

**STATEMENT OF  
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BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
EXAMINING VA'S INFORMATION TECHNOLOGY SYSTEMS  
THAT PROVIDE ECONOMIC OPPORTUNITIES FOR VETERANS**

**NOVEMBER 03, 2015**

As we had done many years before with the creation of the original GI Bill during World War II, The American Legion helped usher in a new generation of education opportunities for American veterans in June of 2008, when Congress passed the Post-9/11 Veterans Educational Assistance Act of 2008, establishing a new education benefit program under chapter 33 of title 38 United States Code, which VA refers to as the "Post-9/11 GI Bill."

When the Post-9/11 GI Bill became law, VA had just under 13 months to develop a new, complex system to process the newly eligible beneficiaries under the brand new program. Creating new processes to provide timely Post-9/11 GI Bill payments to schools and student veterans was an enormous challenge and the gravity of the task led to early struggles, but the system has continued to make some improvements over time.

Improving the technology used to manage education and employment benefits for veterans is important. It can save waste in the system and make everything run more efficiently to the benefit of the veterans as well as VA. However, we must be sure not to overlook the human factors involved in ensuring the veterans who transition to the civilian world get the tools they need to maximize the education opportunities and succeed in their careers.

Chairman Wenstrup, Ranking Member Takano and distinguished Members of the Subcommittee, on behalf of National Commander Dale Barnett and the over 2 million members of The American Legion, we thank you and your colleagues for the work you do in support of our service members and veterans as well as their families.

**GI Bill Long Term Solution**

As part of VA's efforts to improve Post-9/11 GI Bill claims processing and transform VA to a digital operating environment, they implemented a technology upgrade intended to cut in half the time it takes VA to process benefit payments for currently enrolled students. The process, called Long Term Solution (LTS), is an automated, end-to-end claims processing system that utilizes rules-based, industry-standard technologies for the delivery of Post-9/11 GI Bill education

benefits. In theory, it is supposed to effectively take human claims processors out of the equation – using computer systems to process claims.

The calculation of benefits paid under Chapter 33 is a complex process. LTS has over 1,600 calculation rules that support benefits for veterans, servicemembers, and transferees. The system has to recognize and support multiple types of training, including:

- graduate,
- undergraduate,
- non-college degree,
- correspondence,
- apprenticeship, and
- on-the-job training.

Up to six benefits are calculated per term, including: housing, books and supplies, tuition and fees and Yellow Ribbon. LTS also supports the entry of unlimited service periods, enrollment periods, and changes to enrollment periods.

However, VA's IT systems have not yet automated all original and supplemental claims. Due to time limitations and prioritization of effort, VA has focused on automating the supplemental claims, but only about 80 percent of those claims are fully or partially automated at this point. While VA has rules and automation for processing Post-9/11 GI Bill supplemental claims, VA would have to develop these mechanisms for original claims. Eligibility determinations for original Post-9/11 GI Bill claims are very labor-intensive. Currently, LTS is in a sustainment phase with limited development. VA would need development funding to enhance LTS with functionality to process all original and supplemental claims to the maximum extent practicable, with little human intervention.

The American Legion, in testimony before this committee in March of this year, supported legislation that would mandate that they complete, to the maximum extent possible, the transition to a full IT solution (H.R. 475, the *GI Bill Processing Improvement Act of 2015*, similar provisions of which have since been incorporated in H.R. 3016, the *Veterans Employment, Education, and Healthcare Improvement Act*).<sup>1</sup>

### **GAO report on Post-9/11 GI Bill: Additional Actions Needed to Help Reduce Overpayments and Increase Collections**

In addition, an October 21, 2015, Government Accountability Office (GAO) report has highlighted a problem with post-9/11 GI bill overpayments.<sup>2</sup> GAO found that VA had identified \$416 million in Post-9/11 GI Bill overpayments in fiscal year 2014, affecting approximately one in four veteran beneficiaries and about 6,000 schools. All but \$152 million of the overpayments were recovered, but the report noted that VA was still trying to collect an additional \$110 million

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<sup>1</sup> [March 24<sup>th</sup> Testimony – Pending Legislation](#)

<sup>2</sup> <http://www.gao.gov/products/GAO-16-42>

of overpayments from prior years. And the potential for even greater overpayments or wasteful spending is considerable in light of the size of the overall program.

