STATEMENT OF MR. KENNETH SMITH ACTING EXECUTIVE DIRECTOR, EDUCATION SERVICE VETERANS BENEFITS ADMINISTRATION DEPARTMENT OF VETERANS AFFAIRS BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY ON BUREAUCRATIC BARRIERS: MAKING VBA EDUCATION SERVICES WORK FOR VETERANS AND NOT THE BUREAUCRACY

FEBRUARY 11, 2025

Chairman Van Orden, Ranking Member Pappas, and other Members of the Subcommittee, thank you for the opportunity to discuss the Department of Veterans Affairs (VA) delivery of education benefits to the Nation's noble Veterans and their families. Accompanying me today is James Ruhlman, Deputy Director of Education Service.

VA's education programs provide Veterans, Service members, reservists, and certain family members of Veterans with educational resources meant to enhance the Nation's competitiveness by developing a more highly educated and more productive workforce. VA remains committed to providing excellent customer service to those applying for and in receipt of these benefits.

VA's top education priority is to ensure customer experience excellence for GI Bill beneficiaries and those who support them, such as the School Certifying Officials (SCO) and the 53 State Approving Agencies (SAA). VA is also focused on a continuous improvement mindset and leveraging technology to ensure that VA meets the primary objective of customer experience excellence. To achieve customer service excellence, VA will focus on completing the Digital GI Bill platform, strengthening collaborative ties with industry partners, and implementing new legislation, such as the most recent Elizabeth Dole Act.

Customer Experience

Under the GI Bill, VA's Education Service is responsible for approval of programs submitted by institutes of higher learning or non-college degree providers. VA has made efforts to leverage technology and improve its workload management to reduce the average days to complete program approvals from several weeks to approximately 5 days. The improvement has made a positive impact on when student Veterans and beneficiaries can enroll and pursue their academic and training goals. Through VA's Digital GI Bill (DGIB) modernization efforts, in August 2022, original education benefit claims could be submitted electronically for the first time. Now, through this groundbreaking initiative, beneficiaries can receive their Certificate of Eligibility in a matter of minutes instead of weeks, allowing a faster start to their academic pursuit. As of January 2025, approximately 50% of original claims are submitted electronically, while electronic supplemental claim submissions hover near 70%, up from under 40% in March 2021.

It is paramount to deliver education benefits to our customers in a safer and more secure system. In July 2024, VA Education Service met a significant milestone with DGIB modernization, which moved 87% of education benefit payments off the over 50-year-old legacy COBOL language-based system, Benefits Delivery Network (BDN). VA is on track to implement the next major release by November 2025, continuing the migration of education benefits from the legacy BDN system.

VA's proactive efforts to enhance customer experience for educational benefits are making a difference. Tangible measures include VA VSignals Survey Trust Scores that are calculated for all the business lines. VA Education Service has some of the highest trust scores in the Veterans Benefits Administration (VBA) based on customer survey results, and the trend continues to be positive. In fiscal year (FY) 2024, 87.4% responded favorably to enrolling in school (71.7% in FY 2022), and 85.6% responded favorably to receiving their education benefits (75.3% in FY 2022). Additionally, VA Education Service received recognition through the VBA Customer Experience annual awards for the last 2 consecutive years.

Strengthening Partnerships and Veteran Network Support

SAAs are charged with approving education and training programs, including onthe-job training meeting the criteria of <u>38 U.S.C. § 3677</u> and registered apprenticeship programs, to ensure that such programs meet approval requirements through various approval activities, such as evaluating course quality, assessing school financial stability, and monitoring student progress. VA also utilizes the SAAs' services to assist with conducting program oversight activities by performing Risk-Based Surveys at educational institutions with approved programs.

