THE FUTURE OF THE POST–9/11 GI BILL CLAIMS PROCESSING SYSTEM

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

OF THE

COMMITTEE ON VETERANS' AFFAIRS
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C O N T E N T S

January 21, 2010

THE FUTURE OF THE POST–9/11 GI BILL CLAIMS PROCESSING SYSTEM

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THURSDAY, JANUARY 21, 2010

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

The Subcommittee met, pursuant to notice, at 1:13 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, Perriello, Adler, and Boozman.

OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN

Ms. HERSETH SANDLIN. Good afternoon, ladies and gentlemen.

The Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, Oversight Hearing on the Post-9/11 GI Bill Long-Term Solution will come to order.

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

Hearing no objection, so ordered.

Some of those in attendance may recall that our first hearing of 2009 was on the implementation of the Post-9/11 GI Bill. This was followed up by supplemental hearings that sought to ensure the U.S. Department of Veterans Affairs' (VA's) progress on the short- and long-term information technology solutions.

I hope that it is clear to our panelists before us today that by making this our first hearing of 2010, we demonstrate the continued importance of the subject at hand.

I am sure my colleagues will agree that the current delays in processing education claims are simply unacceptable. A number of my colleagues not on this Committee have spoken to me directly or have written to me documenting experiences of student veterans that they represent who have suffered some of the consequences of the delays in processing these claims.

While the Administration shares my concerns regarding these shortcomings, more has to be done. However, the blame doesn't rest solely with the VA. The processing of a single claim requires multiple steps involving multiple parties and computer systems, all of which must work in sync with one another in order for veterans to receive his or her benefits in a timely manner. These computer difficulties demonstrate the need for a fully functional Long-Term Solution.

Furthermore, the Subcommittee's staff recently visited the VA's Regional Processing Center and Education Call Center in Muskogee, Oklahoma, and some concerns have been raised from that visit. They include the closure of Education Call Center hours on Thursdays and Fridays. This provides veterans only 3 days to call for assistance on education matters. While we understand the value of using Call Center staff to process education claims, the VA can have the Call Center open 5 days a week by dispersing the same work hours throughout the week.

Second, the availability of temporary employees after September 2010 is a concern. While we all would like to have a fully operational Long-Term Solution by December of this year, the reality of the limited time frame to implement this complex Information Technology (IT) system may require the VA to push back its deadline. Ensuring that VA has the trained personnel to continue to process education claims and field incoming calls can help avoid further delays in receipt of education benefits.

The third concern involves VA's current policy limiting Education Call Center operators from taking action on education claims outside of that particular region. The current policy requires that claims originating outside of the Muskogee region must be referred to the appropriate regional office (RO) for action. We have been informed that by authorizing these operators, who are responsible for taking all education benefit calls, to make simple updates to a veteran's file would result in faster service and avoid long wait periods for action.

And finally, the visit to the Education Call Center raised equipment concerns that create dropped calls and require constant maintenance that I hope the VA will address quickly.

I look forward to hearing from our distinguished panelists participating in today's hearing, specifically on how the VA is addressing these concerns and making progress in implementing its Long-Term Solution that seeks to streamline the way education claims are currently processed. I would now like to recognize the Ranking Member, Mr. Boozman, for any opening remarks he may have.

[The prepared statement of Chairwoman Herseth Sandlin appears on p. 22.]

OPENING STATEMENT OF HON. JOHN BOOZMAN

Mr. BOOZMAN. Thank you, Madam Chair.

The successful development and implementation of the new computer system to manage the Post-9/11 GI Bill is vital to delivering accurate and timely education benefits, not just for the Chapter 33 but for all of the education programs.

Before we begin, I would like to echo some of the things that the Chair just spoke in regard to, the three issues that they had some concern about in the Muskogee RO. I have had the opportunity to go to Muskogee, and they do a great job. They work awfully hard. And I think it is an operation that we can be very proud of.

One of the things that came about while they were there in meeting with managers and frontline claims and Call Center workers, the staff expressed their concern, as was mentioned, that the Call Center was closed 2 days a week to allow the workers to assist in processing education claims. While the staff readily agreed that

the diversion of some labor hours to processing claims, they suggested that perhaps spreading those processing labor hours over the work week would allow the Call Center to remain open. As a result of that discussion, local VA management forwarded a request to the VA's Office of Field Operations to make the changes suggested. And again, I think therein lies our concern.

And I think we have a little bit of concern about, maybe about those people not being empowered to, perhaps, being on the ground to actually determine what they feel like is best within a degree and, as these things come up, to respond and have some flexibility to solve these kind of problems.

The Call Center operates from 7:00 to 5:00 central time, but no one answers calls coming outside those hours. That means that anyone living outside the continental U.S. has a very limited window in which to contact the Call Center. Given the high rates of blocked and dropped calls, I think it is probably fair to assume that if you are a beneficiary living in the Pacific and European areas, which there are, a bunch of people in that category, I think they probably have a significant problem of getting assistance from the Call Center.

Again, I think that perhaps the solution might be to stagger the working hours of a few employees to cover the wider range of the day. If that takes additional overtime or incentive pay based on the staff's discussions with the Call Center employees, the extra hours of pay or pay differential would be welcome.

Another thing that came up was that the staff said that, every call they take regarding the Post-9/11 GI Bill, it is not uncommon at all to hear complaints about the difficulty in getting through to the Call Center. And as I have said earlier, I think that, in working those things out, I do think that it would be to everyone's benefit if the Muskogee team had the flexibility to kind of adjust things depending on how things were going so that they could be as efficient as possible.

Regardless, closing the Call Center 2 days per week when there are alternatives to meet the VA's claims production needs and provide customer service I think are out there at the same time.

So, again, that is something that we need to perhaps talk about at a later date. But we just kind of throw that out, realizing, and again, it is sad that as we have these kinds of hearings, we are talking about the negative things or things that we see that perhaps need to be improved. On the other hand, I very much compliment the people who are working really hard in Muskogee at the Call Center to do the very best job that they can do.

I guess what I am saying is, if there is something that we can do helping you or if you can look or if there are things we can do to improve that, I think that we would be very happy to assist you in doing that.

So thank you very much, and I yield back.

[The prepared statement of Congressman Boozman appears on p. 22.]

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

I would like to welcome our panelists testifying before the Subcommittee today.

Joining us on our panel is Mark Krause, U.S. Department of Veterans Affairs Program Manager (Space and Naval Warfare Systems Center Atlantic), U.S. Department of Defense (DoD); and the Honorable Roger Baker, Assistant Secretary for Information and Technology, Office of Information and Technology (OI&T), U.S. Department of Veterans Affairs. Mr. Baker is accompanied by Mr. Jan Frye, Deputy Assistant Secretary for the Office of Acquisition, Logistics and Construction, U.S. Department of Veterans Affairs; and Mr. Keith Wilson, Director of Education Service, Veterans Benefits Administration (VBA) with the U.S. Department of Veterans Affairs.

Gentlemen, welcome. We look forward to your testimony.

Captain Krause, we will start with you.

We welcome you back, and you are now recognized for 5 minutes.

STATEMENTS OF CAPTAIN MARK KRAUSE, USNR (RET.), U.S. DEPARTMENT OF VETERANS AFFAIRS PROGRAM MANAGER, SPACE AND NAVAL WARFARE SYSTEMS CENTER ATLANTIC, DEPARTMENT OF THE NAVY, U.S. DEPARTMENT OF DEFENSE; AND HON. ROGER W. BAKER, ASSISTANT SECRETARY FOR INFORMATION AND TECHNOLOGY, OFFICE OF INFORMATION AND TECHNOLOGY, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY JAN R. FRYE, DEPUTY ASSISTANT SECRETARY, OFFICE OF ACQUISITION, LOGISTICS, AND CONSTRUCTION, U.S. DEPARTMENT OF VETERANS AFFAIRS; AND KEITH WILSON, DIRECTOR, OFFICE OF EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF CAPTAIN MARK KRAUSE, USNR (RET.)

Captain KRAUSE. Good afternoon, Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the current status of the Chapter (CH) 33 Long-Term Solution. My testimony will address the key milestones and dates, current progress of the Long-Term Solution, capabilities of the planned releases and the project challenges.

The Chapter 33 Long-Term Solution key milestone dates and milestones are as follows: March 31, 2010, plan date for Release 1; June 30, 2010, plan date for Release 2; September 30, 2010, plan date for Release 3; December 31, 2010, plan date for Release 4.

Progress of the Chapter 33 Long-Term Solution: During the 4 months since our last meeting with the Subcommittee, the Chapter 33 team has accomplished the following: Completed a rules-based engine locating all Chapter 33 business rules in one area separate from the application logic, consistent with service-oriented architecture principles; established the development and production hosting capabilities in a secure cloud computing environment with secure network connections to VA legacy systems; successfully integrated subject matter experts from the VA's field operations into the development process to ensure the Chapter 33 Long-Term Solution application will best support the veterans claims examiners' (VCEs'), processing requirements and priorities; completed a com-

plex data interface with VA/DoD Identity Repository, called VADIR, application.

Our near term goals include deploying an early Chapter 33 Long-Term Solution Release 1.0 in March 2010 to a limited number of VCEs, or claim examiners, where original claims can be moved to and processed in the Long-Term Solution automated rules-based environment.

Explanation of the system being developed: There are four Veterans Affairs regional processing offices responsible for processing thousands of claims for veterans seeking to use Chapter 33 educational benefits. The adjudication process relies on highly trained VCEs, or claim examiners, to determine eligibility, calculate entitlement, and process the award. This requires them to interface multiple disjointed systems and perform significant manual entry.

The objective of the Chapter 33 Long-Term Solution is to support new legislative requirements with a Web-based tool that will provide automation and standardization to the adjudication process. This will significantly reduce the time to process a claim and the number of VCEs required. Additional benefits will be efficiency, accuracy, predictability and reliable results. Additionally, the tool will support the need for transparent data exchange and reporting while being flexible enough to adapt to future changes in policy and law.

The capability of the planned Chapter 33 Long-Term Solution releases are, Chapter 33 Long-Term Solution Release 1.0 will be deployed to incorporate the core features necessary to process new claims to include tuition payments, housing allowances, reenlistment incentives, books and fees. The primary objective of Release 1.0 will be to validate application performance, deployment strategies, and expected changes to business operations. A key system interface will be eligibility data from VADIR, the VADIR application.

