KEITH M. WILSON, DIRECTOR, EDUCATION SERVICE VETERANS BENEFITS ADMINISTRATION

STATEMENT OF KEITH M. WILSON DIRECTOR, EDUCATION SERVICE VETERANS BENEFITS ADMINISTRATION BEFORE THE SENATE COMMITTEE ON VETERANS' AFFAIRS

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Good afternoon Chairman Akaka, Ranking Member Burr, and Members of the Committee. I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs (VA) strategy for implementation of the Post-9/11 GI Bill (chapter 33 of title 38, United States Code). I want to start by saying that I appreciate that these are critical issues that affect the lives of all Veterans and their entitlement to the richly-deserved benefits and services VA provides for disabling injuries and illnesses they incurred while serving our Country. This is, indeed a sacred trust, and we are committed to the transformation into a 21st Century VA. My testimony will address the information technology (IT) solutions being pursued by VA and the implementation of the Post-9/11 GI Bill, as requested by the Committee.

The Post-9/11 GI Bill will provide Veterans, servicemembers, and members of the National Guard and Selected Reserve serving on active duty in the Armed Forces on or after September 11, 2001, with educational assistance, generally in the form of tuition and fees, a monthly housing allowance, and a books and supplies stipend, to assist them in reaching their educational or vocational goals. This program will also assist in their readjustment to civilian life, support the armed services recruitment and retention efforts, and enhance the Nation's competitiveness through the development of a more highly educated and productive workforce.

Background
The processing of VA education benefits for the existing benefit programs is generally accomplished through the Benefits Delivery Network (BDN). This system, although aging, has been modified to support many of the changes in the benefit programs over the years; primarily because the basic payment structure for the programs had not changed. The basic structure is one of payments made directly to Veterans or service members based on an established full-time rate, adjusted by the number of credit hours attended by the individual.

The Post-9/11 GI Bill significantly changes the administration of education benefits in a number of ways. No longer are benefits paid only to the claimant, but to both the claimant and directly to the educational institution. Further, instead of a single payment being made based on a single calculation for the number of credit hours enrolled, VA is required to make three separate payments (tuition and fees, a housing allowance, and a books and supplies stipend). These payments are not based solely on hours enrolled, but also on the geographic location of the claimant's school. Because of these major differences, VA had no immediate IT solution available to accommodate this new benefit program, and modification of the existing BDN system to provide a comprehensive solution was not possible by August 1, 2009.

When the Montgomery GI Bill (MGIB) was enacted in October 1984, individuals could not begin using benefits until 24 months of active-duty service after June 30, 1985, had been completed. Thus, VA had approximately 32 months to prepare to deliver benefits. VA received 5,760 claims for MGIB benefits through 1988. In contrast, the law that established the Post-9/11 GI Bill, with its far more complex payment requirements, allowed VA only 13 months to develop a payment system for what likely will be hundreds of thousands of claimants who will be immediately eligible for benefits on and after August 1, 2009.

Prior to the enactment of the Post-9/11 GI Bill, VA had been moving towards rules-based technology for delivery of education benefits. However, this initiative was not scheduled for implementation prior to 2013.

Interim Solution
Our short-term strategy to implement the Post-9/11 GI Bill consists of a two-part IT solution; a fiscal payment system which uses the existing Benefits Delivery Network (BDN) to issue payments, and a "Front End Tool" (FET) for use by VA claims examiners to augment the manual adjudication of the claims.

We are using internal IT staff to build the needed payment processing and delivery mechanisms within the BDN fiscal payment system. This functionality will allow for entry of all payment types including recurring payments (housing allowance), and provide accounting, audit trail, and some reporting capabilities to meet finance and budgetary requirements.

The Post-9/11 GI Bill FET will augment the manual process, providing additional support that is accessible by processors in our Regional Processing Offices (RPOs) and VA Central Office. The VA Office of Information and Technology (OI&T) is delivering the functionality of the FET in three phases, which are based on VA priorities, and account for the capabilities and resources available from OI&T. Phase 1 of this effort delivered the capability to accept applications and electronically store eligibility and entitlement information that claims examiners enter manually. Phase 2 will add specific data elements for processing claims under the transfer of entitlement provision of the law, provide the capability to perform payment calculations for school enrollment periods, and contain additional field validations. Phase 3 will add the capability to perform calculations for aggregating service periods and determining entitlement amounts and benefit level. The FET will be the primary tool used by VA claims examiners in preparing and processing education awards.
Education Service conducted Phase 1 testing of the FET from January 28, 2009, through February 13, 2009, utilizing teams of subject-matter experts. Phase 1 was successfully deployed on March 9, 2009.

The functionality for Phase 2 of the FET is expected to be available for use by VA claims examiners by July 6, 2009. Phase 2 supports payment calculations based on enrollment data; this

availability date coincides with the planned production availability of the BDN fiscal payment system.

Development of the BDN short-term solution is on schedule. The BDN portion of the short-term solution allows for input of multiple fiscal transactions to
pay tuition and fees and Yellow Ribbon Program payments to schools, as well as recurring housing allowance payments, books and supplies stipends, and various other Post-9/11 GI Bill payments to students. Full system testing of the BDN solution is scheduled to begin on May 4, 2009, and will be conducted over a seven-week period through June 2009.
Phase 3, which includes our lowest priority functions having the least impact to our ability to process claims, is expected to be operationally ready by the end of September 2009. The most significant impact of a delay in this phase would be the inability to amend enrollment periods that have been entered into the FET. Due to the complexity of the payment calculations, additional development time was required to address the complication in amending those enrollment periods when necessary. VA will be required to amend the enrollment periods manually if this capability is not available.

In addition to the modifications to the BDN fiscal payment system, i.e., the Back End Tool (BET) and the development of the FET, VBA is working with system developers from OI&T, as well as our Office of Business Process Integration, to enhance key existing IT systems. For example, VA-ONCE, an application that allows school certifying officials to transmit enrollment data electronically to VA, is being modified to accommodate the reporting requirements of the new program.
It is important to remember that this IT approach is a short-term solution that we expect to retire by December 2010, when the new replacement system
that will be used for the long term is deployed in cooperation with our partners at the Space and Naval Warfare Systems Center Atlantic (SPAWAR).

Long-Term Strategy
Our long-term strategy to implement the Post-9/11 GI Bill will rely on support from SPAWAR, to design, develop, and deploy an end-to-end solution that utilizes rules-based, industry-standard technologies, for the delivery of education benefits. The Post-9/11 GI Bill contains eligibility rules and benefit determinations that will work well with rules-based technology that requires minimal human intervention. VA is currently working with SPAWAR on the long-term IT solution, and expects the development of this program to be completed no later than December 2010.

Mr. Chairman, this concludes my statement. I want to conclude by stating that I am personally committed to ensuring the success of this program, as is every employee working tirelessly on this project. It is our sincere hope that you will gain a clear vision as to the process, and our progress. Our clients are the Veterans, and we are privileged to be charged with providing the

Veterans with timely benefits - we will meet that charge. I would be pleased to answer any questions you or any of the other members of the Committee may have.