

OVERSIGHT HEARING ON IMPLEMENTATION OF THE  
NEW POST-9/11 GI BILL:  
LOOKING BACK AND MOVING FORWARD

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WEDNESDAY, APRIL 21, 2010

United States Senate,  
Committee on Veterans' Affairs,  
Washington, D.C.

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

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

OPENING STATEMENT OF CHAIRMAN AKAKA

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

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

this important new education benefit, which became effective on August 1, 2009.

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

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

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

It is also important that we not take a piecemeal approach to whatever issues and fixes we identify, but

rather move forward in a comprehensive and considerate and deliberate way. So I look forward to beginning that process, and thank you again for appearing here today and for your work on this important matter.

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

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

Babette, on behalf of the Senate, I am presenting you with your 20-year plaque and pin, and thank you so much for your service to the United States Senate and to our veterans. So, Mahalo.

[Applause.]

Chairman Akaka. Thank you very much. And her work with the GI Bill has been instrumental in our success with it.

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

OPENING STATEMENT OF SENATOR TESTER

Senator Tester. Well, thank you, Mr. Chairman, but

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

Chairman Akaka. Thank you very much, Senator Tester.

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

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

DRAFT

STATEMENT OF KEITH WILSON, DIRECTOR, EDUCATION  
SERVICE, VETERANS BENEFITS ADMINISTRATION

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

Joining me today are Stephen Warren, Principal Deputy Assistant Secretary for Information and Technology, and Dan Osendorf, Director of Department of Veterans Affairs Debt Management Center.

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

Enactment of the Post-9/11 GI Bill on June 30, 2008 gave VA approximately 13 months to develop a new, highly complex eligibility and payment systems for thousands of claimants who would be eligible to receive the benefits on

August 1, 2009. To meet this challenge, VA began development of an interim claims processing solution while simultaneously developing a long-term rules-based solution in cooperation with the Space and Naval Warfare System Center Atlantic, SPAWAR.

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

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

To ensure veterans who enrolled in the spring term received their benefits on time, VA took many steps,

including issuance of advanced payments. We set a goal to process any enrollment certification we received before January 19th for payment on February 1st. We are pleased to report to the Committee that we were able to achieve that goal.

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

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

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

out this mission.

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

[The prepared statement of Mr. Wilson follows:]

DRAFT



Chairman Akaka. Thank you very much, Mr. Wilson.  
Now, Mr. Warren, we would please proceed with your  
statement.

DRAFT

STATEMENT OF STEPHEN WARREN, PRINCIPAL DEPUTY  
SECRETARY, INFORMATION TECHNOLOGY, VETERANS  
BENEFITS ADMINISTRATION

Mr. Warren. Good morning, Mr. Chairman.

Chairman Akaka. Good morning.

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

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

We did a limited deployment to make sure that what actually deployed out became that platform for the future, as Mr. Wilson mentioned. So when that next increment comes out at the end of June, it will be able to retire that

interim solution. As Mr. Wilson mentioned, it is four different systems that have to be used today in terms of fitting those two together, and the June 30th deployment will then pick that up, retire the old system, and simplify what efforts the examiners need to go through.

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

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

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

So instead of going many, many years as IT projects in the government have done in the past, many years without really getting something, we are on a path to deliver

functionality on three-month increments. So we delivered the first increment. It works. So instead of something that may have happened, we delivered capability. The next increment comes out in three months. The next increment comes out in three months. So we are building on successes to ensure that our partners in the Veterans Benefits Administration have the tools they need.

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

[The prepared statement of Mr. Warren follows:]

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Chairman Akaka. Thank you very much, Mr. Warren.  
Mr. Osendorf, your statement, please.

DRAFT

STATEMENT OF DAN OSENDORF, DIRECTOR, DEBT  
MANAGEMENT CENTER, DEPARTMENT OF VETERANS AFFAIRS

Mr. Osendorf. Good morning, Chairman Akaka, Senator Tester and members of the Subcommittee. I appreciate this opportunity. My testimony will address the recruitment of advance payments.

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

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

In addition, we created an form that allowed them to

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

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

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

[The prepared statement of Mr. Osendorf follows:]

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Chairman Akaka. Thank you very much, Mr. Osendorf.  
Mr. Clark, please proceed with your statement.