VA Education Service meets regularly with the leadership of the National Association of State Approving Agencies (NASAA), and by leveraging a collaborative partnership, VA has improved how Risk Based Surveys are conducted. The FY 2024 distribution of work significantly reduced the number of Risk Based Surveys while increasing the level of supervisory visits, designed for a more collaborative approach with the schools. The joint effort between NASAA and VA Education Service had impetus from the House Subcommittee on Economic Opportunity oversight hearing held on September 20, 2023, on Risk Based Surveys management, and VA appreciates the Congressional role in making oversight more effective. VA also maintains key partnerships with thousands of dedicated SCOs and other staff at institutions that provide education and training to student Veterans and their families. The SCOs are often the first touch point at an institution, providing guidance and support while also processing student enrollments. In March 2023, as part of the DGIB technology enhancements, the VA Once legacy platform was replaced by the new Enrollment Manager system. In a January 2025 SCO forum, 99% of survey respondents responded favorably that they are more comfortable submitting enrollments with Enrollment Manager. VA prioritizes consistent and transparent communication with the SCO community, with outreach through SCO Newsletters, emails, monthly virtual training and information events, large conference gatherings, and numerous GI Bill roadshows to schools throughout the Nation.¹

VA continues partnerships with the Department of Defense (DoD). Since early FY 2024, Education Service and DoD have worked collaboratively to address data quality and align priorities to ensure Veteran and beneficiary data does not adversely impact the DGIB initiative. In FY 2025, VA and DoD are focused on addressing quality data aligned to Post-911 GI Bill usage, Active Service member data, and the Transfer of Entitlement to family members to deliver accurate automated benefits.

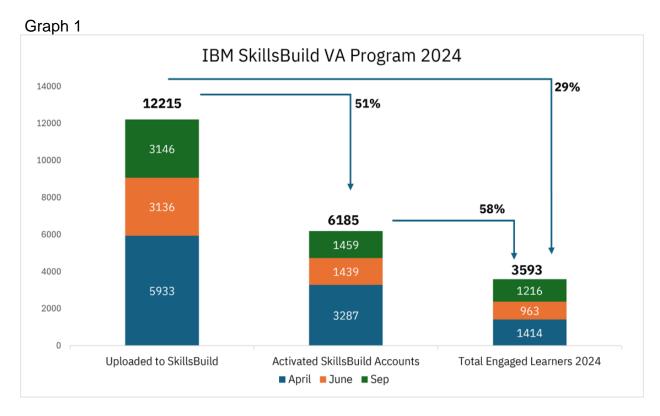
Veterans Service Organizations (VSO) and Veteran-related non-profits are another set of valued partners that drive support for student Veterans and their families. Education Service hosts a monthly VSO stakeholder call to share updates on various initiatives and to answer questions or concerns. When appropriate, special sessions on topics such as the Supreme Court's Rudisill v McDonough decision are hosted for continued engagement with stakeholders. VSOs and Veteran non-profits are regular guest speakers at Education Service employee quarterly all-hands gatherings and spotlight the mission and goals of their organizations. VA attends VSO events, such as being a guest speaker at the American Legion 80th anniversary of the GI Bill legislation event.

Education Service is also collaborating with partners from the private sector, including International Business Machines (IBM). IBM and VA continue to work together to pilot and scale the IBM SkillsBuild program.² This free online learning allows adult learners to access information technology skills and forge bridges to current technology demands. By offering access to 1,000+ courses on workplace skills, like collaboration and presentation, data analytics, cybersecurity, Artificial Intelligence, and cloud computing, IBM SkillsBuild helps create pathways for career success. Through the IBM SkillsBuild partnership, Veterans can participate in online coursework, receive resume-building credentials, and receive one-on-one mentoring. These participants earn IBM-branded digital certificates to certify their relevant skills in emerging technologies and related proficiencies to prepare them for successful careers in technology.

¹ <u>https://www.va.gov/school-administrators/</u>

² Free Skills-Based Learning From Technology Experts | IBM SkillsBuild

In FY 2024, VA, in collaboration with IBM, have created custom learning plans to upskill Veterans, their families, and caregivers. VA Education Service and IBM continue to refine and rollout additional customized skills pathways while strategizing to increase learner participation and engagement. Graph 1 showcases the growth over FY 2024 with the inclusion of dependents being eligible to use the program.