Release 2.0 will begin the transition from the current Chapter 33 interim solution front-end tool (FET) and job aid, enabling the claim examiners to completely migrate off the Chapter 33 interim solution. Release 2.0 will expand the capabilities of the earlier release by enabling VCEs, or claim examiners, to amend awards and process transfer of entitlement claims.

Release 3.0 will improve claims processing efficiency by automating the complex Chapter 33 financial transaction/authorization process currently required to authorize payments for claims. This will be achieved by establishing a system interface with the VA's financial accounting system.

The feedback from Releases 1 through 3 will determine the requirements and scope of Release 4.

The challenges being overcome include translating the complexity of the Chapter 33 benefits adjudication into a business rules approach that will enable the system to quickly adapt to legislative interpretations, changes and priorities. Number two, it will include access to the limited number of subject-matter experts in claim adjudication processes and policies; identifying the myriad number of scenarios for amending/changing award amounts; converting data from the VA interim solution because of independent workarounds and interpretations at RPOs; and five, the complexity and incon-

sistency in systems architectures and data across multiple VA and DoD systems.

Training requirements: A Chapter 33 Long-Term Solution team is currently developing a Web-based interactive training system to teach VCEs how to use Long-Term Solution application to process Chapter 33 claims. The training system will include self-paced tutorial material and hands-on processing of simulated Chapter 33 claims; 508 compliant learning system to assess individual VCE's progress and demonstrate competency using the LTS system; classroom training materials to teach the RPO training coordinators how to administer the Web-based system to the claim examiner community; and on-site support during the initial RPO deployment.

We are confident that the release of the Chapter 33 Long-Term Solution will be completed by December 31, 2010.

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

[The prepared statement of Captain Mark Krause appears on p. 23.]

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

Mr. Baker, you are now recognized.

STATEMENT OF HON. ROGER W. BAKER

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

I appreciate the opportunity to appear before you today with my colleagues from both VA and SPAWAR to discuss the status of the Post-9/11 GI Bill. My testimony will address the current status of education claims, steps taken to reduce the pending inventory and prepare for the spring enrollment period, and the status of the implementation of the Post-9/11 GI Bill Long-Term Solution.

Since May 1st of 2009, VA has received over 1.5 million claims for education benefits under all education programs, and we processed approximately 1.4 million claims. VA has issued over $1.3 billion in Post-9/11 GI Bill benefit payments to approximately 180,000 individuals and their educational institutions.

Claims processing time frames have risen due to the increased workload from the Post-9/11 GI Bill. As we are all aware, many veterans enrolled in schools during the fall of 2009 encountered unacceptable delays with respect to their receipt of their benefits. I believe it is important to convey, on behalf of Secretary Shinseki and every member of the VA team, our apologies for those delays and our understanding of the impact, that the impacts of those delays on veterans are unacceptable.

We believe we have identified and resolved the causes of many of those delays, and that the results of the spring enrollment will be substantially improved over those of the fall. While we continue to receive fall semester enrollment certifications even today, there are currently under 1,500 fall enrollment certificates remaining to be completed, with those remaining requiring further information from the student before they can be completed.

VA has taken numerous steps to reduce the number of pending claims and prepare for the spring enrollment period. I detail a

number of those steps in my written statement, so I won't go over them here. But as a result of those improvements, VA has been able to increase its daily completions of Chapter 33 enrollment certificates from an average of 1,800 per day we experienced during October 2009 to the nearly 7,000 per day or more we have been able to achieve during January, a very substantial improvement.

As of January 13th, VA had received Post-9/11 GI Bill spring enrollments for just over 111,000 veterans, of which 80,000 had been processed. We took aggressive actions to eliminate the backlog of fall enrollments and were using all available resources to ensure veterans receive their education benefits from the spring terms accurately and on time.

To help ensure that veterans who enroll in the spring term receive their benefits on time, VA set a goal, and one that we are confident that we can achieve, to process any enrollment certification that we receive before January 19th, I guess 2 days ago at this point, for payment by February 1st of 2010. And we believe we are on track to meet that goal.

On November 9, 2009, the Office of Information and Technology delivered the third and final phase of the interim claims processing solution, and that is the one we are using today to process, which provides increased functionality and additional automation for processing Post-9/11 GI Bill claims. This phase provides the functionality for processing both amended awards and overlapping terms. And I am sure we will have substantial discussion of what amended awards are here during this, as they are part of the complexity of the Long-Term Solution.

So, moving to the Long-Term Solution, as you know, we partnered with SPAWAR to develop an end-to-end claims processing solution to utilize rules-based industry standard technologies. And that is our long-term strategy for implementing both the Post-9/11 GI Bill and other education claims processing as we move forward.

The Post-9/11 GI Bill includes numerous eligibility entitlement criteria and contemplates benefit determinations that can best be made using rules-based technology that requires minimal human intervention.

The automated system, the long-term automated system, is scheduled to be released in four phases. Release 1 is to replace the current functionality of the interim solution and eliminate the need for external job aids. Release 2 will provide an automated data feed for both claim and veteran information. Release 3 will provide automated data feeds into the VA financial processing systems. And Release 4 will provide a veteran self-service interface to view the status of claims.

While Release 1 remains scheduled for deployment on March 31st of 2010, this release has been changed to a limited pilot release, which will deliver the ability to complete original claims and many other capabilities. We plan to deploy Release 1 to a limited set of claims processors to restrict the impact and training for the user community.

VA expected Release 1 to also include functionality for a number of items, including amended awards. The modification from the reduced functionality of Release 1 is caused by a substantially in-

creased appreciation of the complexity of amended awards. As our subject-matter experts worked with the SPAWAR team, new software requirements were identified, and it became clear those requirements could not be incorporated into the March 31, 2010, milestone requirement.

Under the program management accountability system that we introduced last June, missing that milestone date would have substantial consequences. And so we made a decision, in conjunction with VBA, our VBA customers, to allow the delivery of reduced functionality in order to make the milestone date.

Most importantly, because this will be the first delivery of software for the Long-Term Solution, I believe it is critical that real users begin to use this software for production work, because that is the only way we can assure ourselves that the software that is being delivered is an acceptable product and something we can rely on for the long term. I don't mean to imply any doubt in the product. As a software person, I just am saying, the only way I know exactly what I am getting is when real users are using it. And so I am looking forward to that March 31, 2010, release and putting it in front of real users.

While complete functionality for the subsequent releases is yet to be determined, VA anticipates Release 2, to be delivered on June 30, 2010, will include the remaining features necessary to migrate the claims processors off the interim processing solution. VA, OI&T, and SPAWAR will conduct meetings the week of January 25 to finalize the functional requirements for Releases 2, 3 and 4 of the Long-Term Solution. We still anticipate the successful delivery of all functional requirements to the Long-Term Solution by December of 2010.

Madam Chairwoman, this concludes my statement. I believe that Mr. Wilson will now go through the PowerPoint slides that you had asked us to prepare to address some of the direct questions.

Mr. WILSON. Good afternoon.

Going directly to slide two, the slides that we have prepared provide amplification of the information that has been covered by Mr. Krause and Mr. Baker.

Slide two talks about the specifics of the requirements that we have of the Long-Term Solution and, by extension, our SPAWAR partners: Obviously, processing of original and supplemental awards, both claims from veterans as well as transfer-of-entitlement claims, Frye scholarship claims, et cetera; automated calculation of those awards, and I would add to that, not just automated calculation but automated processing as well, as it is one thing to do the manual calculations but another to pay the benefit as well; retrieval of demographic and service information; very importantly, interfaces to our payment systems, so that we can properly account for the money being expended; and, vitally important for many of our customers, a self-service interface as well, a Web-based self-service interface allowing our customers to go online and retrieve a lot of the information that they currently have to call us or e-mail us to receive.

Slide three talks specifically about Release 1 of the Long-Term Solution and what is being delivered and what is not being delivered. First of all, on the left-hand side, the functionality that is

going to be provided does allow processing of original Post-9/11 GI Bill claims. It provides automated calculation of the payment awards, the overlapping terms of intervals for amended awards, et cetera. It does not provide for automated processing. It provides for automated calculation of the award amounts in those categories, as well as also providing demographic information. It pulls information from VADIR, which is our DoD data source.

On the right-hand side, the delayed functionality. What we will not get is conversion of existing records in the interim solution into the Long-Term Solution. We will not be able to process transfer-of-entitlement cases, Frye scholarship cases, supplemental awards, anything involving a kicker, a Chapter 33 kicker or a supplemental kicker, and claims containing amended awards.

In other words, what Release 1 is going to give us the capability of doing is processing any new original claim that comes to us that does not require any modification. Any individual whose claim we have already processed in the interim solution stays processed in the interim solution during Release 1. So, from a user perspective, there is not a large category of cases that we will be able to work with Release 1, but it does give us, as Mr. Baker indicated, the ability to begin using the application itself and begin getting expertise on that.

The long-term deployment schedule, this has been talked about a little bit. Slide four provides a summary of the specific types of functionality we will get in each of the phases. I have already talked about Release 1. Release 2, from a user perspective, Release 2 gives us efficiencies. That is the first point at which we are going to start gaining productivity. And the reason is, Release 2 gives us the functionality of auto populating fields as well as auto calculation of award amounts. So there will be a lot of replacement of the manual multiple-system typing of information in. That will be replaced by the automated data feeds that we will receive from the schools, from the students when they enroll, as well as automated DoD information coming into the system. So Release 2 really is a game changer from a user point of view. That will give us some good efficiencies.

Release 3 will provide that interface into our payment systems. And from a user perspective, what that means is that the process that we currently have in place that takes about 200 people to complete the fiscal transactions, the administrative work to actually get the payments out the door, will be replaced by that phase, that Release 3 functionality. And then Release 4 will provide those user interfaces that I talked about. There will be a Web-based ability to go on, both self-serve, as well as to find out the status of, for instance, enrollment certs coming in from schools. Students will be able to go online and find that information out directly.

Slide five talks about VA future staffing. The key message here I believe is that VA will be making determinations on how to gear down staffing based solely on the successful deployment of the functionality. As you are aware, we hired 530 additional people originally. We augmented that with 230 additional people. We have additional people brought in to do fisc-auth transactions, in other words the administrative transactions to pay the benefits. We will

begin reducing the workforce, subject to the successful deployment of the Long-Term Solution, beginning in fiscal year 2011.