DRAFT



STATEMENT OF ROBERT CLARK, ASSISTANT DIRECTOR,  
ACCESSION POLICY, OFFICE OF THE UNDER SECRETARY OF  
DEFENSE FOR PERSONNEL AND READINESS

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

The original GI Bill of Rights, created at the end of World War II, gave returning Service members a comprehensive package of benefits to compensate for opportunities lost while in the military and to ease their transition back into civilian life. That GI Bill offered returning soldiers, sailors, Marines and airmen payment for tuition, fees, books and supplies, along with a living stipend at the educational institution of the veteran's choice.

Although there have been several GI Bills since the original, the Post-9/11 GI Bill is the first to directly mirror this original milestone program, again offering returning soldiers, sailors, Marines and airmen payment for tuition, fees, books and supplies along with a living

stipend at the educational institution of the veteran's choice. However, one difference is that the original GI Bill was designed to ease the transition to civilian from a conscripted military during a massive drawdown, during a short period of time.

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

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

Specifically, DoD has three major roles in implementation. The first role in successful implementation of the Post-9/11 GI Bill is the sharing of Service data with VA. We recognize the road to becoming a veteran always

entails passage through service in the military. Accurate reporting of that service is vital to the determination of eligibility for post-Service education benefits. We recognize our role in that reporting.

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

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

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

the FY 2011 National Defense Authorization Bill.

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

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

DoD is committed to the success of the Post-9/11 GI Bill. From the beginning, we started outreach to both our internal and external audiences to support recruiting. The Post-9/11 GI Bill has become an integral part of both Service recruiting programs and joint advertising. To support retention, we established a special page on the

Defense Link website for the Post-9/11 GI Bill, participated in numerous interviews and round tables resulting in articles in almost every military installation newspaper, published a final rule in the Federal Register, and printed information and links to both the VA website for the Post-9/11 GI Bill and the DoD website on leave and earnings statements for all military members. We have been working very closely with VA Education Services since the enactment and will continue to work side-by-side with staff.

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

[The prepared statement of Mr. Clark follows:]

DRAFT

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

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

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

Chairman Akaka. Well, if this is appropriate for you, will you do the slides?

Mr. Wilson. Yes, sir.

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

The first slide entitled "Benefits Payments" is a side-by-side comparison of the structure and needs under the Montgomery GI Bill versus the Post-9/11 GI Bill. Under the existing benefit payment structures existing prior to the Post-9/11 GI Bill, we were looking at essentially a single monthly benefit payment specifically to the individual. One payment went out each month directly to the individual. And

benefit payments were paid essentially according to a fixed-rate scale. There were some variations in that, but basically, it was a one size fits all type of program, and it still is. All benefits were paid again directly to the beneficiary.

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

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

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

The next slide, entitled "Claims Processing

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

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

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

Turning to the last slide, titled "Chapter 30 Claims Processing Tasks," as you can see, there are many more steps to process a Chapter 30 claim, first of all, the 33 steps



that I talked about. And these are the individual steps that go into the 82-minutes it takes to process a claim for the Chapter 33. As you can see, some of those are automated. The majority of those are manual, requiring a lot of manual keystroking for our claims examiners.

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

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

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

What one change do you believe would be most important to make in order to streamline and simplify the implementation of a new program?

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

From the user perspective, from the students, the veterans' perspective, what I hear a lot about it is the confusion of having more than one GI Bill program. As you are aware, the programs that we had prior to the Post-9/11 GI Bill are still in existence, and individuals need to make

those decisions on what the best program is for them based on their unique situations. It is not always the Post-9/11 GI Bill. It is not always the Montgomery GI Bill. But that decision process causes a lot of confusion for our students, and it makes it that much more cumbersome for us to administer as well.

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

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

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

screens.

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

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

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

Chairman Akaka. Thank you.

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

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

Chairman Akaka. Thank you.

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

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

We from the very beginning put word out to all of the training sites to ensure that these new members realized that there are limitations on the ways that the Post-9/11 GI

Bill can be used. It is limited to institutions of higher learning, where the Montgomery GI Bill can be used for on-the-job training, apprenticeship programs, vocational programs, flight training, and many other ways of training. So we have advised them to keep in mind what their post-Service options may be.

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

Chairman Akaka. Thank you very much.

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

OPENING STATEMENT OF SENATOR BURR

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

Chairman Akaka. Your statement will be made a part of

the record.

[The prepared statement of Senator Burr follows:]  
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Senator Burr. And I would point out to the Chair that my last paragraph of my opening statement praises his willingness to work with me as we try to draft a technical corrections bill. And I thank you, Mr. Chairman, for that.

