institution then the student drops classes resulting in a \$4,000 tuition reduction and Institution refunds that \$4,000 to the student instead of VA, the Institution will report \$10,000 in Box 5 of the student's Form 1098-T, not the \$6,000.
- Inadequate explanation of VA payments:
 - VA payments do not match the amount certified by Institution on the Certificate of Eligibility.
 - VA remits payments for students for whom Institution has not completed a Certificate of Eligibility.
 - VA remits duplicate payments for some students.
 - VA pays out-of-state tuition after Institution has charged and certified in-state tuition.
 - VA payments lack adequate identifying information—enrollment term, number of credit hours, percentage of eligibility, etc. For example, if Institution certifies \$5,000 and VA remits only \$3,200, Institution is given no explanation why.
 - VA policy of remitting individual instead of collective payments is highly labor-intensive.
- Delayed VA payments result in additional labor-intensive Institution activities:
 - Institution processes emergency loans for delayed housing payments;
 - Institution places provisional credits on student accounts in order to prevent late payment charges or cancellation of enrollment for non-payment;
 - Institution must conduct a manual reconciliation upon receipt of VA payments which are almost invariably different than the anticipated provisional credits;
 - Institution holds payments received for a previous enrollment term until VA confirms the student's eligibility for the current or subsequent enrollment term in order to verify accuracy;
 - Institution must process multiple Certificates of Eligibility for students whose active duty and/or enrollment status changed prior to receipt of VA payment;
 - Lump sum payments for multiple terms are difficult to differentiate by term.
- VA refund policy is highly labor-intensive because:
 - VA under- and over-payments with no attached explanation result in long processing delays as Institution attempts to contact VA for details.
 - VA policy is inconsistent—some overpayments must be refunded to VA, others to the student; some refunds must be electronic, some by paper check.
 - VA policy of refunding to the student is contrary to all other forms of student financial assistance that require Institution to refund to the aid source;
 - The policy of refunding to the student results in inaccurate IRS Form 1098-T reporting. For example, if VA remits \$10,000 Chapter 33 tuition benefits to Institution then the student drops classes resulting in a

- \$4,000 tuition reduction and Institution refunds that \$4,000 to the student instead of VA, the Institution will report \$10,000 in Box 5 of the student's Form 1098-T, not the \$6,000.
- VA return policy creates needless delays and administrative burden because:
 - Institution must return full payment if any variation in assessment has occurred subsequent to certification, even if that variation is a minor reduction in fees.
 - Institution must submit an amended certification after returning payment which removes it from VA's automated process by requiring VA Claims Adjustor review.
 - VA Claims Adjustor must then submit a new payment request to the U.S. Treasury Department who waits to process the payment in batch.
 - VA has published no clear guidance regarding which benefits will be delayed in the event of an unreimbursed overpayment—tuition/fee payment to Institution, or living/book payment to student?
 - VA has published no clear deadlines for retroactive applications (benefits for prior enrollment terms).
 - VA has published no clear guidance for Chapter 33 benefit eligibility for students who receive other forms of tuition assistance, e.g. Active Military tuition sponsorship, federal or state tuition assistance, Institutional tuition waivers, private tuition specific scholarships or sponsorships, etc.
 - VA has published no clear guidance for Chapter 33 benefit eligibility for students who are discharged from active duty during the enrollment period.
 - VA has not required or adequately accounted for DD214 (active duty discharge) data when determining Chapter 33 benefit eligibility.
 - VA has published no clear guidance on Chapter 33 benefit eligibility for waivable student health insurance.
 - Some VA payments appear on multiple cycle rosters giving the false impression that duplicate payments have been received.
 - Some VA deposits contain enrollment dates that do not match Institution's.
 - Veterans and Institution have no mechanism for determining the status of a veteran's application (22-1999) and whether the veteran will qualify for Chapter 33 benefits, so veterans who need the benefits in order to attend class cannot register.
 - VA restrictions on distance education unfairly deny housing stipends to these students.
 - VA does not notify Institution when student changes benefit Chapter.
 - Yellow ribbon payments have been particularly difficult; although they are included on the original certification, the yellow ribbon eligibility is segregated and payments for yellow ribbon claims have not been forthcoming.
 - VA customer service is inadequate:
 - Institution cannot contact VA's Buffalo regional office directly even though they originate the payments; Institution has to use either the on-line inquiry system or call the national 888 number.
 - VA's national 888 number results in long delays from hold times as long as 40 minutes or dropped calls; now the 888 number is closed Thursdays and Fridays to enable VA to "catch up".
 - VA representatives often give conflicting information and when pressed either refer Institution to VA's regional office in Buffalo (which Institution cannot contact), or instruct Institution not to question VA's payments (even though Institution has found many errors and is supposed to be VA's "partner").
 - VA's online system sometimes reports inquiries "closed" without providing an adequate explanation of the resolution.
 - VA Education Liaison Representatives (ELRs) are frequently unavailable due to "special assignment".

Suggestions:

- Open a dialogue between VA and Institutions that enables both parties to understand prior to implementation the system and process implications of VA-proposed new changes and regulations.
- Establish a partnership between VA and U.S. Department of Education (ED) to share resources and expedite delivery of VA benefits.
- Revisit the education law passed by Congress last year that removes VA benefits from consideration when determining student eligibility for Title IV

funds. Federal need based financial assistance must by definition be determined on need, and need is mitigated by federal assistance from another federal agency.

- Create an on-line portal similar to the WAVE portal for Chapter 30 benefits that would enable veterans and Institution to determine the veteran's Chapter 33 application status and eligibility for benefits.
 - Veterans need an effective source of accurate information about their individual benefit eligibility before they apply for and accept admission to an Institution in order to know whether they can afford to attend.
 - Institutions who are asked to carry the financial risk for veterans by holding them harmless while awaiting payment from VA need an effective source of accurate information about their application and benefit status.
- Simply streamline, standardize, and improve communication regarding VA overpayment policy:
 - Allow Institution to refund/return only the overpayment amount rather than the full payment followed by an amended certification.
 - Allow Institution to batch overpayment refunds/returns rather than re-mitting them individually.
 - Standardize VA overpayment policy to mirror ED and other financial aid policies that return overpayments to the aid source not student.
 - Improve communication regarding status of student refund/return.
- Provide adequate and accurate explanations to Institution for VA payments that differ from Institution certified amounts; then remit batch/collective payments to Institution instead of multiple individual payments.
- Allow individuals other than the single certifying official at Institution to initiate/maintain contact with VA; for example, individuals who research billing issues should be able to speak directly with VA payment coordinators to resolve discrepancies.
- VA responsiveness to researching mismatched payments has improved, now originating issues need to be addressed.
- Replace the per-credit hour cap with a single dollar amount cap for each state. This would eliminate the need to calculate benefits individually for each student based on enrolled credit hours.
- Revisit VA restrictions on distance education to allow veterans Chapter 33 housing stipends while enrolled solely through distance education courses.
- Clarify VA policy on overseas study and expand Chapter 33 benefit eligibility to include courses taken abroad that count toward the student's degree.
- Allow veterans to revert to a more advantageous program if they discover Chapter 33 is not in their best interest.
 - The irrevocable nature of Chapter 33 benefit election coupled with the lack of clear situation-specific information to effectively guide their decision has created hardships for many veterans.
 - Remove the Chapter 30 to Chapter 33 conversion penalty which limits combined use of the two programs to 36 months unless Chapter 30 is exhausted.
- Simplify Chapter 33 eligibility rules and allow all active service to count; eliminate the requirement to verify the purpose and authorizing U.S. Code for each active duty period.
- Expand Chapter 33 timelines to allow Institution to complete Certificates of Eligibility far enough in advance to enable VA to process claims by the start of the term and continue uninterrupted between terms.
- The Higher Education Opportunity Act's Readmission Requirements for Servicemembers states that returning servicemembers may not be charged tuition and fees in excess of the rate charged during the term in which they left school for military service *unless* they have veteran or military education benefits. Is it reasonable to base charges on benefit eligibility?
- Improve VA delivery of policy notifications to Institution Certifying Officials (COs). Recent VA policy updates submitted to COs via mass e-mail with a link to VA's Web Automated Reference Material System (WARMS) were missed because many COs could not access the link to WARMS. All time sensitive information should be included in the actual email text.
- Forward to Institution a monthly report (or copy of Certificate of Eligibility) listing each applicant and percentage of Chapter 33 benefit eligibility for that Institution.