Slide six provides some updated information concerning exactly where we are with the spring enrollment. These are the same figures on this slide as Mr. Baker mentioned in his testimony. I do have updated information. As of this morning, VA has received enrollment certifications for 123,887 students. VA has processed 103,843 of those enrollment certs for the spring semester.

We have taken a lot of actions over the last many months as we have learned from our experiences in the fall term. The bottom line is we have increased our staffing, claims processing staff, from approximately 800 individuals at the beginning of the fall enrollment to 1,200 claims examiners currently. That includes contract support for working some of our simpler non-Chapter 33 claims, redirecting 200 American Recovery and Reinvestment Act (ARRA) hires from five different regional offices around the country, implementing significant streamlining policy and procedures, obviously providing the advance pay mechanisms and continuing to utilize the 230 additional staff that were hired under ARRA.

Slide seven in some ways talks again about the requirements of the Long-Term Solution. The importance of the Long-Term Solution is its flexibility, providing that self-service functionality that students need, providing the flexibility for a rules engine that will allow us to quickly adapt to new changes in legislation, payment rates, et cetera, and developing all of this in a service-oriented architecture that will be flexible as we continue to expand the system. Obviously, what we are trying to do is minimize human intervention as much as possible.

Slide eight—unfortunately, I should have removed slide eight. It is a repetition of the earlier release dates that I talked about. I don't believe there is anything particularly new on that slide.

That concludes my portion of the presentation. We would be happy to take any questions.

[The prepared statement of Mr. Baker, and the referenced slides, appear on p. 25.]

Ms. HERSETH SANDLIN. Thank you.

Thank you all for your testimony.

Let me start with a statement, Mr. Wilson, that you made. On slide four, the Long-Term Solution Release 2.0 scheduled for June 30, 2010, that allows for the automated data feeds from the schools. You said this is a game changer from the user point of view.

For Mr. Baker or Mr. Wilson, I assume that the goal for the Long-Term Solution Release 2.0 is to have that operational for processing fall 2010 semester claims, correct?

Mr. BAKER. Yes, that is correct.

Ms. HERSETH SANDLIN. That being the case, Mr. Baker, according to your testimony, Release 1.0 has been modified to reduce its functionality because of this new software requirement that you recently identified.

Mr. BAKER. Yes, the increased complexity, yes.

Ms. HERSETH SANDLIN. Why did it take until just recently to identify the need for the new software requirement?

Mr. BAKER. Actually, what occurred is, as the subject-matter experts and the software people were sitting down together to walk through, what does an amended authority really mean, what are the intricacies, the decision trees required for an amended award, they kept uncovering, if you will, more and more depth of what was required in the software and amended awards. And it went beyond the estimates they had originally had for what it was going to take to do amended awards.

So as we determined that the amount of work required to make that March 31st date exceeded the amount possible to accomplish, we had to determine what would come out of that release.

Ms. HERSETH SANDLIN. How confident are you that the June 30th date deadline can be met in light of how important that deadline is to the fall semester?

Mr. BAKER. We are pretty confident of that. As you can imagine, we have had some significant focus on that as well. What we have talked about is, what is it possible to do in the June 30th time frame? We know that we can get everything in that was originally scheduled for Release 1. And Release 1 was intended to be the replacement for the current system, so a functional replacement. If we had delayed Release 1 until about mid May, we would have had a fully functional release. There is about that much additional work that was added. So we know that will come in. And we will be releasing that functionality in incremental pieces along the way to mid May and, if VBA determines it is appropriate, allowing the users to work with the increased functionality in that time frame and then adding those automated feeds that are critical as we ramp up to June 30th.

So we have a reasonably good confidence in the June 30th, and if you don't mind, I will elaborate on that just a little bit further. The thing that I have to tell you that I am pleased with in the slip, and I know this is going to sound a little strange, is that in December, this project team was able to tell us that they had a problem with meeting the March 31st date. That is not a usual thing inside of VA projects. Usually you hear about it March 30th, you know, that it is going to happen on March 31st. That gave us time to make rational decisions about, do we want to allow the slip, or do we want to force the delivery date so that we see the software? And what is the impact of that on subsequent releases? And so that is why we have a reasonable degree of confidence that we are going to have what we need on June 30th for a more automated system going into the fall semester. That has exactly been our focus with that June 30th release.

Ms. HERSETH SANDLIN. Well, I would request that, as the project team—with all the internal milestones you are trying to meet, and you have been very helpful to our Committee and to our Committee staff in sharing information at every step of this process. But in light of the problems that we have had with the interim solution, in light of the importance of this Long-Term Solution, we need to stay on top of this day by day, week by week. If there is any other problem that is revealed to your project team, we just need to be made aware of some of that ongoing work because of the importance of these deadlines in meeting the benefits needs for the students and understanding what more you might need from us. This

is a high priority, not only among this Committee, but the colleagues that we hear from who have student veterans that are experiencing problems.

We want to make sure that we are able to answer questions immediately for them, which will lead to some of the other questions that we are going to have about what is happening in the spring semester. But we really want to work closely with you to ensure these targets are met; we are ready to go in the fall. For example, do you have a target date for getting the new software requirements then? When are you supposed to have that? Since that was going to possibly slip until May, you have reduced the functionality so you can stick to the March 31st timeline. When will the new software requirements that were uncovered in December be ready? What is the target date to integrate them after Release 1.0 in March? If you can answer, great. But that is one thing I think we need to have.

Mr. WILSON. Let me try to take a shot at it, and Mr. Baker probably can do a more articulate job than I, but from an operational perspective, from a non-IT perspective, I look at it this way. We provided the functional requirements for what we needed in the Long-Term Solution at the beginning. That has been laid down. But when you look at those functional, requirements, in some ways it is like an onion. You know what you have in front of you, but as you peel it back, there is more and more inside. So as the users are sitting down with the programmers and they are saying, first of all, they are saying, we need to be able to account for interval pay. They understand that, but as they get into that, they have to understand what the mechanics are that are involved with interval pay. And those discussions occur on a regular basis because of the agile development process. They are constantly going around and around working on those things, moving on to the next stage.

Mr. BAKER. I think, directly to your question, I believe we have those detailed requirements now. It was, as we were putting those specifically down, we determined that there was more there than could be met for March 31st. But we know that short, what we call sprints, additional sprints, will get those done after the March 31st and deliverable after the March 31st date. That is why we believe that all of those requirements that would have gone into the first release that we originally scheduled for March 31st, it is about mid May that they will be able to have walked through all of those things.

Now, I am going to look at Mr. Krause and see if I can make certain that we are in agreement on this one.

Captain KRAUSE. Yes ma'am, Madam Chairwoman, the requirements, the bow wave of requirements that we saw in the beginning of December are going to be completed by June 30th in Release 2. This is a good news story. If we had done this the traditional way, the waterfall way, where you get all your requirements up front and you just start plugging away at the plan, this would have been a 2-year slip, a 1- to 2-year slip, having hundreds of requirements show up a few months before you are getting ready to deploy.

But that is not what we did. We have an agile methodology. We do 2 week sprints, and we were able to recover. It looks like we are going to do a 3-month functionality slip. That is unheard of in

a major software project. So this is good. A limited release is industry best practice. The big bang, I know you have seen other examples of a big bang strategy with software releases. That usually doesn't go very well. So a limited release is a proven industry best practice, where we will ring out the application; we will refine the production in deployment processes and production support mechanisms; and we will be able to gauge the real world impact on the users of the data sources and legacy systems. So this is going to really be good, and it will make the June 30 deployment of Release 2 much easier. So this is good-good, win-win stuff I think.

Ms. HERSETH SANDLIN. Okay. You have alleviated some of my concerns. Although I don't know, is the onion fully peeled yet?

Captain KRAUSE. It is not, but a large majority of it is.

Ms. HERSETH SANDLIN. You answered one of the questions I had for you, Mr. Krause, which was that these are limited releases.

Captain KRAUSE. Release 1 is a limited release.

Ms. HERSETH SANDLIN. Are all the releases limited?

Captain KRAUSE. No. Release 2 will be to all the VCEs, if you will, the veterans claim examiners.

Mr. BAKER. Release 2 will be a full replacement of what we are using right now for functionality. We will no longer be using the old interim solution. We will be fully on to the new Long-Term Solution.

Captain KRAUSE. And there will be a transition where the users will have to transition off that. That may take a few weeks. You can't just say, okay, turn off your computer; now use this one.

Ms. HERSETH SANDLIN. That will lead to some other questions I have about the training, but I do want to recognize the Ranking Member for his questions.

Mr. BOOZMAN. Thank you, Madam Chair.

Captain Krause, in regard to Release 3, is there any way at all to get that done in time for the fall 2010 semester?

Captain KRAUSE. Release 3 is, and this is good news, too, is that VA, the financial accounting system folks, the people that maintain that application, have stepped up to the plate and said that interface belongs to us; we are going to do the lion's share of that work. And they have. So a lot of that, that question would have to be answered by someone that is doing the financial accounting system. But they have stepped up to the plate. We are partnering with them. And I don't know if they can increase the—I don't know the answer to that question, but I think we as a team can find that out.

Mr. BAKER. Let me give you a very direct answer to that. This team has been highly accurate, from my view, in what they can tell me about what is going on. One of the things that we are going to offer to do with your staffs is start bringing them in and talking about the monthly project plans that we get. They are very, very good. I would be very reticent to tell you that we can move up functionality. We have been asked that several times in the past, and the answer is, we are doing about what we can do to make this deliver.

The good news is, as Captain Krause says, they are doing very short bursts of work verifying that and then moving on to the next piece, so much as all of us would like to move it up. The other

thing that I will tell you is that we will do that release on September 30th and make that available to Education Service to determine whether they want to install it. One of the things, as IT people, we have to be sensitive to on the business side is, what is the impact of installing a new release, especially on a date like September 30th, which is right in the middle of the peak for the fall semester? And so we will at that point in time know all the training required, all the benefits, from a processing time, they will gather all of the intricacies of doing the change and be able to make a business decision of, does it make sense to install this on September 30th, or does it make sense to put it in at a different point in time?

I think all those things have to factor in. Right now, given the fact that we have just experienced a reduction in functionality, I really hate using the word "slip," but I think I will go ahead and do it, I wouldn't want to then try and say, how do we do more? How do we bring things back in?

I am focused on, and I think everybody here sees that we are focused on March 31st, June 30th, and December 2010. Those to me are the hardest dates in there. The September date, while important, is the one that I think we leave up to VBA to determine when they want to install it.