The above graph 1 displays the progression of learners within the "IBM SkillsBuild VA Program 2024". It tracks the number of learners from the initial upload to SkillsBuild, through account activation, and finally to the total engaged learners in 2024. The data are broken down by month (April, June, September) for each cohort.

IBM SkillsBuild Enrollment

A total of 12,215 learners enrolled in IBM SkillsBuild in FY 2024.

 $\circ~$ 5,933 in April, 3,146 in June, and 3,136 in September.

1. Activated SkillsBuild Accounts:

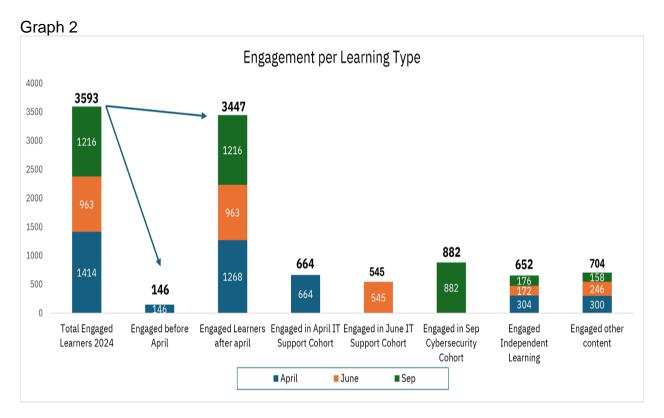
- Out of the enrolled learners, 6,185 activated their SkillsBuild accounts.
- This represents a 51% activation rate.
- The monthly breakdown is: 3,287 in April, 1,439 in June, and 1,459 in September.

2. Total Engaged Learners 2024:

- The final cohort shows 3,593 engaged learners in FY 2024.
- This represents a 58% engagement rate from the activated accounts.

• The monthly breakdown is: 1,414 in April, 963 in June, and 1,216 in September.

While the initial upload and account activation numbers show a decrease from April to June 2024, the engagement numbers show an increase from June to September 2024. As illustrated in graph 2, the cybersecurity cohort has the most interest shown and number of engaged learners, showing a high demand for this very important skillset.



Regulatory Changes

VA is constantly working to improve regulations to reduce impacts on students, taxpayers, and schools—always with the best interests of Veterans and their family members as our guiding principle. VA is focused on safeguarding Veterans and taxpayer dollars from those who might look to take advantage of the generous laws Congress has enacted to honor Service members for their service, dedication, and sacrifice for the Nation. VA issues regulations to make it easier for students to utilize benefits in a way that maximizes the value of the benefit and minimizes the workload burden for schools while remaining bound by the specific authority granted to the agency by Congress. In addition, VA issues regulations when Congress mandates that rulemakings be promulgated to fulfill the Congressional intent of the law. For example, last year Education Service published the final rule AR56: 85/15 Rule Calculations, Waiver Criteria, and Reports. In that rule, VA simplified the rules for schools, making it easier for schools to correctly report when aid provided by the educational institution is

considered institutional aid. This will reduce the administrative burden on schools in calculating the "85/15 rule," where statute requires that no more than 85% of the students in a program of education can have all or part of their tuition, fees, or other charges paid to or for them by their educational institution or VA. This rule, in conjunction with VA's implementation of the Ensuring the Best Schools for Veterans Act of 2022, P.L. 117-174, has made it easier for Veterans to access quality opportunities at more schools.

Rudisill Supreme Court Decision Implementation

On April 16, 2024, with the Rudisill v. McDonough decision,³ the Supreme Court decided that beneficiaries who earn educational benefits under the Montgomery GI Bill (MGIB) and the Post-9/11 GI Bill (PGIB) may access benefits under either program for a maximum of 48 months of benefits. Before the Court's decision, though eligible for both benefits, beneficiaries who wanted to use their PGIB benefits had to forfeit using any remaining MGIB benefits, even when PGIB eligibility was based on a period of service separate from the period of service that MGIB eligibility was based upon. Additionally, beneficiaries who previously used MGIB had months of entitlement for PGIB limited to the number of remaining MGIB months of entitlement. These requirements are no longer valid, and VA estimates this ruling potentially affects approximately 1,040,000 Veterans.