- Forward to Institution a monthly (or quarterly) report listing students who owe an overpayment to VA, and when the overpayment has been paid.
- Remove the detailed examination of each course's applicability to a degree program, attendance, retakes, and need for remediation. Why does the VA track this level of detail when U.S. Department of Education does not?
- Remove the tracking of each course by start and stop date; allow Institutions with regular terms of enrollment to use the same criteria as Title IV for full time enrollment.
- Remove the requirement for State Approving Agencies to approve each program of education at an accredited Institution. If the Institution meets accreditation standards, shouldn't that be sufficient for education benefits?

Contributing Institutions:

- Margaret Baechtold and Susan Cote, Indiana University
- Sandie Rosko, University of Washington
- Laurie Schlenke, Michigan State University
- Jean Thomson, University of Colorado, Boulder
- Bob Lech, University of Pittsburgh
- Beth Barrett, Harvard University
- Roseann Sieminski, Pennsylvania State University
- James Middlemas, University of Michigan
- Marty Miller, University of Iowa
- Christina Westendorf, Illinois State University
- Cathie Easter, University of Wisconsin
- Bradley Stene, Northwestern University
- Marsha Lovell, UCLA
- Cathy Foland, Southern Illinois University Edwardsville
- Paul Toler, University of Missouri Columbia
- John Higgins, Purdue University
- Judith Flink, University of Illinois

**Statement of William D. Stephens, President,
National Association of State Approving Agencies**

The National Association of State Approving Agencies (NASAA) is providing general support for the proposed changes to the Post-9/11 GI Bill. These bills will make improvements to an already outstanding piece of legislation.

NASAA has long held the view that the GI Bill(s) should be the premier educational assistance program in the Nation, bar none. No other Federal program should come close to providing the same level of educational opportunities and financial support as the GI Bill. This philosophy is based upon the deep belief that those who have and those who continue to defend the freedoms that we all so thoroughly enjoy deserve no less.

With the above in mind, we are pleased to add our support for these bills and encourage Congress to enact them before the close of the 111th Congress. We are especially pleased with the provisions which expand opportunities for veterans to use their earned Chapter 33 benefits for pursuit of educational programs at institutions other than institutions of higher learning (non-college degree institutions, apprenticeships and other on-the-job training establishments, flight training programs and correspondence courses). We also are pleased with provisions that expand eligibility for receipt of a housing allowance to include Chapter 31 veterans, include service under Chapter 32 for establishing eligibility, expand reimbursement for multiple tests leading to licensure and certification, and increase the reporting fee paid.

Finally, we would like to offer a general comment on one of the provisions of the bills and offer a recommendation for consideration. It is our understanding that the original language and intent of Senate Bill 22 (introduced by Senator Webb in the 110th Congress) was to mirror as closely as possible the WWII GI Bill. The changes being considered for public institutions of higher learning seem to reflect this philosophy whereas for private institutions there is a ceiling on the amount of assistance that can be provided. We realize there are financial constraints, but again encourage providing the highest amount possible.

Thank you for your hard work to improve the Post-9/11 GI Bill. We applaud your efforts and are very pleased to provide our support. As stated, these bills have many great features which will provide the kind of opportunities and support needed by our Nation's servicemembers and veterans to help them pursue their career goals.

If you have any questions please contact Skip Gebhart (304-558-0263, gebhart@hepc.wvnet.edu), Jim Bombard (212-564-8414 or e-mail jbombard@veterans.state.ny.us) or me.

Statement of Student Veterans of America

Madam Chairwoman, Mr. Ranking Member, and Members of this Subcommittee, It is once again a privilege to be able to provide testimony on behalf of our Nation's student veterans regarding their GI Bill benefits. Thank you for providing us with this important opportunity.

As you know, this past year was the first with student veterans using the Post-9/11 GI Bill. It was one of monumental challenges and victories. We saw hundreds of thousands of new veterans going to college with billions of dollars worth of Federal support, we saw some colleges and universities have their veteran population double or more in a single year, and we saw the VA working with our organization, schools, and individual student veterans to overcome difficulties that could have been devastating.

This time last year, we waited anxiously to see if the benefits that were promised to our veterans would arrive in a timely fashion. As this committee is all too aware, it was some time before most veterans received their housing allowances, a brand new benefit never before paid on such a large scale. This benefit represented a fundamental change in the way veterans interacted with the VA. Until this point, GI Bill benefits for the vast majority of veterans barely covered books and some tuition. The Post-9/11 GI Bill promised the opportunity for veterans to focus on school full-time, without needing support from family or a job. Many took this opportunity literally, and enrolled in a full load of coursework and left their jobs.

When the housing allowances were late, veterans were put in the awful position of having to choose between paying their rent or staying school. This kind of pressure should never be put on a veteran again, and we are glad to see that it has been overcome. The Emergency Advanced Payment program that the VA instituted went a long way to alleviate some of these concerns, though that was not without its own issues, as we are all aware of.

The schools struggled as well, not knowing when their tuition payments would be arriving from the VA, and while many did the right thing and held the veterans harmless for the amount promised under the benefit, some dis-enrolled student veterans for lack of payment. We were proud to assist Members of Congress in bringing these incidents to the attention of university leadership so that most veterans could be brought back into the classroom, but the damage was still done.

Beyond all of these issues that were identified last year, we learned some fundamental lessons that need to be taken into account for all future decisions made regarding student veterans:

1. **The VA needs to do significantly more outreach to individual student veterans and schools.** Above all else, we found that there were so many differing stories being passed around that it was challenging for veterans to know what the truth was. Schools were doing their own thing or putting out information in the vacuum that was contrary to what the VA was asking for. Despite the VA's significantly increased social media presence, their primary means of communicating with recipients is still paper mail. This is not only terribly expensive; it is not an effective means of communicating. Worse, school certifying officials do not get copies of these letters, so they do not usually know if there is a problem with a veteran's account that they themselves could fix. An email listserv that vets could sign up for would go a long way to rectify this problem and facilitate direct communication between the vets and the VA.
2. **There is no formal way for schools or VSOs to advocate on behalf of veterans who need help.** When there is an issue with a veteran's account and for some reason they are not receiving their payments correctly, there is no established way for certifying officials or VSOs to contact a VA benefits processor to have them look into it. This can be very challenging for student veterans who may not understand what they are supposed to do to rectify the issues that we causing the problems. Given how important the housing allowances are for the daily life of most student veterans, it is essential that we allow schools and VSOs to advocate on their behalf and ensure the problems are rectified quickly and correctly. There needs to be some formal process to bring the VA's attention to trouble accounts by the people who understand the policies and procedures, not just via 888-GIBILL1.

3. **School certifying officials need significantly more training, guidance, and resources from the VA.** School certifying officials are the individuals who are responsible for ensuring that our student veterans receive their benefits. They are the employees of private universities, or state employees for public institutions. They have no formal relationship with the VA, except that they are expected to file a veteran's status with the VA every semester so that veterans can receive their tuition and other entitlements. These individuals have seen their workload double and triple in the last year, as a Chapter 33 filing process is significantly more time consuming for the certifying officials. Unfortunately, however, their schools have not seen the increased resources to keep up with this demand, and many have actually reduced their certifying staff in light of the budget crisis.

