

**STATEMENT OF
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UNDER SECRETARY FOR BENEFITS
DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
ECONOMIC OPPORTUNITY AND TECHNOLOGY MODERNIZATION
SUBCOMMITTEES**

May 9, 2019

Good afternoon Chairman Levin, Chairwoman Lee, Ranking Members Bilirakis and Banks, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the status of VA's implementation of the provisions in the Harry W. Colmery Veterans Educational Assistance Act of 2017 (Colmery Act) or, as it is more commonly referred to, the Forever GI Bill. My testimony will address the re-setting implementation of sections 107 and 501 of the Forever GI Bill; the establishment of a program integration office; and contractor support in the areas of program integration, systems implementation, software development, and communication efforts. Accompanying me today are James Gfrerer, Assistant Secretary for Information and Technology and Chief Information Officer; Charmain Bogue, Acting Executive Director of Education Service, Veterans Benefits Administration (VBA); and Rob Orifici, Information Technology (IT) Specialist, Office of Information and Technology (OIT).

Forever GI Bill "Reset"

On November 28, 2018, VA announced key changes in the implementation of sections 107 and 501 of the Colmery Act. These sections dealt primarily with the calculation and processing of housing payments under the Post-9/11 GI Bill. Because of the information technology difficulties VA experienced with implementing sections 107 and 501, Secretary Wilkie announced a reset of VA's implementation efforts, to give the Department the time, contracting support, and resources necessary to develop the capability to process enrollments, in accordance with the law, by December 2019.

In the interim, VA will pay monthly housing allowance rates for the Post-9/11 GI Bill at the current academic year uncapped Department of Defense (DoD) Basic Allowance for Housing (BAH) rates. For many students, this DoD BAH rate will be equal to or higher than the rate they are due under law. VA will also retroactively correct any underpayments resulting from sections 107 and 501 implementation problems. If a student was overpaid due to the change in law or because of VA's challenges in implementing the law, VA will notify impacted students individually with the amount VA intends to waive. Concurrently, VA will review the debt to ensure it was incurred solely based on implementation of sections 107 and 501. Upon confirmation, VA will notify the student of the completed waiver. In this process, VA does not require anything additional from the impacted student. . For the 2018 academic year and Fall 2019, VA will continue to pay housing allowances based on the location of a school's

main or branch campus, rather than the physical location where a student attends the majority of classes. This interim policy will terminate by December 1, 2019, upon implementation of a fully developed IT solution for sections 107 and 501 of the law.

The Secretary took three actions to ensure the successful implementation of these two provisions of the Forever GI Bill. First, he appointed me as the single person responsible and accountable for overseeing implementation of the Colmery Act. Second, he directed VA's Office of Acquisition, Logistics, and Construction to provide acquisition support in the areas of contracting, program integration, systems implementation, and software development. Third, he directed OIT, and any other offices required to support this effort, to ensure that adequate staffing, funding, and/or other necessary resources are provided.

Independent Technical Assessment

In November 2018, OIT chartered MITRE to perform an Independent Technical Assessment (ITA) of the capabilities necessary to meet the requirements of the Colmery Act. The ITA focused on identifying issues related to the delayed delivery of updates of the Long-Term Solution (LTS) information system and recommending resolution to the issues associated with completing and deploying the required system updates. MITRE provided 20 recommendations intended to help OIT ensure that adjustments to LTS are successfully tested and deployed in the near future. VA completed 10 of the 20 recommendations prior to April 30, 2019. For example, VA identified and designated a Colmery Act Champion and established an End-to-End Chief Systems Integrator. These defined leadership positions provide more effective collaboration and integration efforts within and across VBA and OIT to support Colmery Act systems and processes, which increases the probability of successfully developing and deploying Colmery Act systems that meet cost, schedule, and performance requirements and constraints. VA also established an end-to-end requirements process, and requirements lead, for the Colmery Act that encompasses requirements for all systems involved in processing education claims. An additional 9 recommendations will be completed by June 30, 2019, and the remaining recommendation, which requires VA to establish common development and test environments and processes, will be completed by September 30, 2019. The approximate cost to conduct the Forever GI Bill ITA was \$232,000. This effort included data collection (e.g., interviews of stakeholders and contractors); document reviews, assessment, recommendations, status briefings to the VA final report, accompanying briefing; and post report questions and answers (Q&A) with VA.

