

**Statement for the Record  
Troy J. Mueller, Sc.D.  
The MITRE Corporation  
to the  
Subcommittee on Economic Opportunity  
of the  
House Veterans Affairs Committee  
U.S. House of Representatives  
Hearing on  
“Digital GI Bill in Disarray: Holding the Biden-Harris Administration  
Accountable for VA's Costly Mismanagement”  
September 26, 2024**

Chairman Van Orden, Ranking Member Levin, and other Members of the Subcommittee, thank you for the opportunity to provide a statement for the record on matters relating to the Department of Veteran’s Affairs (VA) Digital GI Bill program. Successful modernization of legacy IT is critical to improving the Veteran experience. MITRE very much appreciates the opportunity to share our insight from our work on this critical program.

MITRE is a 501(c)(3) not-for-profit corporation. We are chartered to operate in the public interest, which includes operating federally funded research and development centers, or FFRDCs, on behalf of federal agency sponsors, including the Department of Defense; the Centers for Medicare and Medicaid Services at the Department of

Health and Human Services; the National Institute of Standards and Technology which operates the National Cybersecurity Center of Excellence; the Federal Aviation Administration; the Department of Homeland Security; the Department of Treasury; the Department of Commerce; the Social Security Administration; and the Veterans Administration. Over the last 25 years, MITRE's technical and subject matter experts who support these centers have had the privilege of supporting many modernization efforts across the federal enterprise.

### **A Trusted Partner**

MITRE has been a partner with the VA's Education Service since 2008. We were initially brought on as a partner to support the implementation of The Post-9/11 Veterans' Educational Assistance Act of 2008 (Post-9/11 GI Bill). MITRE worked alongside Education Service, its Veterans Benefits Administration (VBA) partners, and the Office of Information Technology (OIT) to help drive development of a new system to process Post-9/11 GI Bill claims.

Education Service partnered with MITRE again in 2019 to prepare for an extensive modernization of their claims processing systems. MITRE worked with Education Service to draw up the Modernization Value Proposition to include the path forward for modernizing claims processing and customer service, providing direct, online, one-stop

access to GI Bill benefits and information. Speed and simplicity are essential for Veterans trying to access their benefits while facing college application deadlines. This modernization vision is a transition to a holistic service that improves user experiences across the entire internal and external environment.

MITRE's role has focused on providing strategic advice, guidance, and assistance in the areas of systems engineering, program integration, and organizational change. Our work includes completing the annual update of the life cycle cost estimate (LCCE) for the Digital GI Bill (DGIB) program, and we most recently delivered version 4.0 in April 2024. The next update is planned for April 2025.

### **Life Cycle Cost Estimate**

The life cycle cost estimate (LCCE) provides the total cost to the Government of acquisition and ownership of the system over its full lifetime. It encompasses the cost of development, acquisition, support, and disposal. The primary purpose of this estimate is to establish an overall program cost baseline, which serves as a critical tool for resource planning, program justification, and other essential decision-making activities.

A LCCE is a required artifact for any large program exceeding \$50 million<sup>1</sup>. This requirement is specified for IT systems through the Office of Management and Budget's (OMB) Capital Planning and Investment Control (CPIC) framework, as detailed in the Capital Programming Guide and various OMB Circulars, including A-11 and A-94. The LCCE is a vital tool for supporting sound financial decision-making throughout the life of a program and informing outyear budgetary requirements.

It is a living document that GAO recommends be updated annually to reflect actual expenditures, changes in technical, economic, and programmatic assumptions, and fact-of-life changes such as new legislation impacting the agency, Veterans, service members, and beneficiaries. It is important to note that the LCCE is distinct from a business case or a return on investment analysis.

The methodology for developing the LCCE adheres to the best practices outlined in the Government Accountability Office (GAO) Cost Estimating and Assessment Guide (CEAG)<sup>2</sup>. The LCCE functions as an input-output model, with inputs capturing technical, economic, and programmatic parameters and assumptions, ultimately producing a point estimate and a range estimate to establish contingency reserves.

---

<sup>1</sup> The White House - *OMB Circular A- 11*. Retrieved from: [a11.pdf \(whitehouse.gov\)](#)

<sup>2</sup> GAO Cost Estimating and Assessment Guide - GAO-20-195G, Published: Mar 12, 2020.

The initial version of a LCCE is considered the baseline and typically exhibits a higher level of uncertainty, with the point estimate having an approximate 25% confidence level based on empirical studies<sup>3</sup>. Version 1.0 of the DGIB LCCE reflected a point estimate of \$1.295 billion (then-year dollars) at the 25% confidence level, meaning there is a 75% probability of the point estimate increasing. GAO recommends using the estimated value at a 50% confidence level for budget projections in mature programs to establish contingency reserves. With each subsequent iteration, the uncertainty should decrease, and the point estimate confidence level should increase. The program cost team diligently tracks changes to the programmatic and technical environments and associated assumptions to inform annual updates and provide input to decision-makers.

As of the April 2024 update (version 4.0), the DGIB Program has an estimated total cost of \$2.04 billion in base year FY21 constant dollars over a ten-year period, rising to approximately \$2.28 billion when adjusted for inflation (then-year dollars). This update reflects the award of a task order to Accenture Federal Services on the Alliant 2 contract in December 2023, which altered these figures. This task order

---

<sup>3</sup> Journal of Cost Analysis and Parametrics - *Enhanced Scenario-Based Method for Cost Risk Analysis: Theory, Application, and Implementation*. Retrieved from: <https://www.tandfonline.com/doi/full/10.1080/1941658X.2012.734757>.

makes up a portion of the total life cycle costs. At a 50% confidence level, the program's estimated life cycle cost reaches \$2.42 billion in then-year dollars, including a contingency reserve of \$135 million.

The Digital GI Bill program is large and complex and accordingly has inevitably encountered challenges, unanticipated complexities, and the realization of risks that have led to schedule delays and increased costs. Replacing extremely old legacy IT systems that rely on outdated software languages and hardware, such as the VA's 1970s-era mainframe Benefits Delivery Network among others, presents a multitude of challenges. As expected, this effort has required re-engineering that yields issues that are difficult to anticipate and necessitate extensive testing and validation to minimize disruption to business operations such that access to benefits is not delayed.

The impact of challenges associated with modernizing legacy IT systems that are this dated, as well as updates to assumptions regarding claims volume, automation, the number of required Veterans Claim Examiners (VCE) post full implementation, the establishment of the EDU Program Management Office, and alignment of DGIB with dependent legacy systems and other large-scale modernization programs schedules and roadmaps to minimize the disruption of services resulted in the point estimate increase from LCCE version 1.0

(conducted in 2021) to version 4.0 (delivered in April of this year). The primary areas of cost increase over the lifecycle are the VCE assumption and timing of required automation targets (\$500M), and the GSA Alliant 2 contract to extend the platform configuration by 4 years to accommodate schedule impacts (\$426M).

VBA's active leadership and ongoing evolution of program processes, tools, and experienced staff will enable the program to continue identifying challenges, crafting options, and proposing adjustments and improvements that will increase the probability of future success.

## **Conclusion**

In closing, let me just note that of MITRE's roughly 10,000 personnel, over 1,600 are Veterans. There are few duties that our employees consider more noble and consequential than honoring, through our support for the VA, the service and sacrifice of our nation's men and women in uniform. On behalf of the entire MITRE team, I greatly appreciate the Committee's consideration of this statement for the record.