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

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

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

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

We have preliminary data, but the core issue that we are looking at right now is validating the data. The Inspector General, VA Inspector General Office, is looking at the Post-9/11 GI Bill payments, including the advance payments, and once they have validated the information, then we will be able to have something solid that we can talk about with a level of confidence.

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

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

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

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

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

Mr. Wilson. Every individual that received an advance payment, when their claim was processed, their total amount that was due, based on their claim situation, was paid. So



they were paid \$3,000 in addition to the amount that they were entitled to, based on their enrollment status. So our process for recouping the payments is to recoup that \$3,000 that they were paid beyond what they were entitled to under the program.

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

Is that an accurate statement?

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

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

Mr. Osendorf. 355.5 million total advance payments made.

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

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

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

Mr. Wilson. That is correct.

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

Mr. Wilson. The short answer to that is no. We did

not like going down the advance payment road to begin with, but we felt it was something that we had to do to make sure our students were receiving the money they needed to stay in school.

Since we worked our way through the fall enrollment in August, our ability to process claims has greatly increased. We believe we have the resources in place to continue to provide timely payments. At the beginning of the fall semester, we were processing, and had the capability of processing, about 1,800 claims a day. Opening into the spring semester, it was about 7,000 a day. And, obviously, our timeliness is that much better. We expect to be able to maintain that level of performance.

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

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

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

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

Senator Burr. Should be or will be?

Mr. Osendorf. It will be. The system is automatically

designed to do that.

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

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

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

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

Senator Burr. I thank you.

Mr. Chairman, my time has expired, but I would ask the Chair to consider talking to me about a formal committee request of the questions. I submitted 300 questions to the Veterans Administration. I got 111 responses after well over 60 days. And I think that as you can tell from some of these, there are budgetary issues. They are issues that will affect future payments of eligible individuals. There

may be individuals that lack an understanding that they were overpaid.

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

Chairman Akaka. Thank you.

Senator Tester.

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

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

But I have my concerns. I have talked to students and school personnel about the program, the new GI Bill. Their top complaint is communication. They do not believe that the VA is doing a good enough job listening. Part of the

problem is in Montana, there is no VA employee on the ground to deal with this. I have requested one several times, in fact. We have been turned down. We have been told that they need to go to VA personnel in St. Louis because that is who can handle that problem. To be blunt, it ain't working.

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

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

Do you have any comment in regard to that?

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

Senator Tester. Okay.

Mr. Wilson. As you are aware, we were in a situation in the fall that we did not like being in. We had an all hands on deck effort. We had our education liaison representatives that are the school's key VA contact working claims, processing claims. We had a lot of our call center

folks processing claims as well. We did not like doing that, but it is a tough decision we made to get the checks out the door.

Senator Tester. How about moving forward?

Mr. Wilson. But we have got--I am sorry.

Senator Tester. How about moving forward?

Mr. Wilson. Yes.

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

Mr. Wilson. Yes, and we have--

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

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

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

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

When is the automation going to occur?

Mr. Warren. The automation, so the first phase rolled out, and there is some automation in it for the limited number.

Senator Tester. Not much by the charts.

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

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

Mr. Warren. The first full set of capability is in that June 30th time frame, so I would--

Senator Tester. This year?

Mr. Warren. This year, so--

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

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

Senator Tester. Eighty percent of them. So 80 percent of those on that list that we are looking at right there, that says "Chapter 33 Claims Processing Tasks," will be in the automated.

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

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

Senator Tester. That is fine.

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

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

Senator Tester. Okay.

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

Senator Tester. So you know how it works.

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

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

Senator Tester. Of this year?

Mr. Warren. Of this year. So again--

Senator Tester. And will that cut the time for



processing down to 15 minutes or less, like the old program? I mean, you must have goals. I mean, automated processing should save you something.

Mr. Warren. Yes, the goal is to reduce it down to a reasonable amount of time. I think it is difficult to compare something which is a single thing to multiple decisions that need to be made. But with bringing automation on board, yes, it should bring it down to something comparable.

Senator Tester. Okay. That is fine.

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

Senator Tester. Sure, absolutely.

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

Senator Tester. Yes.

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

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

Mr. Wilson. Pardon me?

Senator Tester. But less than you have now.

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

Senator Tester. Okay.

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

Senator Tester. Perfect.

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

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

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

Senator Tester. Thank you.

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

Chairman Akaka. We will have a second round.

Thank you, Senator Tester.

Senator Brown, you have questions?

Senator Brown from Massachusetts. Thank you, Mr. Chairman. I appreciate the opportunity to be here and on this committee.

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

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

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

productivity.