Mr. BOOZMAN. Captain Krause, I have three daughters, and they help me with my iTunes and get songs, legally, not any other way. But I guess what I am saying is, is that, I can text and this and that, but using some technology can be a bit challenging. On the progress of the CH 33 Long-Term Solution in your testimony, will you explain to me the first two bullet points?

Captain KRAUSE. What page is that on, sir?

Mr. BOOZMAN. Page 2, where it starts, "completed a rules-based engine locating all CH 33 business rules."

Captain KRAUSE. Is this under the section under the progress or the milestone?

Mr. BOOZMAN. Under the progress.

Captain KRAUSE. Progress. Essentially this is the question about the secure cloud computing environment. And actually, you are using a cloud right now. If you have an e-mail account with Google or Yahoo or one of the e-mail or even your music that your daughters help you download, you have to go to a cloud to get it. The cloud essentially is maintained by the service provider, and it has the applications and the data in it. So, in our case, we have gone to a commercial provider where our applications and data will be stored and maintained, and we don't really have to think or worry about the infrastructure. That is not really our concern.

We rent—no, we don't rent. We lease that service. We purchase a service from this commercial provider. It is a hosting service. And so another way of explaining cloud computing, it is an application hosting service instead of something we buy or maintain. And so it is very scaleable. And essentially all you have to worry about is connecting to the cloud. You don't have to worry about the details inside the cloud. So that is kind of a real simple way of describing cloud computing.

And in this particular case, they have given us a segmented cloud of our own for the VA that specifically complies with the VA

security requirements, pays attention to personal identifiable information, which is sensitive data like your Social Security number, that you don't want exposed. Those kinds of protections this cloud environment gives us in this situation that is maintained for us. So that is the second bullet.

Mr. BAKER. If I could, I just need to put a point as the security head for VA and the IT. We have sent the folks out and determined this is as secure as if we were processing it in one of our own data centers. There is a lot of security around this. So I want to assure people there is not an issue with that.

Captain KRAUSE. And Mr. Baker I think has the final sign-off on that solution, too, so we stay very close with him on giving briefs on what the status of that is.

And sir, you asked about the third bullet.

Mr. BOOZMAN. Just the first two.

Captain KRAUSE. Okay, the first two. Again, the rules-based engine is essentially an engine where you can input the rules and essentially update the software—in the old way of thinking, if you made a change to software, you would have to go in and change all the code, do regression testing, test the whole application. And it could take several months, if not years, to do it.

In this application, the vision eventually is for Mr. Wilson's folks to have access to the rules-based engine, and when he comes up with a rule, they come out with a Frye amendment or some other change. His folks go into the Web, change the rules engine, and it automatically is implemented in the software without having to go in and change the application code. So that is kind of what service-oriented architecture, that is one of the benefits of service-oriented architecture (SOA), is you can reuse code and you can go in and make changes on the fly that are immediately implemented.

So that is why we are laying the foundation for this project on a SOA-based foundation, which may be painful now, but in the long run, it will avoid years of software changes that are not going to be required. We will be able to do it very immediately.

Mr. BOOZMAN. Good. Thank you very much. One other thing, this came up at the Call Center when the staff was down visiting. It appeared—well, what seems to be happening is that if a veteran calls with an issue and the employee sees a simple fix to the solution; in other words, it comes into the Call Center, they could go in and dig around and figure out what was wrong, and yet unless the call came from the jurisdiction of the Muskogee center, they really couldn't fix the problem. So is that—I guess what we are asking is if that is really—is there a way perhaps for those very simple things that—is there a way to do that instead of fixing it, then having to send a request to another center someplace, and then that kind of stacking up there until they get to it, does that make sense?

Mr. WILSON. It does make sense. And the short answer is, yes, that capability exists. When we set up the National Education Call Center, we did staff the Education Call Center with a certain number of veterans claims examiners to be able to address specifically those situations. So I do have as a task following this hearing to find out the specifics I need to provide a full answer. But right now, the Education Call Center does have that capability.

Mr. BOOZMAN. Okay. Good. I appreciate that. Like I said, that is a little thing, but it does seem like it might be something that might make things a little bit more efficient. I think what you are going to do for us, Mr. Baker, in the sense of updating us periodically with your briefings, I think that is really excellent, and we appreciate you being willing to—I think that will just help us as we go along with the process.

So thank you very much, Madam Chair.

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

A question for any of you. I think when we were talking about the Release 1.0 versus Release 2.0, is Release 2.0 pretty much fully supplanting Release 1.0? How long do you anticipate it is going to take to train the veterans claims examiners in each of the releases?

Captain KRAUSE. In the testimony, I talked about our strategy for training the veterans, if you will, using folks on-site.

Ms. HERSETH SANDLIN. Training veterans to use it.

Captain KRAUSE. On training the veterans claims examiners, you are right. We haven't done this before. SPAWAR folks have not trained VCEs before. All the training now has been done inside of VA. So I don't know that we have a feel for that yet. I think we will have a feel for that once we do the limited release. I think we will have a better feel for it.

The things that I mention on page 5 of the testimony are things that are ongoing right now. But I think if you can go to the Web and you can actually do your training online and do simulated claims and if you have an on-site person to help you, I think it— I don't know that we have an estimate to determine that.

Mr. WILSON. The training that is going to be used for the Long-Term Solution is different than the way we have trained people in the past in that integrated into the application itself is self-paced training modules. So those individuals will be able to use the application itself to train. It will have use cases, et cetera, in it. So we would expect that to be a more efficient process than gathering people together in classrooms, preparing training material, et cetera, et cetera.

What I can tell you is the training for the interim solution, the initial training for the interim solution was about 40 hours per person, about a work week per person. We would expect this initial training to be something less than that, but we don't have yet exactly defined what that less would be at this point.

Ms. HERSETH SANDLIN. Well, that will be important to pull together and to share with us after Release 1.0. Because while meeting the technical requirements of the system, you know the personnel training requirement could cause a slip, in terms of meeting the needs of the veterans when they need it as we get ready and into the fall semester.

Mr. BAKER. Part of the reason for the June 30th release date is to make certain that we have plenty of time to do the training to make certain that people are really up to speed. I mean, clearly, one of the issues in the fall was we had a brandnew law, brandnew system, lots of new folks. And bringing them up to speed was one of the issues. They know—the people are there. They are trained. They know the law. They know the process now. We won't have

those issues. But it is a new system, and we know we are going to need training time on this.

Ms. HERSETH SANDLIN. Captain Krause, it sounds, as you described it, in terms of this kind of service that there is a significant degree of flexibility so that if Congress chooses to modify this benefit in any way, that we have a flexible system to work with. We don't have to start from scratch, and we don't have an old legacy system and the restrictions that imposes on us to be able to make legislative changes to modify benefits and then can't meet the expectation of the delivery of those benefits. We want to make sure that it is flexible in the future. While you have described the flexibility it offers to set it up, after the system is established, what happens? I mean, the relationship here continues, or is the VA somehow going to have the in-house technological expertise to go in and make some of the changes, given the flexibility of the system that, Captain Krause, you described the system would provide? I mean, is VA going to be able to do that?

Captain KRAUSE. In my opinion, I think so. The people that I have met that work in the VA, they have some really highly competent IT technical experts that could easily do that. Eventually we will be transitioning this system over to a VA data center to be managed by the VA, but I am confident that they can. They have SOA experts, service-oriented architects, experts that are working closely with us, that we are working closely together. And I think there will be the cross pollination there by the time it is deployed.

Ms. HERSETH SANDLIN. Okay.

Any thoughts.

Mr. BAKER. I think the logical thing is to expect a transition. I don't think any of us expect that on December 31st, it will be all VA and no SPAWAR on this. Because while it is rules-based, I think the best way to think of rules-based is, in between natural language and programming, there is an area. And we talk about training. We are going to want to make certain that the subject matter experts in the Education Service really understand what they are doing when they change those rules. And so there will be support on that.

Ms. HERSETH SANDLIN. I am sure you would appreciate if Congress knew what we were doing when we changed the rules.

Mr. BAKER. That is really what education is doing, is reflecting Congress's will.

Ms. HERSETH SANDLIN. So we want to make it easier. Nice answer.

We are going to work to share information because there are some very important pending bills, some of which we have had a chance to discuss, have hearings about, that we already have found agreement to try to change and support. The new benefit is very complex, but there will be changes made. We want to make sure that we are sharing information; we have an understanding, so that when we do make those changes, we are easing the path, not complicating it.

Mr. BAKER. Just to be very clear, implementing a rules-based engine does not guarantee that every time there will be no programming. It greatly increases the probability that we can change some-

thing without having to say, it will take us 6 months and 15 programmers to do that.

But given the range of things that Congress might decide that it wants to do with a program such as this, with a benefit such as this, there is no way to anticipate everything that could possibly occur. I say that as the person that is going to have to implement these things after SPAWAR is no longer involved with it.

Ms. HERSETH SANDLIN. I have some questions here on the Call Center. Mr. Boozman has already directed some of his questions to you on that, as well as sort of workforce issues here to sort of elaborate on the PowerPoint on page 5, but I will submit those to you in writing.

I just want to spend the rest of our time, a few more moments on the still-pending claims for the fall semester of last year and the spring semester of 2010. I know you gave us the updates on the numbers here.

Mr. Baker, I think you said there are 1,500 remaining claims for the fall 2009 semester, and that, for the bulk of those, more information is needed from the student. What kind of information? The student has the responsibility of providing some information, but is there any way, in light of the fact that these are pending claims for last semester, that we can expedite this? What kind of additional information do you need from the student?

Mr. BAKER. I am going to ask Mr. Wilson to answer that one.

Mr. WILSON. It will generally fall in a couple categories. First of all, the 1,500 number, we are down to about somewhat less than 1,000 now.

Ms. HERSETH SANDLIN. Is that certificates of merit, or is that payments?

Mr. WILSON. These are payments. We are specifically talking about fall payments.

Ms. HERSETH SANDLIN. So all the certificates of eligibility for last fall, there is nothing pending there.

Mr. WILSON. No, that is not correct.

Ms. HERSETH SANDLIN. Is it less than 1,000 pending payments?

Mr. WILSON. Of payments. I am talking strictly about enrolled students, individuals we know are enrolled for the fall, that had not received payment yet.