The relationship between the student veteran, the school, the state approving agency, and the VA has not been formally reviewed in some time. There is no standardized chain of command for raising issues, for solving problems, and especially for soliciting feedback as to how the process is working. We hope that this committee and others will take time to examine these relationships and processes in the near future.

Over the last year, student veterans have provided us with the following messages that we would like to share with you:

1. The benefit is too complicated, and even after all of the paperwork is filled out, veterans don't know what they are receiving.
2. The Post-9/11 GI Bill does not provide the housing allowance to our tens of thousands of distance learners, forcing them to spend much more time earning their degree than others.
3. Tens of thousands of our National Guardsmen have been left out of their earned benefits after being called up to serve in their communities for emergency response and disasters.
4. There is no way for veterans to know what the status of their benefit claim is, nor how much it will cover until after they start school.
5. Processing delays are not being taken seriously by the VA, and when veterans call to ask about the status of their claim, they are often given unrealistic or incorrect time frames on when they can expect to hear back.
6. When processing errors are made, it is very difficult to get them changed without third-party intervention. No one on the 888-GIBILL1 phone number seems to know how to correct them.
7. The VA is very aggressive in recouping debts due to overpayment, even if they are not the veteran's fault. Especially when it comes to tuition overpayment directly to the schools, the veteran should not have their benefits garnished for this overpayment without the VA first contacting the school and trying to recoup the funding that way.
8. The VA must quickly and accurately update the BAH rates and the tuition rates when they change and say they are going to. It is unacceptable that they are just now paying the 2010 BAH rate, and that tuition/fees rates were published only recently. These numbers are important for schools and veterans to make informed decisions, and they need to be published on time and accurately.
9. When the VA awards a benefit rating that turns out to be higher than a veteran is due, they should not be able to go back mid-semester and reduce it. The student veteran should be able stay at that rate at least until the end of the school year before they have their rate reduced so they can make an informed decision about their finances.
10. The Post-9/11 GI Bill does not provide enough benefits for veterans to complete 5-year engineering degrees or other high-intensity programs.

We will let the schools and their organizations represent themselves on the issues that they have faced, but we have certainly seen the effects of under-resourced veterans offices attempting to provide services to a growing veteran population. This is something that must be immediately corrected, and efforts such as Chairman Filner's H.R. 3579 to increase the reporting fees for every veteran at an institution would go a long way to address this.

Looking forward, there are many issues to correct in the Post-9/11 GI Bill, some of which we have highlighted here. The complicated state-by-state system must be eliminated so that all veterans are worth the same in all states, and know what their benefits are worth before they apply to school. The rest of the veteran population must be brought into the fold so that they receive the same benefits at all institutions and the eligibility pool is the same as previous era GI Bills.

To this end, the best way to address these concerns going forward, and to reduce the burdensome claims process of the VA, we strongly support Congressman Minnick's H.R. 5933, and we thank you, Madam Chairwoman, as well as your colleagues, for signing on to this Bill. Expanding the benefit pool for all eligible veterans is of extreme importance to our members, and so is being able to use this in all types of programs. In addition, this bill closes important loopholes that provide significant cost savings for the future of the program. We are looking forward to the day when there are only two GI Bills for veterans to choose from: one for disabled veterans under Vocational Rehabilitation, and one for those who are not disabled with the Post-9/11 GI Bill. Implementing this legislation is

Student Veterans of America looks forward to working with this esteemed committee and its Members to continue to improve education benefits for all veterans. It is of the utmost importance that we take this opportunity to perfect this benefit before more veterans go underserved and schools continue to struggle.



MATERIAL SUBMITTED FOR THE RECORD

American Legion
Washington, DC.
October 19, 2010

Honorable Stephanie Herseth-Sandlin, Chair
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Dear Chair Herseth-Sandlin:

Thank you for allowing The American Legion to participate in the Subcommittee hearing on The Post-9/11 GI Bill on September 16, 2010. I am pleased to respond to your specific question concerning that hearing:

Can you explain a little further the details in your testimony regarding veterans and their families reporting losing their future payments as opposed to the \$750.00 deduction?

The American Legion understood the \$750.00 deduction as a way to recoup the money veterans received during the emergency payment process while claims were being processed. During the recoupment, there was confusion with how much and when the payments would be taken out of their future payments. Instead of taking the \$750.00 out from their future payments the Department of Veterans Affairs were deducting the entire amount. The American Legion is not stating this was widespread, but we were contacted by veterans and their families with financial hardships. This lack of communication inevitably affected their financial situation even further due to the lack of communication that was being provided to them from the VA. During this emergency payment time frame, the VA was only working the call center during limited days and hours. This lack of consistency and availability by the VA caused further confusion and delayed their opportunities to make the repayment amount fit into the veterans budget without causing financial distress.

Thank you once again for all of the courtesies provided by you and your capable staff. The American Legion welcomes the opportunity to work with you and your colleagues on many issues facing veterans and their families throughout this Congress.

Sincerely,

Robert Madden, *Assistant Director*
National Economic Commission

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
September 20, 2010

Ms. Faith DesLauriers
Legislative Director
National Association of Veterans' Program Administrators
Boise State University
1910 University Drive
Boise, ID 83725

Dear Ms. DesLauriers:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Update on the Post-9/11 GI Bill* which took place on September 16, 2010. Please answer the enclosed hearing questions by no later than Monday, November 1, 2010.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full committee and subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-5491.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

National Association of Veterans Program Administrators
Washington, DC.
October 13, 2010

The Honorable Stephanie Herseth Sandlin
United States House of Representatives
Washington, D.C. 20515

Dear Madam Chairwoman:

Thank you for the opportunity to respond to your questions for the record in reference to the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing, which took place on September 16, 2010.

Question 1: What has prevented VA from being able to credit refunds made by the schools to the student's accounts?

Answer: We reluctantly respond to this question as it would be best addressed by Education Service. However, it is our experience that there is a lack of communication between the Agent Cashiers and the claims processors. We assume that this disconnect and delay in processing refunds may be a matter of inadequate staffing and or technology to handle the number of refunds being made by institutions nationwide.

Question 2: What is the difference between class enrollments and term enrollments period and how is it better to count hours in a standard college term?

Answer: Department of Veterans Affairs 38 CFR 21.4135(s)(5) stipulates that an individual who enrolls in several subjects and reduces his or her rate of pursuit by completing one or more of them while continuing training in others, will have their educational assistance allowance reduced effective the date the subject or subjects were completed. Many institutions schedule mini sessions (4-7 weeks) within a standard semester (15-18 weeks) and require students to enroll full time, but the enrollment period is broken into two or more modules during the semester. This is often necessary to complete sequential courses, such as in nursing programs. Many students who access their Montgomery GI Bill (MGIB) entitlement are placed at a financial disadvantage because of this DVA policy. Not only are the veteran students monthly entitlement reduced, but financial aid is computed using all credits in which the student is enrolled for that term.

DISCUSSION: Students pursuing professional programs that require scheduling of non-standard terms/modules during a regular semester/quarter are not able to select those terms that would allow full-time enrollment computation of their monthly entitlement; or, students who are required to enroll in such terms lose full time enrollment status and thereby full compensation of VA educational entitlement rates even though they complete the equivalent of full time enrollment over the course of the semester. This is in direct contrast to the computation of the Federal Financial Aid programs that combine all credits earned during a standard semester to determine the students' enrollment status and pay accordingly. Veteran students are disadvantaged in VA educational entitlement computation because of this inequitable VA process.