While MITRE fulfilled its initial contractual obligation by delivering the ITA on November 30, 2018, OIT has contracted MITRE to fulfill the recommendations set forth in the ITA as they pertain to the Colmery Act Program Integration Office (PIO). The value of the MITRE contract, Colmery Act PIO, to address the recommendations from the FGIB ITA is \$5.2 million.

Program Integration Office

In preparation for the arrival of the Software Development and Systems Integration vendor, VA formally established the PIO as a formal entity within the

Department with assigned and/or aligned Government leaders, staff, Federally Funded Research and Development Center (FFRDC) support, and contract support. The PIO also completed the refinement and finalization of a comprehensive set of the user stories capturing the business requirements for sections 107 and 501, developed a draft integrated master schedule, is managing a program risk register, and has rebooted the configuration control process.

The PIO is led by the Assistant Director, Modernization and Process Improvement, Office of Business Process Integration. The Colmery Program Executive Officer, Education Service, and the Program Manager, Education, Claims Processing, Integration, and Consolidation (ECPIC), OIT are part of the PIO leadership team. The Colmery Program Executive Officer serves as the Product Owner for the Colmery Act “solution” and the Program Manager, ECPIC serves in the capacity of the IT Portfolio Director and the receiving organization representative, per the Veteran-focused Integration Process in use for OIT projects. The Colmery Program Executive Officer and the Program Manager, ECPIC will act together to define and approve the requirements for the Colmery solution, define the Minimum Viable Product required to meet program objectives, and accept the resulting solution.

In addition, VA established a program governance structure, which is supported by the MITRE Corporation, to serve as the decision authority for definition and enforcement of norms for executing program activities, and approval or disapproval of lifecycle processes, control gates, activities, funding, acquisitions, resources, and systems required to achieve successful implementation. MITRE also coordinates functional, technical, and programmatic activities, capturing associated risks with these activities, and developing mitigation plans and strategies to ensure VA is on schedule to meet the December 1, 2019, implementation date. This includes making recommendations on these activities and maintaining governance structures along with a change control board to allow for informed and structured decision-making.

Contract Support

VA paid approximately \$3.9 million to Booz Allen Hamilton under a prior support contract in the second quarter of Fiscal Year (FY) 2018 for their efforts toward implementing sections 107 and 501 of the Colmery Act. Booz Allen Hamilton also received additional funding for other work efforts associated with implementing section 112 of the Colmery Act, which removes the time limitation for the use of entitlement for certain individuals under the Post-9/11 GI Bill. Direct support costs for section 112 amounted to approximately \$648,000, while indirect costs in support of other activities totaled approximately \$6.5 million.

Booz Allen Hamilton’s support efforts resulted in the development and delivery of software to enhance the LTS to meet VA’s initial definitions of sections 107 and 501.

On February 15, 2019, VA awarded a new contract to Accenture Federal Services (AFS) to provide systems integration support to coordinate planning, development, and integrated testing of all systems associated with Colmery Act implementation. The approximate value of AFS’ contract is \$14 million for FY 2019, based solely on the work related to sections 107 and 501. The scope of AFS’ contract includes development of new software, interfaces with legacy systems, systems

architecture, and testing. VA awarded this contract in less than 75 days. Representatives from AFS and VA started working on implementation efforts the same day this new support contract was awarded, and contractor onboarding is near completion. AFS analyzed the code delivered by Booz Allen Hamilton against the sections 107 and 501 requirements and concluded it will not be used as a starting point for AFS' own developmental efforts due to definition changes under these sections. AFS, however, will evaluate the available code delivered by Booz Allen Hamilton to determine if any portions of it can be reused within AFS' own development process under its support contract. In addition to work conducted on the Long Term Solution, AFS has also started development and integration efforts on the Web Enabled Approval Management System and VA Online Certification of Enrollment systems which are critical components of the Colmery Implementation, but were not part of the Booz Allen Hamilton scope of work.