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

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

Mr. Wilson. I will talk about it from probably a higher level and ask Mr. Warren to get into any IT details. The interim solution that we had talked about, the method in which we are paying claims right now, had the capability--in the time frame we were given, we had the capability of creating a single rate table. And the tool that we are using right now only has the capability for the 2009 rates.

There is no relationship, no ability to create a relationship to more than one rate.

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

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

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

Mr. Warren. The capability will come online in this tool such that it has the ability to change rates as we go forward. So the tool that we are deploying is not a--it is something for the future that allows the ability to change

multiple rates. It allows the ability to actually automate this whole process based on rules. What we had before was an augmented manual process. With the time that was available to put it in place, it was build the tools we could.

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

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

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

Mr. Wilson. There is no plans from the perspective of we are administering the program as it is laid out in the statute right now. Mr. Warren can probably talk to it better than I, but my understanding of the IT system is that

it is developed in an architecture that gives us a wide degree of flexibility. So as things do change, we have the ability to quickly account for those changes and pay benefits, continue to pay benefits timely without a negative impact on service.

Senator Brown from Massachusetts. One final question, Mr. Chairman, and then I will be done. I appreciate your indulgence.

As a Guardsman presently serving, and also many of my brothers and sisters who serve, when they are activated under Title 32, they are not eligible for the Post-9/11 GI Bill, as you know. If, in fact, we through our efforts make any changes to that, are you able to absorb those additional 30, was it 32,000 or whatever amount, that may potentially be eligible?

Are you able to handle that type of influx?

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

Senator Brown from Massachusetts. Great.

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

Senator Brown from Massachusetts. Correct.

Thank you, Mr. Chairman.

Chairman Akaka. Thank you very much, Senator Brown.

Senator Burriss, for your questions, please proceed.

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

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

Mr. Wilson. The payments are made through our current fiscal transaction process, and they go directly through EFT, electronic funds transfer, assuming the school has an EFT account, into their bank account that they indicated to us.

Senator Burris. To the school or to the student?

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

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

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

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



that they pay.

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

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

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

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

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

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

Mr. Wilson. No, we are not required to do that under

the statute.

Senator Burris. Okay. So how do you determine the payment of it is a flat amount? So how do you determine the flat amount?

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

Senator Burris. Okay. That was more complicated than I anticipated. I thought I could get that quickly.

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

Mr. Wilson. They are located at four locations across the country, Buffalo, New York; Atlanta; St. Louis and Muskogee, Oklahoma. We also have individuals from some of our other regional offices assisting currently.

Senator Burris. So all the processing--because I was talking to General Shinseki and he told me how you-all got inundated with all of these applications, which just overloaded the system.

So there are four processing systems where all this goes into. If I was going to Southern Illinois University in Carbondale, then I would make my application. Where would I file my application if I was a veteran?

Mr. Wilson. I believe Illinois would be St. Louis, but

I would have to--I will get that information for the record.

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

Mr. Wilson. Yes.

Senator Burris. Okay. Just a little joke. Smile, Mr. Wilson.

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

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

Are we prepared for that?

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

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

Senator Burris. Very good.

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

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

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

Senator Burris. Mr. Chairman, may I have the liberty

to ask one more question because I will have to leave to  
preside. I just want to have one more question.

Is it possible?

Chairman Akaka. Fine.

Senator Burris. Thank you, Mr. Chairman.

Mr. Wilson, my office has received reports that the  
overworked VRE and the counselors are pushing veterans to  
the GI Bill despite the fact that many of the  
Service-disabled veterans might need the supportive services  
that VRE provides.

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

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

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

Thank you very much, Mr. Wilson.

Chairman Akaka. Thank you very much, Senator Burriss.

Now, Senator Isakson, please proceed with your questions.

Senator Isakson. Thank you, Mr. Chairman.

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

Is that not correct?

Mr. Wilson. Yes, that is correct.

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

Explain the Yellow Ribbon program to me.

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

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

In those types of situations, the Yellow Ribbon agreement allows the VA to enter into agreements with specific schools uniquely to that school. And under those agreements, the school can agree to waive up to the half of the difference between their charges and what the state maximum is, and VA will match the amount that the state offsets. So if a school wanted to participate fully in the Yellow Ribbon program, any student's charges would be fully covered at that private institution as well.

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

Mr. Wilson. Each state has different policies, procedures, local regulations on--

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

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

Senator Isakson. And in your Yellow Ribbon agreement, let's just take a situation where a university has a \$10,000

differential for out-of-state tuition. It allows them to waive up to 5,000 and the VA to match it.