To illustrate this inequity, assume that a standard term is January 15-May 15 and the student is enrolled at the college or university for 12 semester hours of credit in this term. Normally this enrollment would equate to full-time status for VA MGIB training purposes. However, when a student is enrolled in short duration or modular classes within that term the student's VA monthly compensation is diluted as follows: January 15-March 15 the student is enrolled in 9 semester hours of credit. March 16-May 15 the student is enrolled in 3 semester hours of credit. For FFA purposes the student is full time. For DVA rate computation the student is enrolled $\frac{3}{4}$ time from January 15-March 15, and then on March 16 is reduced or adjusted to $\frac{1}{4}$ training time for the remainder of the term, even though the stu-

dent will earn 12 semester hours of credit in the standard term. Normally, 12 semester hours is sufficient for full-time status/benefit.

Question 3: Can you explain what you mean when you state that veterans have voiced concern that “the ability to pursue their educational endeavors are restricted to that which is deemed by Congress to be traditional”?

Answer: Chapter 33 benefits are currently unlimited for enrollment in a public institution of higher learning (IHL), but capped for veterans who choose to enroll in the private sector. Education and training is limited to traditional programs/degrees and modality offered by IHL’s but excludes OJT/apprenticeships and other viable and previously approved vocational training opportunities. Many Veterans have already earned degrees and/or are not interested in attending college, but have the skills necessary to master a trade. Limiting benefits and training opportunities (career options), consequently dilutes the readjustment element of this program. And finally, the exclusion of a living stipend for veterans pursuing a program of education on a half time basis while they work part-time, and for pursuit of a program of education offered through courses/programs defined as distance learning, puts veterans who choose to balance their work, family and school, at a disadvantage.

Thank you for the opportunity to provide a response to your follow up questions. Please let me know if you have further questions.

Respectfully,

Faith DesLauriers, *NAVPA Legislative Director*
University Director of Veterans’ Affairs
Embry-Riddle Aeronautical University

Committee on Veterans’ Affairs
 Subcommittee on Economic Opportunity
 September 20, 2010

Dr. Alan Merten
 President
 George Mason University
 American Association of State Colleges and Universities
 1307 New York Ave, NW 5th floor
 Washington, DC 20002

Dear Dr. Merten:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans’ Affairs Subcommittee on Economic Opportunity hearing on *Update on the Post-9/11 GI Bill* which took place on September 16, 2010. Please answer the enclosed hearing questions by no later than Monday, November 1, 2010.

In an effort to reduce printing costs, the Committee on Veterans’ Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full committee and subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-5491.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

American Association of State Colleges and Universities
Washington, DC.
November 1, 2010

The Honorable Stephanie Herseth Sandlin
Chairwoman
Subcommittee on Economic Opportunity
335 Cannon House Office Building
Washington, DC 20515

Dear Madame Chairwoman:

Attached please find the American Association of State Colleges and Universities' response to the questions for the record in follow-up to the Subcommittee on Economic Opportunity's September 16, 2010 hearing on *Update on the Post-9/11 GI Bill*.

Thank you for the opportunity to present this information. Should you have any further questions, please do not hesitate to contact us.

Sincerely,

Edward Elmendorf
Senior Vice President
Government Relations and Policy Analysis

Question 1: You mention that delays of up to a year are occurring with regard to appeals for claim reevaluations. How many students have had this problem?

Response: It is difficult to quantify this number for all AASCU institutions; however, concerns regarding delayed claim re-evaluations were commonly expressed by members to AASCU during the Post-9/11 GI Bill's first year of implementation. AASCU acknowledges that VA processing continues to improve in general, but that individual problems continue to occur.

Question 2: You state that VA's guidance to institutions have been basic in nature. What more does VA need to provide to the institutions?

Response: All higher education business offices seek to efficiently determine why payments they receive are excessive or insufficient. VA will not respond to inquiries from Student Accounts Office staff, only to certifying officials. This makes it difficult to resolve a problem that certifying officials—who do not manage student accounts—may know little about. Certifying officials also need clarification on credit certifications that do not conform to standard semesters, contract course certifications, and other exceptional cases. VA should allow student accounts personnel to contact them directly regarding student accounts and should be able to address complex certification issues for certifying officials.

Question 3: You state that the VA's Web site is difficult to navigate. What recommendations do you have?

Response: The Department of Veterans Affairs (VA) education benefits Web site has recently been significantly updated. This appears to have been in conjunction with the VA's new public relations campaign to ensure veterans are aware of the processes required to receive their benefits. However, there are some areas that could be added or improved to better serve veterans.

One area that could be improved is one that keeps the veteran informed of their benefit utilization status. A mechanism already in place to do this is the VA's Web Automated Verification of Enrollment (WAVE) system. This system allows the user to view the time periods for which their school has certified them, which benefit program they are using, the number of months of entitlement they have remaining, their delimiting date, and the amount of the last check or direct deposit.

Unlike other GI Bill recipients, those receiving the Post-9/11 GI Bill do not have to verify their attendance through WAVE. As a result, this population struggles for basic information on their benefit usage. The VA's failure to incorporate the Post-9/11 GI Bill into WAVE results in wasted time spent by both the VA and institutions of higher learning in answering these basic questions.

Given the number of veterans using the Post-9/11 GI Bill as well as various proposals to fold all GI Bills into one program, it would be best for the VA to allow Post-9/11 GI Bill beneficiaries the same access and information to WAVE as those enrolled in other veterans education benefit programs.

Question 4: You state that reporting fees should be increased. What do you recommend as an equitable figure?

Response: Currently VA pays an annual reporting fee of \$7.00 per student, based on a 30-year-old standard instituted when schools were only responsible for certifying enrollment in two programs. Today schools are responsible for the accurate certification and proper administration of 11 veterans' education benefit programs.

This funding inadequacy requires many veterans affairs offices on campus to partner with other offices—such as financial aid, counseling, admissions and student accounts—that play roles in the certification process. However, these partnering offices generally serve an entire campus or portion of a campus, rather than being dedicated solely to veteran students, and shoulder benefit certification as a collateral duty on top of their existing workload. At George Mason University, the Registrar and Student Accounts offices have had to create additional positions to meet Post-9/11 GI Bill processing needs. The additional expense of these positions is ~\$110K, including fringe benefits.

An equitable figure depends upon Congress' expectations of higher education institutions. If Congress expects colleges and universities to be responsible for the certification of enrollment, in addition to continued counseling and paperwork processing responsibilities, then a significant increase in the reporting fee will be necessary.

Question 5: In your testimony you write that some veterans need remedial education while others were not ready for college. What percentage of veterans do you estimate need remedial education or are not ready for college?

Response: Given the lack of general data on veterans, as well as more specific data on Post-9/11 benefit usage, it is difficult to fully quantify this number. However, as outlined below, we would anticipate veterans mirroring the general population and caution that a significant number of veterans may need remedial education in one or more subject areas before starting college. We note that there are multiple DoD programs designed to address the need for remedial education among active-duty servicemembers (e.g., the Army's Functional Academic Skills Training [FAST] or the Marine Corps' Military Academic Skills Program [MASP]) that also prepare individuals for an easier transition into postsecondary education.

Nationally, less than half of those who receive a high school diploma are academically prepared for postsecondary education (Greene & Winters, 2005). In fact, according to the Department of Education, approximately 42 percent of community college freshmen and 20 percent of freshmen in four-year institutions are enrolled in remedial courses (NCES 2004b). Analyses of student preparation for college-level work show weakness in multiple subject areas; of college freshmen taking remedial courses, 35 percent were enrolled in math, 23 percent in writing, and 20 percent in reading (NCES, 2004b). Community colleges bear the greatest share of the remediation burden and trends indicate that their responsibilities in this arena are likely to grow. For instance, eleven states have passed laws preventing or discouraging public four-year institutions from offering remedial courses to their students, thus concentrating unprepared students in community colleges (Jenkins & Boswell, 2002).