In implementing the Rudisill decision, VA chose a Veteran-centric approach. While the Court decision would have awarded additional entitlement to some impacted Veterans, some Veterans would have been unable to use the additional entitlement due to their education benefits expiration date. VA exercised discretionary authority to extend the expiration dates in certain situations.

VA launched an extensive outreach campaign, including publishing a news release, sending email notifications to identified beneficiary populations, posting social media, sending notifications to SCOs, updates to VSOs and Congress, speaking at the Student Veterans of America annual conference, and publishing a Rudisill Landing Page⁴ website that includes Frequently Asked Questions and an interactive tool to help individuals determine if Rudisill benefits could apply to them. Additionally, on January 7, 2025, VA hosted a satellite media tour to reach local and regional media outlets, completing 17 television interviews and four radio interviews, which garnered more than 16 million total impressions, including more than 12 million from broadcast and 4.3 million from unique mobile webpage visitors.

The Regional Processing Offices in Muskogee, Oklahoma, and Buffalo, New York, are leveraging overtime and seasonal capacity to process Rudisill claims. Priority is given to those in an education program with no or limited education benefits

³ https://www.supremecourt.gov/opinions/23pdf/22-888_1b8e.pdf

⁴ <u>https://benefits.va.gov/GIBILL/rudisill.asp</u>

remaining. Approximately 15,000 claims have been completed as of the end of January 2025.

Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act

The Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act, P.L. 118-210, signed on January 2, 2025, provides significant health care reform for Veterans and expands educational benefit opportunities. The 15 education related provisions include another version of the popular Veterans Technology Education Courses (VET TEC) program which sunset in 2024. In addition, the law also includes several additional education benefits-related provisions, including the following:

- Temporarily expanding Fry Scholarship benefits to a child or spouse of an individual who dies of a service-connected disability within 120 days of separation from service, as well as allowing surviving spouses to retain Fry Scholarship eligibility even after remarriage,
- Improving accountability and oversight by creating an affirmative duty on schools to notify the SAA, or VA when acting as an SAA, when the school is subject to certain adverse actions.
- Providing greater leeway for VA to be able to grant waivers to accredited institutions of higher learning that are prevented from or choose not to participate in Federal Financial Student Aid under Title IV.
- Providing an exemption for certain commercial driver training programs, which will eliminate a current bar to approval for these programs.
- Requiring certain schools to make digital transcripts available.
- Providing expanded benefits payments without accompanying entitlement charges for students completing their final term of their academic term.
- Requiring VA to make improvements to the GI Bill Comparison Tool.⁵

A landing page, similar to the page created by VA for the Rudisill decision, is in development to provide application information to both Veterans and the training providers. VA is currently working through implementation of all provisions of P.L. 118-210.

Conclusion

VA continues to address multiple priorities, including the ongoing efforts of DGIB modernization, the continued implementation plan of the Rudisill Supreme Court decision that impacts over a million potential beneficiaries, and the enactment of the many education-related provisions of the Senator Dole Act signed in January. VA recognizes challenges and improvement opportunities remain, including those from the

⁵ <u>https://www.va.gov/education/gi-bill-comparison-tool/</u>

Office of Inspector General and other audit report recommendations. VA appreciates Congress' continued interest and support in improving these programs, and VA will continue to keep Congress apprised of progress.

VA remains committed to delivering timely and accurate education claims decisions to all Veterans, dependents, and survivors while providing a world-class experience. I hope this testimony provides insight into this commitment. As always, VA looks forward to the continued oversight Congress provides and the partnership of our stakeholders. Chairman Van Orden, Ranking Member Pappas, this concludes my statement. My colleague and I would be glad to answer any questions you or the other Members of the Subcommittee may have.