Is that what I understand?

Mr. Wilson. Yes, that is correct.

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

Mr. Wilson. That is correct.

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

Mr. Wilson. Yes.

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

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

Senator Isakson. Okay. With regard to states where there is a tuition benefit that a veteran may earn, Georgia has the HOPE Scholarship program; I know California has free tuition programs, do you offset benefit based on that state benefit?

Mr. Wilson. It will depend on the mechanics of how that program is administered in the state. Broadly speaking, yes. What we pay under the Post-9/11 GI Bill is



actual charges. Now, whether or not those charges would exist in a state, that would impact what we would pay, how much we would pay under the Post-9/11 GI Bill. So those type of programs, if there is no charges, then we make no payments.

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

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

Senator Isakson. Thank you very much to all of you. Thank you, Mr. Chairman.

Chairman Akaka. Thank you very much, Senator Isakson. Senator Begich, your questions, please.

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

I have a few, but first--and I apologize for being late, so let me ask. I always give my colleague next to me a lot of harassment. He probably took my binder, asked all my questions. He did. See? But let me ask first a general question.

Do you or are you in the process of surveying the students who have accessed the Post-9/11 Bill in getting some sort of response and issues that they are showing as

problems or positive things? Can anyone answer that?

Mr. Wilson. We are constantly working with our stakeholders, most specifically our students. We receive information on their concerns several ways. First of all, they can contact us directly and do that. We also have our existing relationships with the school certifying officials at the schools, with the state approving agencies in the states, as well as Services organizations.

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

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

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

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

Senator Begich. Okay.

Mr. Wilson. We have a very aggressive outreach

mechanism in place. It goes back to the time when an individual was in the Service. We do four direct mailings to an individual during their active duty, one six months into Service, two years into Service, six months prior to separation and at separation. So we give them redundancy in the information. That is a push of information.

We also work very hard--

Senator Begich. That is to get them--if I can interrupt for a second, that is to get them connected to know what those benefits are.

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

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

Senator Begich. Excellent, great. In that vein, do you--to step one more on what you are talking about with the stakeholders, with universities, and I am going to walk through just a couple concerns from our University of Alaska

because they have some issues, do you have a process when a university has issues? What do you do? Walk me through that just so I understand it.

The university says look, we are not getting this kind of response from the VA. Several of these items that they have listed to me, they may get notification. For example, the consumer gets notified that there is an overpayment and so then they have to--but the university may have already sent the overpayment back to the VA.

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

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

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

If I could add one other thing. As mentioned already,

we work with the school certifying officials as well. They have a professional organization that we work--the National Association of Veteran Program Administrators that we have a strong relationship with, and we work with them specifically on those type of issues as well.

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

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

Mr. Osendorf. The individual will normally contact the Debt Management Center, discuss the debt. We will work with him. We normally try to recoup a payment within a one-year time frame.

Senator Begich. Okay.

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

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

Mr. Osendorf. Most definitely.

Senator Begich. I know it is always the student should not have probably spent it, but they probably did not realize that they had that payment. And so your job then

is, again, one year, and then after one year, up to three years you can, but that requires kind of their financial capacity.

Is that what you are trying to judge there?

Mr. Osendorf. Correct, correct.

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

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

Senator Begich. Okay. Let me end there. Thank you, Mr. Chairman.

Chairman Akaka. Thank you very much, Senator Begich. We will begin our second round here.

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

When will it be released to the other three?

Mr. Wilson. The rollout for Release 1 was modified to be a limited release because we simply in the time frame, to

stay on schedule, did not have the capacity of putting in all the functionality that we could. The group of claims that we can process under Release 1 are only original claims. So those individuals that we are already paying benefits to, we will not be able to move them into this new system until Release 2 and the data conversion occurs for that.

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

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

How many schools are receiving these payments?

Mr. Wilson. How many schools? It is at least 247,000 schools because that is the number of Chapter 33 students that we are paying. Now, we do know that there are about

40,000 students who are attending more than one school. So in addition to that 247,000 schools that we know we are paying, you can add another 40,000 for the second school that some of those students are attending.

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

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

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



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

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

The overpayment issue is something that has been questioned about by many people on this committee. I am going to give you an example of what is happening in Montana. I know you guys have expressed different things happening. I think maybe it has a different thing happening in what region you live in. But let me give you an example.

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

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

Mr. Wilson. I have limited information, but I will

provide what I do have.

Senator Tester. Okay.

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

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

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

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

Senator Tester. So we are going to fix it.