Normally that would mean about 67,000 of the 200,000 (Garamone, 2010) men and women selected each year for active duty enlisted positions in the Army, Navy, Air Force, and Marines would require some form of remediation. It is important to note that the Department of Defense has changed military enlistment standards related to academics over the last six years to better meet enlistment goals (Inskip & Boswell, 2008, Kaplan 2008). Further, the DoD programs designed to address the need for remedial education may not necessarily reach the entire target population. These factors will have an influence on the number of veterans needing remediation.¹

¹References Garamone, J. (2010 Oct 12). 2010 Proves Banner Year for Recruiting. Department of Defense Press Release Greene, J., & Winters, M. (2005). Public high school graduation and college-readiness rates: 1991–2002. New York: Manhattan Institute. Inskip, S. & Bowman, T. (2008 Apr 17). Army Documents Show Lower Recruiting Standards, National Public Radio, Washington, DC Jenkins, D., & Boswell, K. (2002). State policies on community college remedial education: Findings from a national survey. Denver, CO: Education Commission of the States. Kaplan, F. (2008 Jan 24). Dumb and Dumber: The U.S. Army lowers recruitment standards again. Washington Post, Washington, DC National Center for Education Statistics [NCES] (2004). The condition of education 2004, indicator 18: Remediation and degree completion. Washington, DC: U.S. Department of Education. National Center for Education Statistics (2004). The condition of education 2004, indicator 31: Remedial.

Question 6: What kinds of accommodations have your schools made because of post-traumatic stress disorder or traumatic brain injury?

Response: AASCU schools have made varying accommodations for students (not only veteran students) with Post-Traumatic Stress Disorder (PTSD) or Traumatic Brain Injury (TBI). As noted in the first study of support services for veterans on campus (*From Soldier to Student: Easing the Transition of Servicemembers on Campus*) in which AASCU participated, institutions may incorporate veterans with disabilities into pre-existing disability services programs for all students as well as coordinate referrals to off-campus treatment centers for students with injuries beyond the capacities of a campus treatment center.

In George Mason University's experience, the diagnoses of TBI and PTSD have become blurred and their treatment approaches have been merged. The reasons include the many cross-symptoms and the inability to determine whether those symptoms are directly connected to a TBI or are the lingering results of having suffered one. Mason does not have the capability to perform intensive neuropsychological evaluations to make highly accurate measures of deficit, although learning deficits can be measured. Counseling and Psychological Services (CAPS) is currently treating 7–8 veterans for PTSD using Prolonged Exposure Therapy (PET). This approach is one of a small handful of approaches that have demonstrated effectiveness.

The Office of Disability Services (ODS) has ~5 students currently registered with PTSD. The diagnosis is often accompanied by other physical and psychological conditions; ODS responds to any questions that faculty may have on PTSD and TBI as well as other disability-related issues. For testing, ODS offers a stimulus-free individual room. Medication to manage hypervigilance (a common effect of PTSD) can involve powerful anti-anxiety drugs that can cause a secondary disabling effect on awareness, memory and general ability to learn. In these cases we would offer veterans extra time in which to complete exams and possibly extra time to complete assignments. In addition, accommodations for an individual with PTSD can include the use of an emotional support animal.

*Coursetaking, Washington, DC: U.S. Department of Education.

As a general rule both offices refer veteran students to the Office of Military Services for support group or for transition information. In many instances George Mason University winds up providing services that are also available at the VA, sometimes because the VA is overwhelmed and sometimes because veterans and families prefer campus-based resources. However, George Mason University does not have the array of programming and resources that the VA has to offer. It would be helpful for Congress to examine ways in which it can allocate resources to college-bound veterans with special needs.

Question 7: How are VA statistics related to Post-9/11 GI Bill usage and claims processing incomplete and confusing?

Response: The VA's Monday Morning Workload Report (MMWR), a commonly used source for data, provides statistics on Chapter 33 "work items" (aka "claims") in process. However, a single veteran student's file can generate multiple work items depending on the complexity of his or her case, so the "work items" number does not correspond to the number of students whose files are in process. This is incomplete and thus creates confusion.

Given that VA only periodically releases other Post-9/11 GI Bill statistics on number of students served and dollar amounts paid—generally when giving a presentation or testifying before Congress—there is no easy way for institutions and higher education analysts to compare VA statistics to each other and get an accurate picture throughout the academic year. Releasing more complete statistics combined with better explanations of VA terminology would enable VA to present a clearer picture of the complexity of its Post-9/11 workload to the public, including veteran students waiting for payment.

In addition, the recent changes to the VA GI Bill Web site appear to have disabled what was once a routine link from the MMWR to processing statistics for the Post-9/11 GI Bill (<http://www.gibill.va.gov/spring2010.htm>).

Question 8: How does VA being the "last payer" affect other types of financial aid a student gets?

Response: It is AASCU's understanding that the notion of VA as "last payer" evolved in order to eliminate the confusion that exists in the current system. However, this proposal would actually add more complexity and confusion to the program. If the goal is to simplify and reduce confusion in the Post-9/11 GI Bill program for the veteran, then the notion of "last payer" should not be included.

Veterans need to know from the outset what amount they are eligible to receive from the Post-9/11 GI Bill. Simply put, if the VA becomes the “last payer,” a financial aid officer or other official will not be able to inform the veteran of their benefit amount until the veteran files a Federal Application for Student Financial Assistance (FAFSA), the FAFSA is processed, and the financial aid office performs all necessary verification of data to determine what other federal, state, and institutional benefits to which the veteran may be entitled. This will all have to take place *before* a college certifying official or financial aid officer can tell a veteran student the amount that will be provided from the GI Bill. The FAFSA process takes anywhere from 4–6 weeks during peak processing season but can be longer depending on individual circumstances. This will create hardships for veteran students—since many do not currently file FAFSAs—and add significantly to the certification workload for colleges and universities.

Furthermore, applying all of this aid first in effect caps *all* of the benefits a veteran could receive at the amount due for tuition and fees. Postsecondary education costs go beyond tuition and fees (e.g., transportation expenses to/from campus; books/supplies, of which the VA benefit generally covers only a portion; dependent care; and expenses related to a disability). Many of these other sources of educational benefits are able to offset these costs up to the total “cost of attendance.” While some VA benefits address certain nontuition costs, significant others are not covered. Limiting all eligible benefits to just tuition and fees would mean saddling the veteran with a larger financial burden.

Pursuing a policy of VA as “last payer” is counterproductive to the goal of the amendments to the Post-9/11 GI Bill Program and disregards veterans’ service and dedication to this country by reducing their earned benefit. This policy would bring about further confusion and complication and result in greater financial burden for the veteran. As our testimony highlighted, much of this confusion can be addressed through better communication between the VA, institutions, and veterans.

Note: Since the Subcommittee hearing, the Senate has reported the language for S. 3447 that includes a “last payer” provision. AASCU has strong concerns regarding this provision.

Committee on Veterans’ Affairs
Subcommittee on Economic Opportunity
September 20, 2010

Mr. Donald O. Overton, Jr.
Executive Director
Veterans of Modern Warfare
#33107
P.O. Box 96503
Washington, D.C. 20090

Dear Mr. Overton:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans’ Affairs Subcommittee on Economic Opportunity hearing on *Update on the Post-9/11 GI Bill* which took place on September 16, 2010. Please answer the enclosed hearing questions by no later than Monday, November 1, 2010.

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Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 226–5491.

Sincerely,

Stephanie Herseith Sandlin
Chairwoman

JL/ot

November 1, 2010
Questions for the Record from the House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Hearing on Update on the Post-9/11 GI Bill

Question 1: What do you mean that there is "no guarantee that the Yellow Ribbon Program will be capable of absorbing these monetary offsets . . ."