Claims Processing

Education claims processing times vary throughout the year due to multiple factors, including fall and spring peak enrollment periods and IT issues that may affect production. For the Fall 2018 term, VA experienced a higher than usual pending inventory count, which resulted in increased processing times. This was caused by the delayed implementation of the IT solution for sections 107 and 501, the fall peak enrollment period, and IT latency issues.

In consideration of the expected deployment of the IT solution for Sections 107 and 501, VA notified schools in early April 2018 to suspend submitting claims where the potential existed that a student was attending classes in multiple locations. This direction was intended to lessen the burden on schools of the requirement to re-submit enrollment certifications for impacted students after the IT deployment. VA communicated that it would continue to accept claims when a student was attending all of their classes at the school's main campus.

On July 17, 2018, VA notified schools that the IT solution was not ready, and advised them to submit all claims for processing. Following the July 17 notice, VA experienced a large increase in submitted claims that would have normally been received and processed over six months.

On September 14, 2018, Education Service reached its highest pending inventory since 2012. I am pleased to report that our pending claims went from a high of 200,000 claims to the lowest it has been in months to under 100,000 claims.

- Pending Claims: As of April 19, 2019, our pending inventory is currently 72,176 claims with an Average Days Pending of 16.4 days for original claims, and 10.1 days for supplemental claims.
- Completed Claims: As shown in the following table, we are currently exceeding both timeliness targets of 28 days for original claims and 14 days for supplemental claims for the month of April.

| | | |
|--------------------------|------------|-------------------|
| Average Days to Complete | April 2019 | Timeliness Target |
|--------------------------|------------|-------------------|

| | | |
|---------------------|-----------|-----------|
| Original Claims | 25.2 days | 28.0 days |
| Supplemental Claims | 13.9 days | 14.0 days |

In addition, we updated the monthly housing rates for Fall 2018 and processed over 450,000 corrections by the end of January. We are on track to meet or exceed our fiscal year targets of 28 and 14 days for processing original and supplemental claims, respectively.

On March 11, 2019, Education Service began to centralize Work-Study processing activities to the Muskogee Regional Processing Office (RPO). The decision to centralize Work-Study processing was made based on the findings of an internal review and an external study of the program. Centralization will improve consistency and timeliness for these claims, provide better customer service experiences for the beneficiary, and reduce administrative costs. This initiative will have an immediate positive impact on participants in the Work-Study program and will have minimal impact to the employees at the Buffalo and St. Louis RPOs who will no longer be processing Work-Study claims.

Muskogee Latency Issue

On November 14, 2018, VA testified at a hearing with this Committee regarding the significant latency issues that impacted operations for weeks during the Fall 2018 term. The impact at the RPOs were so severe that increased bandwidth was deployed initially to Muskogee, and later to the St. Louis and Buffalo RPOs. The increased bandwidth at the Muskogee RPO, by upgrading a circuit, resulted in increased capacity by nearly 50 percent. To further address the latency issue at Muskogee, VA replaced over 500 user workstations to resolve issues with outdated network card drivers. VA also updated application certificates to fix a capture issue associated with The Image Management System. In addition, the Benefits Delivery Network System performance was improved at Muskogee by deploying a patch to 1,887 workstations. The latency issues reported at Muskogee and the other RPOs have been resolved.

Stakeholders

VA has undertaken numerous initiatives to better serve and inform our stakeholders. VA increased efforts to more widely disseminate information, and to improve the quality of information communicated. We have begun holding monthly roundtable discussions with schools, Veterans Service Organizations, State Approving Agencies, and other stakeholders to keep our partners aware of our development progress, implement their suggestions, plan for any concerns they may have, and to help us communicate the upcoming changes. Each session will include different stakeholder representatives (for example, our first session invited the top 25 GI Bill schools). All stakeholders will receive follow up emails with notes and Q&As.

Mr. Chairman, this concludes my testimony. My colleagues and I are prepared to respond to any questions you or other Members of the Subcommittee may have.