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

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

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

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

How can we improve that process?

Mr. Wilson. Part of our new IT strategy, Mr. Warren alluded to this earlier, is a web self-service portal, the ability for an individual to go onto a website without having to communicate over phone or letter to us and pull information down. That is the mechanism that we can use to provide that type of information. Once an individual is in our system, we would like the individuals to be able to pull revised eligibility information down whenever they need it.

Senator Tester. As I said in my opening round of questions, communication is the biggest problem we have got right now from our perspective in Montana. The

communication thing cannot be fixed from St. Louis, Missouri. If you would do your best to get that fixed, I would sure appreciate it. Thank you.

Mr. Wilson. Thank you.

Chairman Akaka. Thank you very much, Senator Tester. Senator Begich.

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

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

Senator Begich. That is first.

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

I am familiar with a lot of loan activities. I was the chair of the Alaska Student Loan Corporation for seven

years. We dealt with these issues on a regular basis. It is about the use of technology and how the stakeholders or in this case, the educational institutions, respond and participate.

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

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

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

Mr. Wilson. Anything I would put out here would be speculation on my part, so I do not feel comfortable providing any dates at this point. I would echo and agree completely with what you said. The key of what we want to

do is get veterans in school and get them to graduate. If they do not graduate, nobody is the winner on this.

Senator Begich. Right.

Mr. Wilson. Anything that distracts them from being able to study and graduate is not a good thing. As a recipient of government letters about overpayments, I know full well what that does, and we are going to do everything that we can to keep that from happening.

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

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

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

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

if you do not--

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

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

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

The university or the college or the voc ed program was the conduit to the student, and our priority was always--there is always a confusion among the institutions that they think they are the customers, and they are not. And so those institutions that might be represented in the audience here, I just want to make that very clear, that

customers are the people who actually have to pay the loan. And that is standard with a lot of corporations around the country that deal with student loans, that there is a confusion of who is ultimately the customer. But I have a great sense that you clearly understand that.

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

Chairman Akaka. Thank you very much, Senator Begich.

Mr. Wilson, I want to thank you and your staff, especially the claims processors in the four regional centers, for the hard work. On the whole, I believe VA has done a rather remarkable job in a very short period of time of getting a program up and running, and so please send our gratitude to them. Also, Mr. Clark, we want to thank DoD for your part in this.

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

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

I will call up our second panel this morning, which



includes representatives from some, but certainly not all, of the many shareholders. So we will have our panelists come forward.

[Pause.]

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

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

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

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

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

Ms. DesLauriers, please begin with your statement.

DRAFT

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

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

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

It is not business as usual. The program complexities, counseling, fiscal and reconciliation responsibilities associated with this GI Bill have increased the processing time for each claim approximately 300 percent. Skills now required to accomplish these tasks overlap institutional areas which are separate and distinct administrative functions. In order that educational institutions may

comply with the statutory and regulatory requirements governing this GI Bill, written policies and procedures need to be documented by the VA, shared efficiently and consistently throughout their administrative structure and disseminated quickly to the institutions for the implementation.

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

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

The current system of certification has and will

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

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

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

timely and accurate processing.

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

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

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

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

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

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

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

[The prepared statement of Ms. DesLauriers follows:]

DRAFT



Chairman Akaka. Thank you very much, Ms. DesLauriers.  
And now we will ask Mr. Stephens to proceed with your  
statement.

DRAFT

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

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

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

As state approving agencies, we are the face of the GI Bill at the state level. What we do is interface between the federal government, the VA and the certifying officials, and we do this in many different ways.

Some of the questions were asked earlier of the first panel as far as we do annual visits to check and see how things are going with that. We do a tremendous amount with outreach. That can vary all the way from mailings that individual states do to returning veterans, to mass productions of DVDs on the new GI Bill, to liaison with other organizations to providing training for certifying

officials. The third partner, the VA, definitely has a very challenging situation with the increased workload that has occurred.

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

Moving forward, looking at things that can be done as to improve the system, first, utilize state approving agencies as far as expanding their outreach efforts, their training efforts for certifying officials. When we do the supervisory visits, we can provide additional guidance. We can also look for additional things on there. Second, since we visit the institutions, we are a good feedback tool. We can provide you information with that.

Three other changes we would like to bring forward which would improve the administration of the GI Bill. First, and this has already been mentioned, is to find a way

to break the tuition and fee payments to the schools and the housing and the book allowance to the veterans. With states having fiscal years that begin July 1st, it is unlikely, although it does happen, that the highest tuition and fees will be established by July 1st. Many times, it is later than that. In 2009, there were states that did not have their highest tuition and fees established until August. That creates an immediate backlog. So by doing whatever can be done to improve that would be a good thing.