Ms. HERSETH SANDLIN. Is it payment for tuition? Is it payment for housing?

Mr. WILSON. Depending on the case, whatever entitlement they are eligible for, no payment has gone out on those to either the school or, if it is due to the veteran, the housing or books stipend had not gone out. There could be information—first of all, every individual in this category has been contacted by VA, and we have been in contact with them to let them know specifically what is needed.

It could be information that is lacking concerning service verification from the Department of Defense. It could be information from the schools. It could be that the student did not fill out the required information on the application. Unfortunately, it would be a case-by-case specific situation. It could be that the school is waiting to submit the enrollment information to us because the student may not have completed some kind of require-

ment at the school. We would be happy to look into it further, but all I have right now is just broad categories of those situations.

Ms. HERSETH SANDLIN. I think we do need to look into it further. I appreciate that every one of them has been contacted, but as you said, it is case by case.

Is service verification from DoD, the student's responsibility?

Mr. WILSON. No, that would be our responsibility.

Ms. HERSETH SANDLIN. Again, I think we need more information so we can clear the decks as soon as possible.

Mr. WILSON. I understand. I am happy to do that.

[The following was subsequently received by the VA:]

> VA contacted students and schools to receive required claim and enrollment documents, and all of the 1,000 claims have been processed. VA continues to receive enrollments for both spring and fall terms. VA is now processing payments for all Chapter 33 claims within 7 to 10 days of receipt and consistently completing more claims per week than received.

Ms. HERSETH SANDLIN. Regarding spring 2010. I appreciate you taking us through some of the steps that you have taken; where you are with the numbers. You have bumped up the number of claims examiners to deal with some of that. Some of these will relate to the questions I will submit in writing with regard to the personnel issues in terms of the temporary workers, who you are going to keep, when you start losing temporary employees, et cetera.

I think that, Mr. Baker, you had said it wasn't out to the schools, being a notification, right, that anything received by January 19— let me find where that question is.

Mr. BAKER. That is correct.

Ms. HERSETH SANDLIN [continuing]. Would be processed by February 1, right?

Mr. BAKER. Yes.

Ms. HERSETH SANDLIN. What has been the response from the schools thus far? Did you get a significant number of enrollment certifications after that letter was sent out a couple of days ago?

Mr. WILSON. I don't know that we have had enough time to determine the response from the letter. What I can tell you is last week we received 115,000 enrollment certs from schools, so we are beginning to get in that highest volume period. We will probably top out the 1st week of February in terms of the volume of incoming work, and then it will decline fairly rapidly from there.

Ms. HERSETH SANDLIN. So you have said to those schools, those 115,000 that came in last week, will all be processed by February 1.

Mr. WILSON. Yes, ma'am. February 1 if they are due payments on February 1.

Ms. HERSETH SANDLIN. Okay. Do you have any other questions?

Mr. BOOZMAN. I am sorry, Madam Chair. I had just one other thing real quick, and this refers back to the staff visit. You guys, we need to keep them at home so that we won't make your work more difficult.

But when they were out there, they requested a report detailing the workload and resources needed to meet VA strategic goals for the education programs through next September.

I guess the question is when we might expect that report. And that is important so that we can accurately reflect as we do our views and estimates. If we have that information, then we can try and figure what kinds of resources we need to request to help you get the backlog worked out. Again, I think we can be helpful to you in that way, but we have to understand what is going on.

Mr. WILSON. Understood. I can commit to you that we will have an answer concerning when we will have that information to you, this week. We are still working out some, I guess, "modeling," for lack of a better term, concerning what—when the claims will be in. We feel, as Mr. Baker indicated, very comfortable that we can meet the February 1 deadline that we put out. Once we get to that point and we believe we have achieved that, then we can look more effectively at the resource issues and address perhaps some of the Call Center issues, et cetera.

Mr. BOOZMAN. Well, again, thank you guys for being here. We do appreciate you and your staffs and all that you guys represent. I know that you are working really very, very hard, and it is just everybody working together try to go sort this out, giving you the resources that you need. We have a great, a great program, but we have to figure out how to administer it.

Like I said, we appreciate your hard work. Thank you.

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

I just have one question that I will ask on behalf of both of us. Since we sent the VA a letter together, November 12 of last year, we are just wondering if you could provide an update to us, Mr. Wilson, as to whether you have implemented any of the recommendations that Mr. Boozman and I made. Could you speak to that?

Mr. WILSON. Yes. Unfortunately, I don't have the specifics here. I will be happy to provide it for the record.

[The VA subsequently provided the answer in response to Question #8 in the Post-Hearing Questions and Responses for the Record, which appears on p. 33.]

Ms. HERSETH SANDLIN. Okay. Yes, if you could get back to us, just so we know which recommendations you have acted on, because these were made in light of the problems in the fall that we hope to avoid in the spring. We thought we had some good ideas. So let us know, if you didn't implement some of these, what the justification was.

I think that is going to wrap us up, but I really do appreciate the testimony and the presentations.

Before we adjourn the hearing today, I do want to echo Mr. Boozman's opening remarks with regard to the work done by VA employees at the Muskogee Regional Processing Center and the Education Call Center for their service to our Nation's veterans and their dependents. I know Mr. Wilson that we will work with you and Ms. Ruben, to address some of the issues that we have raised here today.

The VA employees there, their strong commitment to our veterans is one that we all share on this Subcommittee. I know that the staff appreciated the opportunity to be there more recently. As Mr. Boozman said, he has been there previously as well.

We will continue to work to make sure that these dedicated employees have the resources that they need, that you have the resources as leaders in your organizations and departments, that you need to reduce the backlog of the pending education claims to provide timely customer service. There are existing authorities should be utilized for the benefit of the veterans as the first priority.

We thank you for your service to our Nation's veterans, and for your testimony today.

The hearing stands adjourned.

[Whereupon, at 2:20 p.m., the Subcommittee was adjourned.]

APPENDIX

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

Some of those in the audience may recall that our first hearing of 2009 was on the implementation of the Post-9/11 GI Bill. This was followed up by supplemental hearings that sought to ensure VA's progress on the short- and long-term information technology solutions. I hope that it is clear to our panelists before us today that by making this our first hearing of 2010, we demonstrate the continued importance of the subject at hand.

I'm sure my colleagues will agree that the current delays in processing education claims are unacceptable. While the Administration shares my concerns regarding these shortcomings, the blame does not rest solely with the VA. The processing of a single claim requires multiple steps involving multiple parties and computer systems, all of which must work in-sync with one another in order for a veteran to receive his or her benefits in a timely manner. These computer difficulties demonstrate the need for a fully functional Long-Term Solution.

Furthermore, the Subcommittee staff's recent visit to the VA's Regional Processing Center and Education Call Center in Muskogee, Oklahoma has raised some concerns. They include:

- The closure of Education Call Center hours on Thursdays and Fridays provides veterans only 3 days to call for assistance on education matters. While we understand the value of using Call Center staff to process education claims, the VA can have the Call Center open 5 days per week by dispersing the same work hours throughout the week;
- Second, the availability of temporary employees after September 2010. While we all would like to have a fully operational Long-Term Solution by December 2010, the reality of the limited time frame to implement this complex IT system may require the VA to push back its deadline. Ensuring that VA has the trained personnel to continue to process education claims, and field incoming calls, can help avoid further delays in receipt of education benefits;
- The third concern involves VA's current policy limiting Education Call Center operators from taking action on education claims outside of the Muskogee region. The current policy requires that claims originating outside of the Muskogee region be referred to the appropriate Regional Office for action. We have been informed that by authorizing these operators, who are responsible for taking all educational benefit calls, to make simple updates to a veterans file would result in faster service and avoid long wait periods for action; and
- Finally, the visit to the Education Call Center raised equipment concerns that create dropped calls and require constant maintenance which I hope VA will address quickly.

I look forward to hearing from our distinguished panelists participating in today's hearing, specifically on how the U.S. Department of Veterans Affairs is addressing these concerns, and making progress in implementing its Long-Term Solution that seeks to streamline the way education claims are currently processed.

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

Good afternoon. Madam Chair, the successful development and implementation of the new computer system to manage the Post-9/11 GI Bill is vital to delivering accurate and timely education benefits, not just for Chapter 33, but for all the education programs.

Before we begin, I would like to address three other issues that affect delivery of education benefits to our veterans and are easily solvable. The first two are issues involving the operation of the National Call Center in Muscogee.

Our staffs visited the Regional Processing Office and the National Call Center in Muscogee last week. They met with managers and frontline claims and Call Center workers. While meeting with management, the staff expressed their concern that the National Call Center was closed 2 days per week to allow the workers to assist in processing education claims. While the staff readily agreed that diversion of some labor hours to processing claims they suggested that spreading those processing labor hours over the work week would also allow the Call Center to remain open. As a result of that discussion, local VA management forwarded a request to the VA's Office of Field Operations to make the changes suggested and therein lies my concern: Why does it take a suggestion from congressional staff to raise such a commonsense issue and why do those responsible at the local level need to get permission from central office?

Second, the Call Center operates from 7 a.m. to 5 p.m. central time with no one to answer calls coming outside those hours. That means people living outside the continental U.S. have very limited windows in which to contact the Call Center. Given the high rates of blocked and dropped calls, I suspect beneficiaries living in the Pacific and European areas have little chance of getting assistance from the Call Center. Again, the solution is simple . . . stagger the working hours of a few employees to cover a wider range of the day. If that takes additional overtime or incentive pay, based on the staffs' discussions with Call Center employees, the extra hours or pay differential would be welcome.

Madam Chair, my staff says that every call they take regarding the Post-9/11 GI Bill includes complaints about the difficulty getting through to the Call Center. The way VA is managing Call Center operations defies logic and decisions on working hours should be left to the Muscogee management team. Regardless, closing the Call Center 2 days per week when there are alternatives that meet VA's claims production needs AND provide customer service at the same time, I suppose that is a subject for the future, but given the challenges facing VA, the Department does not need to be making their own lives more difficult by mismanaging its operations and I hope they will reconsider how they are operating the Call Center.

Madam Chair, I look forward to today's testimony and yield back.

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

Good afternoon, Chairwoman Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the current status of the Chapter 33 Long-Term Solution (LTS—Chapter 33 of Title 38, United States Code). My testimony will address the key milestones and dates, current progress of the Long-Term Solution, capabilities of the planned releases, and project challenges.

