Statement for the Record by

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For the House Committee on Veterans’ Affairs

Economic Opportunity Subcommittee

Hearing on Increasing the Functionality of the Post 9/11 GI Bill Claims Processing to Reduce Delays

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Chairman Flores, Ranking Member Takano, and members of the Subcommittee on Economic Opportunity, the National Association of Veterans Program Administrators (NAVPA) is pleased to be invited to provide comment on the topic of increasing the functionality of the Post 9/11 GI Bill claims processing. NAVPA’s membership is comprised of educational institutions from all sectors with an organizational commitment to advocating for what is in the best interests of student veterans at our institutions. Our expertise lies in the administration of veterans’ education programs at colleges, universities, and other education providers and most of our members also serve as School Certifying Officials for VA education benefits. NAVPA is a voluntary organization with a primary mission to provide training and professional development to member institutions, collect and disseminate best practices surrounding support for student veterans and military members, and advocate on behalf of students and our institutions. Our organization represents close to 400 educational institutions nation-wide and our leadership is comprised of non-paid staff members. We voluntarily serve NAVPA in an effort to better serve the veterans on our campuses.

The Post 9/11 GI Bill (Chapter 33) is an incredibly generous and complicated benefit program. The level of detailed, often manual work required of School Certifying Officials is frequently overwhelming. There are a number of things we believe could be done to ease the burden on SCOs and on VA processors to make this a more streamlined and manageable process.

Regulations and Policy Guidance:

We must have regulations for the GI Bill law passed over 2 years ago (PL 111-377). Schools are being held liable for overpayments by policies that are not in alignment with existing regulations and schools are expected to comply with legislation that has not been regulated. VA attempts to manage the implementation of the changes in PL 111-377 via policy statements but these are not well or consistently communicated to all educational institutions. We continue to ask for an online archive of all policy and procedural changes since it seems difficult to push information out to the field and schools through VA communication channels.

VA Once/IT Concerns:

The VA Once certification data entry system still requires schools to upload data multiple times for the same student, one student at a time – there are no batch uploads, certifying officials are advised to input only one change per day for each student to insure they are received correctly at the Regional Processing Office, and the ability to modify, update or correct some inputs is severely limited if not impossible to do electronically. We still must rely on paper forms to report some situations clearly or resort to duplicate certifications – one example comes from recent ELR guidance reminding schools that they cannot make any changes to a terminated certification and that the only option is to completely recertify the term with explanatory remarks. As a very senior certifying official wrote recently, “*We should be able to correct anything that we send to the VA via VA-ONCE to keep it clear and clean.”* Data entry limitations result in a great deal of extra work on the part of the already heavily burdened SCO. Limitations on data inputs via VA Once and the set of standard remarks available do not allow for all reporting scenarios and needs.

Payment Processing Issues:

Ch 33 claims processed by the LTS’ automated functionality are now paid very quickly – as soon as five work days from submission from our observation. But this is still a minority of supplemental claims and includes no original claims. LTS must continue to evolve so it is able to process more complex claims and changes.

Certificates of Eligibility are NOT the same as authorizations for payment as used under Ch 31 or military Tuition Assistance. COEs do not represent a guarantee of payment at a set amount, but rather a statement of general eligibility for a program. The VA still can pay all or a portion of reported charges based on a number of possible criteria and situations. Many schools are nonetheless willing to defer student bills until GI Bill tuition and fee payments arrive, but some are not. Some are even willing to disburse other aid while awaiting GI Bill funds. The number willing to do so would likely decrease dramatically if funds were to be sent to the student rather than the school, a situation that would result in even less confidence in the eventual payment of charges.

Since SCOs and business offices are expected to know whether they have been paid correctly by VA – and must reconcile payments so they know what to do with balances on student accounts, they must be taught payment processing rules and policies – how to calculate a prorated payment based on a reduction in hours after the start of term, for example. Only by understanding this level of detail can the school be assured that payments – and debts/overpayments – are correct.

As long as VA requires schools to report every change in enrollment or charge, waiting till the end of term to submit tuition and fees will not help reduce the number of adjustments or amendments required, but will rather compress them into a very limited time period rather than submitting them as they occur throughout the term. The only way to reduce the reported 50% of the claims backlog that results from adjustments is to convince students not to change their schedules. Every one of these changes has to be reported – individually – and, as mentioned previously, on separate days to be sure that the data arrives at VA intact.

Overpayments and Debt Collection:

The RPOs should communicate with schools prior to sending school debts to the VA’S Debt Management Center for collection. There should be agreement on both the rationale and amount of the overpayment before the DMC starts collection processes. The VA’s review in 2011 of outstanding 2009-2010 overpayments was obviously flawed as the DMC suspended collection on over 800 of these debts and many, many schools reported offsets taken for debts that were already paid or previously reassigned to the student by the RPO.

The US Treasury Offset Program procedures MUST be changed to prevent multiple agencies from offsetting the same debt simultaneously. A system that only allows a weekly update of offset-eligible VA debts is irresponsible. This has caused enormous confusion, frustration, and effort on the part of institution to track and reconcile inbound payments and offsets from multiple non-VA-related federal sources including the refunds of erroneous or duplicate offsets taken.

Redundant/Useless Reporting Requirements:

Eliminate useless school reporting requirements such as graduation – data collected through that process is incomplete and providing highly inaccurate view of veteran completion rates. Also, while an admirable goal, reporting students on probation so that VA can send a letter reminding them that they have tutoring, counseling, and advising available to them seems a less than optimum use of resources since schools already work closely with students on probation status. These VA and SCO resources could be better utilized elsewhere.

Data Sharing:

It seems unreasonable in this IT-driven age that the four Regional Processing Offices cannot see electronic files in each other’s jurisdiction. This lack of visibility requires additional form submission by veterans if their initial application was processed and their Certificate of Eligibility issued by one RPO but the veteran decides to enroll in a school in another region. Veterans cannot reasonably be expected to know what RPO their forms are processed in nor that they must notify VA when they move from one RPO to another. The Education Call Center staff in Muskogee has visibility on veteran files from all four regions – why not all four RPOs so that this additional paperwork and delay on claims processing can be avoided.

There is still no school access to real-time eligibility and payment data for students using the Post 9/11 GI Bill – our most long-standing request. This significantly impacts schools’ ability and willingness to extend financial protection or courtesy for student veterans. Schools’ initial experiences with the Post 9/11 GI Bill including the recent debt collection efforts have not served to build confidence in the program or its accurate implementation. Only direct access to data will change this

Benefit Recommendation:

There needs to be a change to the net-cost consequences for those veterans at less than 100% eligibility for Ch 33 who cannot combine federal or other restricted aid programs to get 100% of their costs covered. When VA pays after all others, and only a percentage of what remains, the veteran can never get all charges paid for, even with multiple available programs. This is unfair to these individuals, primarily Guard and reserve members/veterans. Ch 33 rules should allow for payment of the veteran’s net-cost not to exceed the full cost multiplied by the veteran’s eligibility tier.

Mr. Chairman, members of the subcommittee, thank you again for the opportunity to contribute these statements on behalf of the National Association of Veterans Program Administrators. Our organization stands ready to assist in all efforts to better support the women and men who have served this nation. We thank you for your continued leadership on issues of critical importance to America’s veterans. NAVPA would be happy to respond to any questions you may have.