Expand the role of the state approving agencies to include us entering the approved programs directly into the VA computer system for the approvals. This would VA staff in the state the idea of typing those in and rekeying those in.

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

Mr. Chairman, and the members of the Committee, and staff, we appreciate this opportunity. Two other items just

to suggest as an overview of things, these have already both been mentioned, the GI Bill needs to be combined and simplified. Right now, they are very complicated, Chapter 33 especially. So there needs to be an effort in that area.

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

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

[The prepared statement of Mr. Stephens follows:]

DRAFT

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

DRAFT

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

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

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

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

Since the passage and implementation of the Post-9/11 GI Bill, VA has had a rough and rocky start. Thinking that they were fully prepared to implement the biggest changes in GI Bill history, VA sought to put their best foot forward in August 2009. What they soon found out was that the system

was flawed and there was no easy way to process the certificate of eligibility or an actual claim. With a small amount of staff along with the actual time a claim took to be processed, this caused VA to present itself an ever-growing backlog of education claims. Unfortunately, many of these veterans were waiting weeks and months just to get their certificate of eligibility, let alone their claim to be processed.

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

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



decision.

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

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

With all the great benefits the Post-9/11 GI Bill offers, it has unfortunately left out a few educational choices. The American Legion is a strong supporter of allowing the Post-9/11 GI Bill to be used for non-degree-granting institutions. This employment path is a more traditional choice, but vocational apprenticeships, on-the-job training and flight training are not payable by the current bill or 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 a four-year college. They might have a family member and need to become gainfully employed as soon as possible, which is something that non-

degree-granting institutions offer.

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

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

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

The VA has taken all the necessary steps in order to provide a fluid transition for veterans and their families. We have seen numerous bumps along the way, but the VA has

had to make some tough choices such as the emergency payment to correct those problems.

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

[The prepared statement of Mr. Madden follows:]

DRAFT

Chairman Akaka. Thank you very much, Mr. Madden.  
Mr. Reininger, please proceed with your statement.

DRAFT

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

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

I want to especially thank Senator Webb and Chairman Akaka, and the other members of this Committee whose hard work and commitment to veterans secured the largest increase in veterans' education benefits since World War II. Your investment in us will help make us the next greatest generation.

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

As the vice president of the Columbia University

military veterans group and an active member of IAVA, I have firsthand knowledge of the successes and failures of the new GI Bill implementation. And I am pleased to report that the VA's implementation has improved since last fall, but there is still much to be done.

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

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

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

is from enrollment in fall.

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

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

Greater transparency could go a long way, and here is

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

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

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



these things could be implemented on the VA's side.

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

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

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

[The prepared statement of Mr. Reininger follows:]

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

This question is to each of you, and you in your testimony have made some statements about your experience thus far with the 9/11 GI Bill. And we all are looking for ways to improve it. So my question to each of you is, if you could make a single change to streamline and improve the new program, what would it be?

Mr. Madden?

Mr. Madden. Thank you, Mr. Chairman. I appreciate the opportunity to answer the question.

I think someone mentioned earlier here today but what we--during the education symposium that we held at the end of February and the beginning of March, one of the main components that came out of that was clear communications. Some of the reports--and some of it is anecdotal, but we are getting reports from individuals saying, well, I called Muskogee and I get somebody, and I get an answer. And then I call back again and I get a different answer. There does not seem to be the same answer that the veteran needs to get his claim processed or get his payment as soon as possible. And that is kind of one of the main components that came out, was that the individual needs to hear clear and concise answers from everybody and get the same answer from everybody.

Chairman Akaka. Thank you.

Mr. Stephens?

Mr. Stephens. If I had to pick one thing, what I would say is include in the non-college degree institutions, the apprenticeships and on-the-job trainings, the flight, the correspondence and the other programs that were left off.

As I have visited various schools and institutions, and we visit all different types, I have had to tell veterans who are not in an institution of higher learning, not in a degree-granting institution, that they do not have increased benefits. And I have had them look at me and say why. I served in Iraq. I served in Afghanistan. I did the same as the other men and women there. Why do I not have those? And to be quite honest with you, my answer is because it is not currently in the law, but I recommend you contact your member of Congress and try to get it put in there.

So if I had to make one change, that is the change I would suggest.

Chairman Akaka. Thank you very much, Mr. Stephens.