Response: As the law currently stands, the base benefit is set by state; the maximum benefit equates to the most expensive in-state undergraduate tuition and fees at a public institution of higher education in the state's system. Although it may be adjusted for part-time enrollment or based on length of qualifying service, this benefit can cover full tuition and fees for a veteran attending a public institution as an in-state student. Veterans who attend a public institution as an out-of-state student or who attend a private institution may apply the maximum base benefit toward the out-of-state public or private institution tuition and fees. Given that private tuition and fees and out-of-state tuition and fees are generally more expensive than in-state public institutions the law established the Yellow Ribbon Program, a matching mechanism in which dollars that institutions provide to cover the remaining expenses are matched by the federal government. Public and private institutions may participate in the Yellow Ribbon Program.

The new bill would not dramatically change the funding of public education for veterans, but they would alter the contribution to private education. Students attending public institutions would simply have their tuition and fee charges fully covered, effectively the same as the current program but with less administrative confusion. The proposed legislation varies slightly in that it calls for a \$20,000 cap, as opposed to the national average of tuition and fees.

A potential implication of these changes is that it will likely lower the amount that veterans would receive at private institutions and would also necessitate that institutions contribute more funds towards the Yellow Ribbon Program if they wish to participate at a level that aids all eligible veterans.

However, the changes would establish a national standard and level the playing field for all veterans across all states. The 5 states adversely impacted; Texas, Michigan, Pennsylvania, New York, and New Hampshire may see a loss in Yellow Ribbon participation due to an insurmountable tuition offset formula, thus hindering veterans' ability to continue their current programs of study.

Question 2: What is the most common complaint that you hear about regarding the Post-9/11 GI Bill?

Response: The most common complaint raised by our members is the Department of Veterans Affairs (VA) poor communications. VA must improve communications with veterans about their education benefits eliminating the current ambiguity surrounding eligibility and benefit delivery. An apparent lack of sufficient training by VA of educational case managers has resulted in misinformation and greater confusion. Veterans need to receive consistent and accurate information, so he/she can properly navigate the education process.

Respectfully Submitted,

Donald D. Overton, Jr
Executive Director/COO

—————
 Committee on Veterans' Affairs
 Subcommittee on Economic Opportunity
September 20, 2010

Mr. James D. Wear
 Assistant Director for Veterans Benefits Policy
 National Veterans Service
 Veterans of Foreign Wars of the United States
 200 Maryland Avenue, NE
 Washington, DC 20002

Dear Mr. Wear:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Update on the Post-9/11 GI Bill* which took place on September 16, 2010. Please answer the enclosed hearing questions by no later than Monday, November 1, 2010.

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Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-5491.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

**STATEMENT OF JIM WEAR, ASSISTANT DIRECTOR FOR
VETERANS BENEFITS POLICY, NATIONAL VETERANS SERVICE,
VETERANS OF FOREIGN WARS OF THE UNITED STATES, RESPONSE
TO QUESTIONS SUBMITTED BY CHAIRWOMAN HERSETH SANDLIN,
COMMITTEE ON VETERANS' AFFAIRS, SUBCOMMITTEE ON
ECONOMIC OPPORTUNITY, UNITED STATES HOUSE OF
REPRESENTATIVES WITH RESPECT TO UPDATE OF THE
POST-9/11 GI BILL, SUBMITTED NOVEMBER 1, 2010**

Question 1: Do you believe that the individual state caps are failing to fully cover the cost of a public education at a 4-year in-state undergraduate institution.

Response: We have no data to substantiate such a claim. The purpose of the in-state cap and the subsequent complex mechanisms to calculate the cap was to ensure that a public education would be fully covered in a variety of situations. This calculation has been the source of much confusion, and has led to situations where veterans were not getting the amount they had anticipated, and that has certainly been the cause of confusion and concern. The VFW believes this mechanism should be replaced with a simple promise that VA will not fail to fully cover the cost of a public education at any 4-year in-state undergraduate institution nationwide.

Question 2: If the current GI Bill functions as a transition program for veterans, should there be a component of the program dedicated to the psychological and social health of the participants who decide attend an institution of higher learning?

Response: The VFW believes that robust psychological and social counseling and treatment should be readily available for all veterans regardless of their career or educational status. As such, we support greater access to Vet Centers across the country and any necessary funding to ensure readjustment challenges our veterans face will be met and overcome. The VFW also supports Chapter 33 career counseling for student veterans as needed to ensure the goal of entering into a successful career is achieved.

Question 3: If a veteran is attending Texas schools this fall, such as Rice University where the cost of attendance is \$47,871 or Southern Methodist University where the cost of attendance is \$37,230 for Fall 2010, what would be H.R. 5933's impact with regards to cost?

Response: H.R. 5933 would modify the Yellow Ribbon program by eliminating language that allows the VA to match what a participating university provides up to the full cost of tuition. Under the language of H.R. 5933, the VA would reimburse actual costs up to \$20,000 per year. In a circumstance where Rice University and Southern Methodist University had entered into the Yellow Ribbon program and were doing so with the aim of providing half the tuition and thereby helping veterans to attend said universities without cost, the \$20,000 cap would not impact the veteran. In cases where these universities entered the program but were providing significantly smaller amounts, this \$20,000 reimbursement would be of more value to the veteran.

Question 4: In your testimony you state that your organization supports benefits that will fully cover undergraduate or graduate programs across the country. In your opinion, was the GI Bill intended to fully cover the cost of graduate programs across the country?

Response: The VFW believes that Post-9/11 GI Bill benefits should be made available to an eligible veteran regardless of the degree they choose to pursue, whether it is an undergraduate or graduate level degree. Further, The VFW strongly believes that these benefits must be expanded to include vocational training, apprenticeships, and on-the-job training. The purpose of the GI Bill is not merely to fill classrooms of four-year programs at institutions of higher learning, but to provide veterans with educational opportunities that will lead to a career that fits into their goals and ambitions.

Question 5: The Senate Bill S. 3447 proposes to eliminate the interval payment for veterans. Do you think that veterans will be losing benefits if the interval payments are eliminated?

Response: The VFW has undertaken a more thorough examination of the effects of eliminating interval payments, and opposes any such measure. Interval payments not only provide critical financial stability and important piece of mind for veterans, but they also provide the latitude many veterans need to pursue the career of their choosing. Many veterans would have difficulty finding seasonal or temporary work between semesters to make up for the loss of interval payments, particularly in the current economy. Others may choose to collect interval payments to make ends meet while they perform an internship or another type of unpaid work during summer months in accordance with their academic and career pursuits. Such an endeavor would be impossible for many veterans without interval payments. Further, we believe veterans should be empowered to decide for themselves whether or not interval payments are in the best interests of their careers and families. While some may be concerned that receiving these payments lowers the overall benefit of the GI Bill, we believe the evidence is clear that interval payments provide an important and necessary benefit, and that a one-size-fits-all approach of eliminating this option would hinder the success of many student veterans.

Question 6: You have stated that you support H.R. 5933, does PNC John Brieden of Texas, and PNC Thomas Cadmus of Michigan also support the bill in light of how it affects veterans in their home state?

Response: The two gentlemen you reference are past national commanders of the American Legion. As such, we are not in a position to comment.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
September 20, 2010

Mr. Robert Madden
Assistant Director
National Economic Commission
The American Legion
1608 K Street, NW
Washington, DC 20006

Dear Mr. Madden:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Update on the Post-9/11 GI Bill* which took place on September 16, 2010. Please answer the enclosed hearing questions by no later than Monday, November 1, 2010.

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Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-5491.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

American Legion
Washington, DC.
November 1, 2010

Honorable Stephanie Herseth Sandlin, Chair
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Dear Chair Herseth Sandlin:

Thank you for allowing The American Legion to participate in the Subcommittee hearing on the *Update on the Post-9/11 GI Bill*. I respectfully submit the following in response to your additional questions:

Question 1: If a veteran is attending Texas schools this fall, such as Rice University where the cost of attendance is \$47,871 or Southern Methodist University where the cost of attendance is \$37,230 for Fall 2010, what would be H.R. 5933's impact with regards to cost.