CH 33 LTS Key Milestones and Dates are as follows:

- March 31, 2010—Planned date for Release 1.0
- June 30, 2010—Planned date for Release 2.0
- September 30, 2010—Planned date for Release 3.0
- December 31, 2010—Planned date for Release 4.0

Progress of the CH 33 Long-Term Solution

During the 4 months since our last meeting with the Subcommittee the CH 33 team has accomplished the following:

- Completed a rules-based engine locating all CH 33 business rules in one area separate from the application logic consistent with Service-Oriented Architecture (SOA) principles.
- Established the development and production hosting capabilities in a secure cloud computing environment with secure network communications to VA legacy systems.
- Successfully integrated subject matter experts from the VA's field operations into the development process to ensure the CH 33 LTS application will best support the Veterans Claim Examiners' (VCEs') processing requirements and priorities.

- Completed a complex data interface with the VA/DoD Identity Repository (VADIR) application.

Near-Term Goals

- Deploying an early CH 33 LTS Release 1.0 in March 2010 to a limited number of VCEs where original claims can be moved to and processed in the LTS automated, rules-based environment.

Explanation of the System Being Developed

There are four Veterans Affairs Regional Processing Offices (RPOs) responsible for processing thousands of claims from veterans seeking to use the CH 33 educational benefits. The adjudication process relies on highly trained VCEs to determine eligibility, calculate entitlement, and process the award. This requires them to interface multiple disjointed systems and perform significant manual entry.

The objective of the Chapter 33 LTS is to support the new legislative requirements with a Web-based tool that will provide automation and standardization to the adjudication process. This will significantly reduce the time to process a claim and the number of VCEs required. Additional benefits will be efficiency, accuracy, predictability and reliable results. Additionally, the tool will support the need for transparent data exchange and reporting while being flexible enough to adapt to future changes in policy and law.

Capabilities of the Planned CH 33 LTS Releases

CH 33 LTS Release 1.0 will be deployed to incorporate the core features necessary to process new claims to include tuition payments, housing allowances, re-enlistment incentives, books and fees. The primary objective of Release 1.0 will be to validate application performance, deployment strategies, and expected changes to business operations. A key system interface will be eligibility data from VADIR.

Release 2.0 will begin the transition from the current CH 33 interim solution front-end tool and job aid, enabling the VCEs to completely migrate off the Chapter 33 interim solution. Release 2.0 will expand the capabilities of the earlier release by enabling VCEs to amend awards and process transfer of entitlement claims.

Release 3.0 will improve claims processing efficiency by automating the complex CH 33 financial transaction/authorization process currently required to authorize payments for claims. This will be achieved by establishing a system interface with the VA's Financial Accounting System (FAS).

The feedback from Release 1.0 through 3.0 will determine the requirements and scope of Release 4.0.

Implementation Challenges

The challenges being overcome include (1) translating the complexity of the CH 33 benefits adjudication into a business rules approach that will enable the system to quickly adapt to legislative interpretations, changes, and priorities; (2) access to the limited number of subject matter experts in claim adjudication, processes, and policies; (3) identifying the myriad number of scenarios for amending (changing) award amounts; (4) converting the data from the VA interim solution because of independent workarounds and interpretations at RPOs; and (5) the complexity and the inconsistency in systems architectures and data across multiple VA and DoD systems.

Training Requirements

The CH 33 LTS team is currently developing a Web-based, interactive training system to teach VCEs how to use LTS application to process Chapter 33 claims. The training system will include (1) self-paced tutorial material and hands-on processing of simulated Chapter 33 claims, (2) 508 compliant, learning management system (LMS) to assess individual VCEs progress and demonstrate competency using the LTS system, (3) classroom training materials to teach the RPO training coordinators how to administer the Web-based system to the VCE community, and (4) on-site support during the initial RPO deployment.

We are confident that the release of the CH 33 LTS will be completed by December 31, 2010.

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

Prepared Statement of Hon. Roger W. Baker,
Assistant Secretary for Information and Technology,
Office of Information and Technology, U.S. Department of Veterans Affairs

Good afternoon, Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the status of the Post-9/11 GI Bill. My testimony will address the current status of education claims, steps taken to reduce the pending inventory and prepare for the spring enrollment period, and the status of the implementation of the Post-9/11 GI Bill Long-Term Solution.

Current Status

On May 1, 2009, VA began accepting applications to determine eligibility for the Post-9/11 GI Bill. On July 7, 2009, we started accepting enrollment certifications from school certifying officials for veterans utilizing their Post-9/11 GI Bill benefits for the fall term, and began processing claims for payment. Since May 1, 2009, we have received over 1.5 million claims for education benefits under all education programs, and have processed approximately 1.4 million claims. More than 389,000 veterans have applied for certificates of eligibility under the Post-9/11 GI Bill. VA has provided decisions with respect to approximately 346,000 of these veterans. VA has issued over $1.3 billion in Post-9/11 GI Bill benefit payments to approximately 180,000 individuals and their educational institutions.

Claims-processing time frames have risen due to the increased workload from the Post-9/11 GI Bill. For fiscal year 2009, the average time to process all education benefit claims took 26 days for original claims and 13 days for supplemental claims. For this fiscal year, our average processing time is 59 days for original claims and 26 days for supplemental claims. Original applications under the Post-9/11 GI Bill are taking an average of 61 days to process, while enrollment certifications are taking an average of 38 days.

Fall Enrollment

As you are aware, many veterans enrolled in schools during the fall of 2009 encountered unacceptable delays with respect to receipt of their benefits. I believe it is important to convey, on behalf of Secretary Shinseki and every member of the VA team, our apologies for those delays and our understanding that the impacts of those delays on veterans are unacceptable. We believe we have identified and resolved the causes of many of those delays, and that the results for the spring enrollment will be substantially improved over those of the fall. The three primary contributors to the fall processing delays were:

1. Substantially longer time to process each claim than expected, caused by the rudimentary IT tools available in the interim solution;
2. Startup problems including delays in interim solution functionality that caused us to fall behind;
3. Insufficient staffing levels to compensate for the shortfalls caused by 1 and 2.

Although we continue to receive fall-semester enrollment certifications even today, there are currently under 1,500 enrollment certificates remaining to be completed, with the remaining certificates requiring further information from the affected students before they can be completed.

Spring Enrollment

VA has taken numerous steps to reduce the number of pending claims and prepare for the spring enrollment period. As a result of these improvements, VA has been able to increase its daily completions of Chapter 33 enrollment certificates from the average of 1,800 per day we experienced during October to the nearly 7,000 per day we have been able to achieve during January. These improvements include the following:

- On October 28, 2009, VA awarded a 90-day contract to Affiliated Computer Services in London, Kentucky to provide claims processing support for non-Post-9/11 GI Bill claims. This effort allows VA to focus resources on the more complex Post-9/11 GI Bill claims. As of January 8, 2010, the contractor has processed over 51,500 claims, and has been instrumental in helping VA reduce its pending workload.
- VA continues to utilize the 230 term employees hired through the funding provided by Congress under the American Recovery and Reinvestment Act (ARRA). In addition, we implemented a mandatory overtime policy at the four Regional Processing Offices (RPOs), requiring all employees to work 3 additional days per month.

- In an additional effort to reduce the workload and allow the RPOs to divert resources to other areas, we are utilizing 200 ARRA employees at five VA satellite offices in addition to the 230 term employees to authorize Post-9/11 GI Bill payments. The employees work 7 days a week based on the workload.
- On November 9, 2009, VA's Office of Information and Technology (OI&T) delivered the third and final phase of the interim claims processing solution, which provides increased functionality and additional automation for processing Post-9/11 GI Bill claims. This phase provides the functionality for processing both amended awards and overlapping terms. Amended awards include changes in a student's actual charges for tuition and fees and reduced or increased course loads.
- We have implemented policies to streamline the entire claims process based on case reviews and identifying duplication of efforts and redundant or unneeded development.
- Because veterans were not receiving their benefits timely, VA began issuing advance housing-allowance payments to veterans on October 2, 2009. As of January 11, 2010, VA made advance payments to over 113,000 veterans, totaling approximately $330.2 million. Out of this total number of advance payments made, approximately 76,000 veterans eligible for the Post-9/11 GI Bill received approximately $226.5 million.

Although VA continues to receive and process fall enrollments, we are also focusing on the significant number of spring enrollments that we are now receiving for all education programs. As of January 13, VA has received Post-9/11 GI Bill spring enrollments for 111,470 veterans, of which 80,464 have been processed. We took aggressive action to eliminate the backlog of fall enrollments, and we are using all available resources to ensure veterans receive their education benefits for the spring terms accurately and on time. To further ensure veterans who enroll in the spring term receive their benefits on time, VA set a goal, one that we are confident we can achieve, to process any enrollment certification we receive before January 19, 2010, for payment by February 1, 2010.

Long-Term Solution

VA partnered with the Space and Naval Warfare Systems Center Atlantic (SPAWAR) to develop an end-to-end claims processing solution that utilizes rules-based, industry-standard technologies for the delivery of education benefits. This is our Long-Term Strategy for implementing the Post-9/11 GI Bill. The Post-9/11 GI Bill includes numerous eligibility and entitlement criteria and contemplates benefit determinations that can best be made using rules-based technology that requires minimal human intervention.

VA's automated IT system is scheduled to be released in four phases to ensure robustness and stability. Release 1 of this effort is to replace the current functionality of the interim solution and eliminate the need for external job aids to process Post-9/11 GI Bill claims. Release 2 will provide automated data feeds for both claim and veteran information. Release 3 will provide automated data feeds into the VA financial processing systems. Finally, Release 4 will provide a veteran self-service interface to view the status of claims.

While Release 1 is scheduled for deployment on March 31, 2010, this release has been changed to a limited "pilot" release, which will deliver the capability to complete original claims; automatically calculate awards including tuition and fees, housing, books and supplies, Yellow Ribbon, Montgomery GI Bill-Active Duty and Reserve Educational Assistance Program kickers; and automatically calculate awards for overlapping terms and intervals. OI&T plans to deploy Release 1 to a limited set of claims processors to restrict the impact on the user community.

VA expected Release 1 to also include the functionality to convert and transfer data from the interim processing solution to the Long-Term Solution in order to enter supplemental awards for a claimant after an original award was processed in the interim solution; process Transfer of Entitlement and Fry Scholarship claims; amend awards for increases, reduction, or terminations; and pay Post-9/11 GI Bill kickers and supplemental kickers.