Mr. Reininger. Mr. Chairman, if your question pertains to streamlining--

Chairman Akaka. Mr. Reininger?

Mr. Reininger. --the process, one of my suggestions would be to remove the separation of tuition and fees and just--because the bill as it is reads that public education

at a public university has to be covered for the veteran. I do not understand why the VA cannot just go ahead and pay a public university if there is a veteran.

Then as it pertains to the Yellow Ribbon program, if there were a national baseline established for the Yellow Ribbon program, it would just streamline the whole process because there is no more state certifying their tuition and fees for the current fiscal year. There is no more separation of the two. It is just one payment to the school if it is a public school and one payment to the school if it is a private school. And I believe that would maybe even be a cost neutral solution because it will save many man hours at the VA.

Chairman Akaka. Thank you very much.

Do you have a comment to make?

Ms. DesLauriers. I am glad that my colleagues were able to do that because they filled in all the gaps for me. But I think the most important thing at this time, an immediate issue that needs to be resolved is the certification of tuition and fees being separated from the report of enrollment status in order that our veteran students can receive their living stipend without interruption.

Chairman Akaka. Well, thank you for that. Let me ask another question to all of you. I think each of you has

touched on the importance of more outreach, more outreach and exchange of information. My question to you, to all of you, is what form do you believe this outreach should take?

Mr. Madden?

Mr. Madden. Thank you very much, Mr. Chairman. I know that Faith DesLauriers can speak more of this. But we understand that certifying officials are the go-to people and the individuals who that the student veterans rely on, on a daily basis, not only for their claim but for information regarding the school and how to navigate the process. I think if the VA can coordinate and provide more training beyond what is already being provided to the certifying officials, that they will get the information and it only benefits both parties.

Chairman Akaka. Mr. Stephens?

Mr. Stephens. If I could echo that sentiment also and add a couple other things in. The training of certifying officials is very important. They are the front line. But we also need to emphasize what I call the electronic means of communications. Today's young veterans, they are on Facebook, Twitter and all those things I will never understand, me personally. We need to continue to do that, put information out there, publish different written publications, do welcome home letters, do whatever we can to get the word out there.

Chairman Akaka. Mr. Reininger?

Mr. Reininger. Mr. Chairman, I would like to continue that, also. In terms of modern media, Facebook and tools available on the Internet, if the VA would just transition into implementing those cutting edge technologies, it would be so much more interactive of the process.

I heard earlier that by December there would be an opportunity for the veteran to log in and actually check their account and see what is going on. That kind of information, that kind of accessibility and transparency, really puts the veteran at ease. Everybody knows what is going on, and hours are being saved by doing so. So I believe modern technology is probably the best idea.

For example, when the new GI Bill was rolled out initially, the IAVA had a website with a very simple calculator that told the veteran exactly how much benefits they were entitled to and they were supposed to receive. I do not understand why the VA was not able to do that also. If a nonprofit organization with much less funding can do that within a week, I do not understand why the second largest government agency is not able to do that just as well. Thank you, sir.

Chairman Akaka. Thank you very much.

Ms. DesLauriers?

Ms. DesLauriers. Yes, sir. Again, they are making it

very easy for me. I think that the development of a web portal is imperative to this program because the VA is overwhelmed with the number of phone calls. We certainly appreciate and admire all the work that this program has put on them. I believe that the web portal capturing all of that information so that both schools and students can identify whether a student is eligible, what they are eligible for, can certainly reduce the anxiety that goes with this. So I think the web portal is very, very important.

Chairman Akaka. Well, I want to thank you. This has been a good hearing, and I want to thank all of our witnesses, the first panel as well.

It is clear that the issues involved are quite complex, and working towards making this program more streamlined, efficient and equitable will not be an easy thing to do. But we can put our minds together and continue to strive at this. I was interested in a comment, that every three months, that programs are tried and new ones are put in place if it is needed. And that is one way of moving those along as quickly as we can.

I would note, too, that VA's witnesses have remained here for this second panel, so they have heard you directly with your concerns, and we look forward also to an exchange among you. And we are grateful that all this happened.

As I noted at the opening of the hearing, I will be introducing--I want to repeat that--introducing legislation before the Memorial Day break to begin the process of moving forward in a very deliberate way. I look forward to working with all of you in this effort.

The record of this hearing will remain open for one week for the submission of written statements and questions and responses to questions in writing.

Again, I thank you. This has been a good hearing. This hearing is adjourned.

[Whereupon, at 11:36 a.m., the Committee was adjourned.]

DRAFT