Response: H.R. 5933 will increase the tuition benefit for 97 percent of the student veteran population. That being said, the tuition issue needs to be addressed and H.R. 5933 ensures predictability because even in states with high tuition rates like Texas a student veteran cannot expect that those will stay high year to year. For example in Florida and in Minnesota the rates dropped by 40 percent without warning leaving those student veterans in a tough predicament. Specifically referring to school such as Rice and SMU, the VA has created partnerships with private school to see gap the disparities between the tuition and what the Post-9/11 GI Bill offers. Rice and SMU would have to participate in the yellow ribbon program just like other institutions currently do. The George Washington University is currently contributing \$18,000 a year per student to see that those veterans are not incurring mountains of debt.

Question 2: In your testimony you state that your organization supports benefits that will fully cover undergraduate or graduate programs across the country. In your opinion, was the GI Bill intended to fully cover the cost of graduate programs across the country?

Response: The American Legion supports increasing the Post-9/11 GI Bill to cover all programs: undergraduate, graduate and vocational schools just like the Servicemen's Readjustment Act of 1944.

Question 3: The Senate Bill S. 3447 proposes to eliminate the interval payment for veterans. Do you think that veterans will be losing benefits if the interval payments are eliminated?

Response: The American Legion has been a supporter of education benefits for veterans and their families. We currently support the House version: H.R. 5933 which does not include taking away the interval payment.

Question 4: You have stated that you support H.R. 5933, does PNC John Brieden of Texas, and PNC Thomas Cadmus of Michigan also support the bill in light of how it affects veterans in their home State?

Response: Since the passage of the Post-9/11 GI Bill, The American Legion has called on Congress to address the technical fixes to the current bill. The American Legion has organizational resolutions which direct our policy and position. Our current resolutions state that we support the technical fixes, to include: addition of flight training, vocational school, OJT/Apprenticeship, Title 32 AGR and the addition of housing allowance for those who attend school strictly online. These positions are reflected in the current legislation which allows us to support it. This is the position of The American Legion.

Question 5: Does the Post-9/11 GI Bill currently fail to pay for a veterans education at a four-year public institution?

Response: Yes, in some instances the Post-9/11 GI Bill does fail to cover the full cost of a four-year public institution. For example:

- Title 32 AGR's does not qualify for the New GI Bill at all and therefore their public school education is not covered.
- Some public schools offer online education which then disqualifies those veterans from receiving the living allowance.

- Active duty servicemembers attending public schools do not receive a book stipend when they attend school.

Question 6: You state that student veterans do not have sufficient information about the Post-9/11. What kind of information do student veterans need?

Response: These student veterans are individuals who range from 21 years old to 35 years old, respectively. They are heavily involved in social media and technology. Getting them information correctly and promptly is what these student veterans need, not a week old letter that the VA send out, when they have already been confused for 2 weeks. I would like to suggest a few ideas of what information student veterans need:

- When they should realistically expect to be paid for their benefits. This is a big deal considering the confusion that occurred last fall during the implementation of the New GI Bill.
- Any means of tracking whether those payments are actually correct.
- Meaningful information about what the irrevocable election to the new GI Bill means for them.
- Students and schools have no idea what to do with overpayment and especially how to handle the situation. Plus the VA is not notifying the student that they received the overpayment from the school, inputting that specific data which causes for a lack of housing allowance due to the overpayment.
- The VA Debt Management center can be very hard to reach over the phone and has made numerous errors on processing the repayment plans. There is no way to hold them accountable.

Student veterans feel disenfranchised about the whole process thereby feeling like they aren't being properly taken care of. There is no customer service. Many companies pride themselves on customer service and the veterans that I have spoken to feel that there is a lack of patience from the VA and that there is no one "over at the VA" who actually cares about what happens to the veteran.

Thank you for your continued commitment to America's veterans and their families.

Sincerely,

Robert Madden, Assistant Director
National Economic Commission

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
September 20, 2010

Mr. Mark Krause
Department of Veterans Affairs Program Manager
Space and Naval Warfare Systems Center Atlantic
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Mr. Krause:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Update on the Post-9/11 GI Bill* which took place on September 16, 2010. Please answer the enclosed hearing questions by no later than Monday, November 1, 2010.

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Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

Hearing Date: September 16, 2010
Committee: HVA
Member: Congresswoman Herseth Sandlin
Witness: Captain Krause
Hardware and Software systems

Question 1: When this project is completed, what will VA own in regards to the software and hardware systems.

Answer: The VA, as a Federal entity, will own all SPAWARSSYSCEN Atlantic purchased hardware; all government employee developed software and all commercial and non-commercial software license rights.

Long-Term Solution

Question 2: Is the entire long-term solution currently located in a VA facility?

Answer: No, the entire LTS is not currently located in VA facility. The CH 33 LTS is hosted at a commercial data center in Culpepper, Virginia called Terremark. At the conclusion of the CH 33 Long Term Solution project, the VA can continue to pay for this commercial hosting service or transition the application to one of the VA's data centers. VA can provide more details.

Benefits Enterprise Platform

Question 3: Why was the Benefits Enterprise Platform unavailable and will this functionality be added in the future?

Answer: The plan has always been to leverage the capabilities of the VA's Benefits Enterprise Platform (BEP) to accomplish user account authentication and management for the CH 33 LTS. When it was determined the VA's BEP team could not complete the necessary software development to deploy for CH 33 LTS Release 1.0 in March 2010, SPAWAR implemented an alternative solution as a mitigation. In Release 2.0, the automation of the data conversion and retroactive housing payments became the priority to protect the Fall enrollment. As a result of the required performance testing and migration of the user account tasks, the BEP deployment was subsequently delayed and rescheduled for Release 4.0, scheduled for the end of December 2010.

Committee on Veterans' Affairs
 Subcommittee on Economic Opportunity
September 20, 2010

Mr. Keith Wilson
 Director, Education Service
 Veterans Benefits Administration
 U.S. Department of Veterans Affairs
 810 Vermont Avenue, NW
 Washington, DC 20420

Dear Mr. Wilson:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Update on the Post-9/11 GI Bill* which took place on September 16, 2010. Please answer the enclosed hearing questions by no later than Monday, November 1, 2010.

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Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

Questions for the Record
The Honorable Stephanie Herseth Sandlin, Chairwoman
Subcommittee on Economic Opportunity
House Committee on Veterans' Affairs
Update of the Post-9/11 GI Bill
September 16, 2010

Question 1: Several witnesses mentioned the lack of consistent information veterans receive from VA officials, the information veterans receive when they call the 1-800 number, and school officials. What is the VA doing or plan to do to address these inconsistencies.

Response: We are committed to providing the best possible service to our Veterans. VA provides written policy guidance to all four Regional Processing Offices (RPOs) and conducts uniform training on a regular basis to ensure all RPOs and employees at the National Call Center are receiving the same information. In addition, RPO conference calls are conducted to address training, policy, or claims processing issues as they arise. The team leaders and Senior Education Case Managers (ECMs) at the National Call Center conduct monthly quality assurance reviews. The reviews consist of monitoring a combination of telephone calls and electronic inquiries. A standard quality checklist is used, and any potential problem areas are discussed with the individual ECMs.

Eligibility requirements for the various education programs are complex, and many Veterans have eligibility to more than one program. Veterans' individual circumstances, such as their delimiting date, amount of remaining entitlement, type of training pursued, and cost of training all factor significantly into decisions related to their VA benefits. Ongoing expansion and enhancement of our GI Bill Web site ensures a consistent source of accurate and comprehensive information for Servicemembers and Veterans.

We will continue to aggressively train our employees and provide up-to-date information and training to school officials through our education liaison representatives (ELRs) to ensure that our Veterans are receiving accurate information as they make their decisions. VA's ELRs are the primary points of contact for school officials. ELRs have a wide range of responsibilities in support of education benefits programs and work closely with school officials to inform them of changes in VA policies and procedures. We also send representatives to professional and educational conferences to discuss the Post-9/11 GI Bill. Additionally, VA is reaching out to Veterans, Servicemembers, and families using the enhanced GI Bill Web site, local and national radio ads and public events, and other media to promote general information about VA education benefits.