The above-mentioned modification from the reduced functionality in Release 1 is caused by a substantially increased appreciation of the complexity of amended awards. As our subject matter experts (SMEs) worked with the SPAWAR team new software requirements were identified, and it became clear these new requirements could not be incorporated by the March 31, 2010, milestone requirement. Under our Program Management Accountability System (PMAS), missing a milestone date has substantial consequences, and so a decision was made in conjunction with VBA to allow the delivery of reduced functionality in order to make the milestone date. Most importantly, as this will be the first delivery of software for the Long-Term

Solution, I believe it is critical that real users begin to use the software for production work, as this is the only way to assure ourselves that the project is delivering an acceptable product.

While complete functionality for the subsequent releases has yet to be determined, VA anticipates Release 2, to be delivered on June 30, 2010, will include the remaining features necessary to migrate the claims processors off the interim processing solution. VA, OI&T, and SPAWAR will conduct meetings the week of January 25, 2010, to finalize the functional requirements for Releases 2, 3, and 4 of the Long-Term Solution. We still anticipate the successful delivery of all the functional requirements for the Long-Term Solution by December 2010.

Temporary Claims Examiners

To support Post-9/11 GI Bill claims processing, VA hired 530 term employees under a 13-month authority that can be extended up to 4 years. The term employees are part of VA's short-term solution until OI&T delivers the long-term claims processing solution. VA will routinely measure the impact the Long-Term Solution has on our ability to accurately and timely process Post-9/11 GI Bill claims.

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

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[Text version of PowerPoint Slide Presentation]

Post-9/11 GI Bill Long-Term Solution Implementation

January 2010
U.S. Department of Veterans Affairs, Education Service
Washington, D.C.

Long-Term Solution Requirements

- VA enlisted SPAWAR to develop a rules-based automated Post-9/11 GI Bill claims processing system that includes and expands upon functionality provided by the interim solution.
- Key requirements

  - Processing of original and supplemental Post-9/11 GI Bill claims, including Transfer of Entitlement (ToE) and Fry Scholarship claims.
  - Automated calculation of all Post-9/11 GI Bill awards, including: tuition and fee payments, housing allowance, books and supplies stipend, and Yellow Ribbon payments; benefit program kickers; overlapping and interval terms, and award amendments.
  - Retrieval of demographic and service data from VADIR.
  - Interface to payment system for automated payments.
  - Veteran Self-Service capabilities.

Long-Term Solution Release 1 Functionality

Included Functionality	Delayed Functionality
- Processing of original Post-9/11 GI Bill claims - Automated calculation of payment awards (including tuition and fees, housing, etc.) - Automated calculation of overlapping term and interval awards - Demographic and service data from VADIR	- Conversion and data transfer from FET into LTS - Processing of ToE and Fry Scholarship claims - Processing of Supplemental claims - Chapter 33 kickers and supplemental kickers - Claims containing award amendments (increases, decreases, etc.)

Long-Term Solution Deployment Schedule

- LTS Limited Release 1, March 31, 2010—Pilot group of users processing original claims to evaluate the technology and reengineered business processes. Only original clean claims; no data transfer from FET; no Transfer of Entitlement (ToE) or Fry Scholarship.
- LTS Release 2, June 30, 2010—Replace Front-End Tool (FET) and Job Aid functionality, process ToE and Fry Scholarship claims, and receive data transfer from FET.

- LTS Release 3, September 30, 2010—Adds interface to financial accounting system.
- LTS Release 4, December, 2010—External interface to allow for veteran self-service for applications and claims management.

VA Future Staffing

- VA originally hired 530 term employees for 13-month terms that may be extended up to 4 years.
- VA will begin reducing term employee workforce in the first quarter of FY2011.
- VA will monitor the effectiveness and efficiency of the LTS to inform term employee reductions.
- VA will make a final determination on when employment terms should end based upon completion of LTS delivery.

VA Benefits During Spring Semester

- VA has received enrollment certifications for 90,604 veterans, and has processed 61,595.
- VA has taken many steps to decrease the claims backlog, including:

  - Awarding a 90-day claims assistance contract to ACS, Inc. for recommendations on non-33 claims.
  - Redirecting 200 ARRA employees at regional offices nationwide to claims and payment functions.
  - Implementing streamlining policies and procedures.
  - Providing advance payments to individuals awaiting normal benefit payments.
  - Continuing to utilize 230 ARRA employees hired through August 2009 for claims processing.

VA Requirements For LTS

- The VA has tasked SPAWAR SYSCEN Atlantic with developing the Chapter 33 Long-Term Solution (CH33 LTS) to replace the VA's interim solution for processing veteran education claims under the Post-9/11 Veterans Educational Assistance Act of 2008.
- By offering more "self-service functionality," developing an accurate yet flexible rules engine, and implementing a Service-Oriented Architecture (SOA) infrastructure, the system will minimize manual intervention and maximize efficiency.

LTS Implementation Date

- It is expected that the Chapter 33 Long-Term Solution will be fully implemented by December 2010.
- This solution will deliver incremental capabilities using an Agile software development methodology with four planned releases to achieve full operating capability (FOC):

  - Release 1 will improve upon existing claims-processing functionality;
  - Release 2 will add automation and efficiency to claims and veteran data;
  - Release 3 will add automation and efficiency to financial data; and
  - Release 4 will improve upon the veteran/claimant experience with self-service features.

POST–HEARING QUESTIONS AND RESPONSES FOR THE RECORD

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
January 25, 2010

Mr. Mark Krause
Department of Veterans Affairs Program Manager
Space and Naval Warfare Systems Center
810 Vermont Ave., N.W.
Washington, D.C. 20420

Dear Mr. Krause:

I would like to request your response to the enclosed questions for the record and deliverable I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *The Future of the Post-9/11 GI Bill Claims Processing System* on January 21, 2010. Please answer the enclosed hearing questions by no later than Monday, February 22, 2010.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in co-operation with the Joint Committee on Printing, is implementing some formatting changes for material for all full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 226–4150.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

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Questions for the Record

**The Honorable Stephanie Herseth Sandlin, Chairwoman
Subcommittee on Economic Opportunity
House Committee on Veterans' Affairs**

The Future of the Post-9/11 GI Bill Claims Processing System

January 21, 2010

Question 1: When you are finished, will VA own all the software and hardware?

Answer: Yes, the Veteran's Administration, as a Federal entity, will own all SPAWARSYSCEN Atlantic purchased hardware, all government employee developed software, and all software license rights acquired in non-commercial software. Commercial software license rights acquired by SPAWARSYSCEN Atlantic transfer to the Veteran's Administration.

Question 2: You state that you have developed the production hosting capabilities in a secure cloud computing environment with a secure network. Where in VA is this being done and where will the bulk of equipment reside?

Answer: Currently, on behalf of the Veteran's Administration (VA), SPAWARSYSCEN Atlantic is leasing a dedicated cloud computing environment within a commercial hosting facility located in Culpepper, Virginia. The production environment is within a dedicated private cloud for the exclusive use of the VA. At the conclusion of the CH 33 Long-Term Solution project, the VA can continue to pay for this commercial hosting service, or transition the application to one of the VA's data centers.

Question 3: It is my understanding that the current system can only recognize the 2009 BAH rate and not 2010 at the same time, making it difficult for claims processors to provide veterans a more accurate rate. Will Release 1.0 be able to calculate the housing stipend using multiple BAH rates?

Answer: Release 1.0 is a limited pilot release for new claims only. However, based on direction from the VA, to ensure consistency with claims processing until the CH 33 Long-Term Solution is fully deployed, Release 1.0 will use the same business rules as implemented in the CH 33 interim solution for applying multiple BAH rates to housing allowances/stipend calculations.

Question 4: When do you anticipate having the Web-based interactive training system completed and ready to be used as a training tool?

Answer: Release 1.0 of the CH 33 Long-Term Solution Web-based interactive training system will be available to train the VA Education Service Training Team beginning 16 March 2010. Release 2.0 of the CH 33 Long-Term Solution Web-based interactive training modules is scheduled to be available for the Veteran's Administration Education Service Training Team by 15 June 2010 to support the CH 33 LTS Release 2.0 deployment.

Question 5: How far along are you in testing the completed rules based engine?

Answer: The commercial off-the-shelf rules-based engine infrastructure has been integrated into the CH 33 Long-Term Solution and is an integral component of the Release 1.0 capabilities. The business rules have been defined, fully tested and integrated into the LTS Release 1.0 application. As new business rules are incorporated they are being tested on a daily basis to validate the performance of the rules-based engine.

Question 6: What problems do VA's legacy systems present for the new system?

Answer:

- Many legacy VA capabilities were developed as stand-alone solutions not intended for an Enterprise Architecture approach.
- Legacy systems are built on obsolete code without sufficient documentation and institutional knowledge which makes developing interfaces for the CH 33 Long-Term Solution challenging.
- Lack of standardized IT architectures and data structure across multiple VA and DoD systems creates challenges building systems interfaces for the LTS.

Question 7: Can you elaborate on how Release 1.0 will: validate application performance, deployment strategies and expected changes to business operations?

Answer: Application Performance—SPAWARSYSCEN Atlantic has worked with the Veteran's Administration to define the performance and demand requirements for the applications. We have designed the CH 33 Long-Term Solution with the appropriate infrastructure to support these requirements. In order to test/validate the application performance, we have developed performance models and will be conducting the necessary load testing. We will also integrate various application performance management tools to monitor and collect metrics to measure the performance of the production system.

Deployment Strategies—We are planning to deploy Release 1.0 for use at each of the four Regional Processing Offices (RPOs) incrementally on a weekly basis. From a technical deployment perspective, we have deployed multiple virtual environments within the development and production cloud computing environments to support testing, pre-production, and production. We will capture lessons learned from the limited adoption of Release 1.0 to improve future release deployments to become more effective and efficient.

Business Operations—Upon the deployment of Release 1.0 we will capture feedback from the RPOs to assess the impact and identify improvements to business operations. We will leverage lessons learned to help improve the operational performance of the RPOs in streamlining the adjudication of CH 33 claims.

Question 8: Are you confident that VA will be able to maintain and update the system?

Answer: Yes, we are confident the VA will be able to maintain and update the CH 33 Long-Term Solution.

Question 9: How much training time will be needed to train the claim examiners?