Question 2: An organization has stated that "VA's GI Bill benefits estimator is an inexcusable tool for a Department that has spent millions on GI Bill information technology". How many veterans have used this tool and what has been the feedback from veterans regarding its usefulness?

Response: Since August 1, 2009, the benefits calculator has been accessed more than one million times by visitors to the GI Bill Web site. The feedback received by VA has been generally positive, but has also prompted improvements in the calculator, such as clarification of entry-level versus skill-level training, inclusion of rates for overseas training, and the addition of a disclaimer that calculated rates do not include the books and supplies stipend or supplemental educational assistance amounts.

Question 3: Have you visited IAVA's GI Bill calculator and can veterans rely on the advice from that calculator?

Response: VA reviewed IAVA's GI Bill calculator. The purpose of the calculator is to provide an estimate of the benefits an individual would be entitled to under the Post-9/11 GI Bill versus the Montgomery GI Bill—Active Duty (MGIB—AD) and

the Reserve Educational Assistance Program (REAP). During our review, we noted that the calculator provides an incorrect benefit estimate for individuals training under REAP.

While the IAVA calculator could be a useful tool for individuals desiring to estimate their benefits, many variables, other than financial, affect the overall decision to use the Post-9/11 GI Bill. When a Veteran is deciding whether to use the Post-9/11 GI Bill, factors such as delimiting date, months of entitlement, and types of training, are all elements that should be considered.

Question 4: Have there been any students with appeals for claim re-evaluation taking up to a year to process?

Response: VA is not aware of any students with appeals for claims re-evaluation that take one year to process. Unfortunately, we are unable to provide information specific to Post-9/11 GI Bill appeals because our appeals tracking system, VACOLS, does not specifically track this category of appeals. VBA, BVA and the Office of Information and Technology (OI&T) will work together to modify the system to track Post-9/11 GI Bill appeals data prospectively.

Question 5: What is Secretary Shinseki's view on the delayed implementation?

Response: Secretary Shinseki recognizes the tremendous strides VA has made in delivering Post-9/11 GI Bill benefits. VA's primary focus has been on providing education benefits to Veterans, Servicemembers, and their families in a timely manner. Our accomplishments in implementation of the Post-9/11 GI Bill Long-Term Solution (LTS) are significantly greater than any information technology project undertaken at VA. The new system was installed and records conversion was accomplished with no significant errors. Thus, VA was able to achieve our primary goal, which was to have the initial phases of the LTS installed in time to process fall semester claims without introducing processing errors or delays that might affect claims processing. Enrollment processing for the 2010 fall term is going very well, with over 260,000 students already paid as of October 4, 2010. By December 31, 2010, VA expects to use the LTS to automate core internal Post-9/11 GI Bill claims processing functions. This automation is expected to help VA ensure timely processing and payment of Post-9/11 GI Bill claims.

Question 6: Some stakeholders have stated that VA has known most of the tuition caps but has failed to publish them. Is this correct?

Response: VA did not publish the maximum tuition and fee amounts until we received all of the rates from the State Approving Agencies (SAAs) and were able to verify any significant increase or decrease in rates from the previous academic year.

VA issued a letter to the SAAs on May 4, 2010, asking them to provide their states' maximum tuition and fee rates for the 2010-2011 academic year. A follow-up contact was sent on August 3, 2010. Most SAAs sent their maximum rates in a timely manner; however, some rates were revised in August as schools changed their tuition and fee charges before the fall semester began. All maximum rates were finalized by August 26, 2010. VA conducted an analysis of the rates and verified any significant increase or decrease in tuition or fees from the previous academic year with the SAAs. Once completed, the maximum rates were published on the VA Web site on August 30, 2010.

For Fall 2011, VA plans to publish, on August 1, tuition and fee information for states that have finalized rates at that time. VA will also continue to encourage states to finalize and submit tuition and fee information to the SAAs as timely as possible.

Question 7: Have there been instances where funds returned to the VA by institutions were not properly credited by the VA to individual students' accounts?

Response: VA became aware of concerns from school officials that some returned funds were not properly credited to individual students' accounts. In response to those concerns, VA issued clarifying instructions to the RPOs to ensure that any returned funds were properly credited to individual students' accounts. For example, the RPOs were informed to return checks to the school if the reason for the return or the exact dollar amount being refunded for each student could not be identified. Additionally, if the school reported that more funds were received than necessary for an individual's tuition and fees, the RPOs were instructed to process an amended award to show the reduced tuition and fee charge, establish the appropriate debt in the student's record, and then apply the remaining funds to the debt.

Question 8: If a veteran has an overpayment what advice would you give the veteran?

Response: When an overpayment is established, each student receives a notification letter from VA that provides information about the student's rights and responsibilities. The options for repayment of the debt are also provided. We suggest each Veteran review the letter to determine his/her best option. When Veterans contact VA, we can provide information about their enrollment status and direct them to the Debt Management Center (DMC) for specific collection questions. DMC specializes in the collection status, repayment plans, and measures taken if the debt is not repaid.

Question 9: A witness has stated that VA has not issued clear, coherent and consistent Chapter 33 operational guidance to institutions. Is VA going to review their guidance to institutions to see where clarity may be needed?

Response: VA continues to dialogue with schools through its ELRs and conducts outreach efforts to ensure consistent and easily-understood information is provided about the Post-9/11 GI Bill. In addition, we conduct webinar training sessions and continue to participate in schools' national, regional, and local conferences. VA officials attended more than 100 training and informational conferences since the enactment of the Post-9/11 GI Bill to provide training, disseminate information, and answer questions from participants. VA routinely reviews the guidance as problems are called to our attention requiring additional clarification, and adjustments are made.

SAs also assist in outreach and dialogue efforts between VA and schools. As required by statute, VA contracts with each state to approve programs of education and support outreach. The SAs provide information to schools, students, and employers.

Question 10: Are the delays you are experiencing due to added functionality or is the long-term solution more challenging than originally anticipated?

Response: The delays with the LTS are due to increases in functionality needed to improve claims processing capabilities, challenges with conversion of data from the interim system to the LTS, and a more complete understanding of the complexities of the interface with the Benefits Delivery Network. However, the successful delivery of Phases 1 and 2 of the LTS was an intense cooperative venture between VA Office of Information and Technology and the Veterans Benefits Administration. We are building the system as a team, and VA is delivering the system as a team. That relationship is the single largest contributing factor to the successful installation of the GI Bill system on schedule in March of this year, and the complete conversion of all GI Bill processing to this system in August. VA expects that the LTS will automate core internal claims processing procedures for Post-9/11 GI Bill claims by December 31, 2010.

Question 11: When can veterans expect to receive retroactive payments for the housing allowance which increased in January?

Response: VA began issuing checks with the 2010 basic allowance for housing (BAH) rates on September 1, 2010. Those enrolled in the Post-9/11 GI Bill did not have to do anything to receive the increased BAH amount or retroactive payment. The payment amount automatically increased for those beneficiaries whose rate increased between 2009 and 2010. At the same time, VA sent one-time payments for the retroactive BAH amount owed for training pursued between January 1, 2010 and July 31, 2010.

Question 12: How will the delays in the delivery of the systems specifically affect veterans?

Response: Delays in the delivery of the LTS may impact the planned self-service capabilities where Veterans can interact with the system to receive information about their claim. VA will pursue development of self-service capabilities for the Post-9/11 GI Bill within FY2011. VA originally intended to explore self-service capabilities by December 2010, assuming no additional requirements for necessary claims processing functionality. However, a delay in self-service functionality would not impact the timely delivery of benefits to Veterans.