Answer: We expect it will take a week to train the Veteran's Administration (VA) Education Service Training Team Members (train the trainers) so they can train the

Veterans Claim Examiners at the four RPOs. We defer to the VA to answer how long it will take them to train the VCEs, or how this training will integrate into their training processes.

Question 10: For the system being developed today for VA, how long into the future will the system be useful and how difficult will it be to perform updates?

Answer: Generally speaking, software applications that are well maintained and updated can continue to be useful for over 20 years. The Service Oriented Architecture (SOA) foundation the CH 33 LTS is built on will allow "faster, better, cheaper" updates and evolutions in the future.

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Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
January 25, 2010

The Honorable Roger W. Baker
Assistant Secretary for Information and Technology
U.S. Department of Veterans Affairs
810 Vermont Ave., NW
Washington, DC 20420

Dear Assistant Secretary Baker:

I would like to request your response to the enclosed questions for the record and deliverable I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *The Future of the Post-9/11 GI Bill Claims Processing System* on January 21, 2010. Please answer the enclosed hearing questions by no later than Monday, February 22, 2010.

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Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JL/ot

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Questions for the Record

**The Honorable Stephanie Herseth Sandlin, Chairwoman
Subcommittee on Economic Opportunity
House Committee on Veterans' Affairs**

The Future of the Post-9/11 GI Bill Claims Processing System

January 21, 2010

Question 1: How many permanent and temporary employees is VA projecting it will need beyond 2010?

Response: In FY 2011, the implementation of the long-term automated processing solution for Post-9/11 GI Bill claims will allow us to address the expected workload and improve claims processing timeliness with 1,521 direct permanent full time employees (FTEs). We will carefully measure the impact the Long-Term Solution has on our ability to accurately and timely process Post-9/11 GI Bill claims and make appropriate staffing adjustments.

Question 2: You state that Regional Processing Offices (RPOs) have diverted resources to other areas. As we understand from staff who visited the Oklahoma Na-

tional Call Center, employees are being transferred from their primary job to process claims. Why is this being done and how are the primary job areas being affected?

Response: Timely delivery of education benefits is a top priority for VA. The backlog of education claims was driving call volume at our Call Center in Muskogee, Oklahoma to an all time high of 1.26 million call attempts during November. To help veterans receive their Post 9/11 GI Bill benefits more promptly, VA trained existing phone technicians at the Education Call Center to process pending education claims. Nearly 80,000 claims were pending and timeliness measures were extremely high in December when VA decided to redirect phone agents to claim processing.

On December 10, the Veterans Benefits Administration (VBA) redirected 155 Call Center employees to claims processing on Thursdays and Fridays, our lowest call volume days. These employees joined 1,032 existing education employees nationwide in processing pending education claims for the fall and spring semesters. There is a direct correlation between pending claims and increased call volumes; the volume of calls exponentially decreases as we are able to pay more veterans.

This temporary measure improved the timely processing of veterans' Chapter 33 claims, and resulted in a lower call volume and blocked call rate during the month of January 2010. On February 18, 2010, the Call Center resumed normal business hours 5 days a week.

Question 3: VA received the third and final phase of the short-term solution on November 9, 2009 to process amended awards and overlapping terms. What delay did this create and was VA able to process amended awards and overlapping terms before November 2009?

Response: The delay in deployment of the final phase of the interim solution caused a delay in issuing payment on amended awards and overlapping terms. These types of awards can now be completed with the same timeliness as all others. However, since the interim solution did not materially improve the speed of processing, the overall effect of deploying the final phase on timely distribution of checks will be moderate. VA expects to begin seeing significant improvements in timeliness with the deployment of Release 2 of the Long-Term Solution in June 2010.

Question 4: In visiting the Call Center, it seems that most of the phone technicians were unable to make corrections when a veteran calls them based on regional jurisdiction. Why is this the case and is this being reviewed to permit them to make corrections?

Response: VBA and the Office of Information and Technology (OI&T) are working to improve access across jurisdictions. The primary systems used by the education program are The Image Management System (TIMS), Benefits Delivery Network (BDN), and the interim solution. All systems are used to process and make corrections to claims. These systems are limited in the volume of users and the capability to cross RPO jurisdictional lines. Due to these system limitations, VBA developed internal processes that allow the Call Center technicians to expedite processing and make adjustments to claims identified as having financial hardships. Non-hardship claims are provided to the RPO of jurisdiction for normal processing.

OI&T plans to make changes to TIMS and BDN over the next few months to improve response time and access for VBA staff. For BDN, OI&T has modified processor usage allocations to provide immediate relief to production activities. OI&T is also considering the following options:

- Add processors to increase the overall capacity of the system;
- Modify ancillary system programming to reduce the number of queries; and
- Schedule development, batch processing, and test activities that utilize BDN after normal business hours.

The following improvements are planned for the TIMS application infrastructure:

- Upgrade application hardware storage;
- Shorten downtime for system backups by deploying faster tape devices;
- Balance the distribution of application functions across disk arrays to reduce input/output contention;
- Upgrade to a more stable version of Oracle;
- Allow claims folder access across jurisdictions;
- Monitor the application continuously for application load rebalancing;
- Secure additional application software licenses for additional users; and
- Determine potential to provide technical contract support on weekends.

Question 5: The Call Center is currently opened from Monday to Wednesday during the week. Why is this schedule being followed and why can't the center open 5 days a week?

Response: The timely delivery of education benefits is a top priority for VA. There is a direct correlation between the number of pending education claims and call volume. A high pending inventory equals a high call volume. Phone technicians spend a significant amount of time informing veterans that their claims are still pending. Reducing the pending inventory was a key factor in improving Call Center performance; therefore VA needed to find additional resources that could quickly have a positive impact on the pending inventory. Call Center technicians were familiar with VA systems and could be trained in claims processing faster than new hires. As a temporary measure, VA decided to close the Call Center Thursdays and Fridays to process more claims for veterans. Thursdays and Fridays are the lowest call volume days.

Since the closure of the Call Center on Thursdays and Fridays, customer service and CH 33 claims processing performance improved significantly.

- Improved Customer Service
  - The Call Center received 769,637 call attempts on Monday thru Wednesday during the first 2 weeks in December 2009. By comparison, the Call Center received 381,442 call attempts on Monday thru Wednesday during the first 2 weeks in January 2010. The overall call volume continues to trend down.

- Improvement in CH 33 Claims Processing Performance
  - Call Center employees complete an average of 700 claims per day on Thursdays and Fridays, plus overtime. They completed approximately 18,000 claims.
  - Pending CH 33 inventory is the lowest since August 2009.
  - Timeliness has improved by 13 days since the end of November 2009.

VBA is making significant progress with processing the spring enrollments. Through March 4, 2010, VA has received spring enrollments for 200,384 veterans, of which 190,386 have been processed. The decision to supplement claims processing staff by the Call Center employees was a key factor in these improvements. Based on our progress, VA resumed normal business hours at the Call Center on February 18, 2010.

Question 6: In visiting the Call Center, the employees mentioned that they needed dual monitors and a better phone system. Who in VA will be following up with the Call Center to get them the equipment they need?

Response: The local IT staff received and installed 140 dual monitors for the Call Center employees. The issues with the current telephone system in Muskogee have been reviewed extensively. The primary issue involves the stability of the current Call Center call routing system, and will be resolved with the planned Veterans Relationship Management initiative that includes national call routing. The remaining issues involve difficulties with the local instruments and flexibility needed to meet mission needs. The local phone switch may need replacement, and options are being evaluated for the phone switch replacement and design.

Question 7: You state that insufficient staffing levels caused problems. Do you believe that you have sufficient staff?

Response: The insufficient staffing levels VA experienced during the fall enrollment period were remedied with the delivery of phase three of the interim claims processing solution, the utilization of ARRA employees to assist with the education workload, and the claims processing support provided for under the contract with Affiliated Computer Services. As a result of these efforts, VA has increased its daily completions of Post-9/11 GI Bill enrollment certifications from an average of 1,800 per day during October to the nearly 7,000 per day in February.

Question 8: Has VA implemented any of the recommendations that were sent to VA from this Subcommittee on November 12, 2009?

Response: VA has considered or implemented many of these suggestions and is working diligently to improve the efficiency of claims processing for veterans.

VA initially encouraged claimants to apply early for benefits. We received an overwhelming response from veterans, including those who have no immediate plans to enroll in school. With the level of our current claims inventory for veterans already enrolled, we encourage individuals who are interested in receiving education bene-

fits but not yet ready to attend school to wait until they have decided on a school and an educational program. This will allow us to focus on the claims of those who are currently attending school. Although our application process does not require an individual to positively state they are currently in school, we were able to identify those students for whom we received certifications of enrollment through our data systems. This allowed our processing offices to prioritize processing for those veterans.

We also contacted school officials to encourage them to submit enrollment information as quickly as possible, since VA cannot process payments until we receive verification from schools that the student is enrolled.

We agree that VA should inform veterans that they should expect to receive their first housing allowance and book stipend in arrears. Although payment of these benefits is consistent with other VA benefit payment practices, there is a need to raise awareness about when to expect these payments. Earlier last fall, we issued a news release, sent a letter to schools, and posted information to our networking sites to explain the payment policy.

VA informs veterans of the potential benefit of applying for additional Federal education programs that could enhance their VA education benefits. We are working with the Department of Education to share information about programs available to veterans. Our GI Bill Website also features links to several Federal financial aid sources.

VA conducted extensive outreach to inform veterans of the Post-9/11 GI Bill. Each individual identified in our data files as having potential eligibility was mailed two letters last year. North American Precis Syndicate published articles for VA, as well as a television spot. We also entered into a contract with a marketing firm to develop a national media campaign, which will be ready by summer 2010. The marketing firm will explore ways to enhance VA's Website and create the kind of interactive features suggested in your letter.

Veterans receiving educational assistance under the Montgomery GI Bill program are required to certify their school attendance each month, but those receiving Post-9/11 GI Bill benefits are not. VA's interim payment system does not support a monthly verification process for Post-9/11 GI Bill. However, VA's future payment system, which should be fully deployed in December 2010, is expected to utilize a monthly enrollment verification process. VA will propose a change to existing regulations to coincide with our ability to support a monthly verification process.

Question 9: The VA made advance payments to over 113,000 veterans. Do you anticipate issuing advance payments this semester if veterans do not receive their benefits for the spring 2010 semester?

Response: Because spring enrollment certifications are being processed timely, VA is not making advance payments for the spring 2010 semester.

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