Most of the overpayments resulted from changes in veterans' enrollment status, which in fairness is something VA has only limited control over, according to the GAO. In practice, that means that the VA GI bill program provides funding on the strength of veterans' enrollment plans. If a veteran subsequently drops a class or withdraws from school, the original payments suddenly become overpayments.

This GAO report clearly highlights serious shortcomings in the VA's system for monitoring and collecting overpayments and The American Legion urges VA to fully adopt the GAO's recommendations for improving the program, especially by identifying and implementing a cost-effective way to allow Post-9/11 GI Bill beneficiaries to verify their enrollment status each month, and by identifying and implementing other methods of notifying veterans and schools about debts to supplement the agency's mailed notices (e.g., email, eBenefits).

Unfortunately, the current enrollment verification system used for other GI Bill programs is not compatible with the Post-9/11 GI Bill's data systems. VA officials told GAO they would like to require veterans using the Post-9/11 GI Bill to verify their monthly enrollment but would need to develop a new verification process. The report notes that one option VA has considered is developing a new online system, but VA officials said the agency has not yet developed the system due to budgetary constraints. A VA contractor estimated in 2013 that it would cost approximately \$10 million to implement an online verification system, although VA officials were unsure if this estimate is still accurate.

However, "[s]uch an investment would provide substantial long-term savings for VA in comparison with the current system by reducing housing overpayments and also help VA comply with federal requirements to establish practices that ensure funds are safeguarded against waste or loss. For example, VA made almost \$111 million in housing overpayments in fiscal year 2013, almost \$29 million of which was still uncollected as of November 2014. Although requiring veterans to verify their enrollment would not eliminate all of these overpayments, if the contractor's prior cost estimates are still correct, the new system could still pay for itself in 1 year if it reduced uncollected housing overpayments by just one-third. The potential savings from an enrollment verification system would likely increase in future years as the size of the Post-9/11 GI Bill program continues to grow, creating a long term benefit for VA and taxpayers."<sup>3</sup>

Ultimately, this needs to be a sustainable system. It does not require detailed analysis to realize that if \$10 million in investment to infrastructure can ensure that VA does not see \$29-111 million wasted due to correctable errors, then more money can be preserved to do what the program is intended to do, provide education to American veterans. The education benefits provided by the GI Bill are too valuable to squander in bureaucratic oversight.

The American Legion, therefore, encourages Congress to authorize and appropriate the necessary resources for these needed IT solutions which would reduce the labor-intensive nature

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<sup>3</sup> Ibid. at 22.

of these tasks and reduce the burden for repaying overpayments which falls disproportionately on veterans. Furthermore, these financial complications resulting from these overpayments can devastate a veteran's credit ratings and substantially impact their ability to secure loans for business, or housing. In most cases, through no fault of their own, veterans can expect serious impacts in their living conditions because of bureaucratic errors that are preventable with better automation.

### **VA's Veterans Employment Center**

In March 2007, the President's Commission on Care for Returning Wounded Warriors (Dole/Shalala) was established by Executive Order 13426. The Commission recommended the creation of a Web portal that would provide servicemembers, veterans, their families, and authorized caregivers with a single sign-on, central access point to clinical and benefits information. The eBenefits website is the result of the Commission's recommendation.

VA's new Online Veterans Employment Center (VEC), an application on the eBenefits website, is billed as "the federal government's single authoritative internet tool for connecting transitioning servicemembers, veterans and their families to meaningful career opportunities. The VEC is the first government-wide product that brings together a reputable cadre of public and private employers with real job opportunities, and provides transitioning servicemembers, veterans and their families with the tools to translate their military skills into plain language and build a profile that can be shared – in real time – with employers who have made a public commitment to hire Veterans. In connection with the First Lady and Dr. Biden's Joining Forces initiative, the Departments of Veterans Affairs, Labor, Defense and Education, the Small Business Administration and the Office of Personnel Management, collaborated to design and develop the VEC to incorporate the best features of existing online employment tools."<sup>4</sup>

VA has designated significant resources on a task that is generally the responsibility of the Department of Labor. The American Legion greatly appreciates VA's efforts to create the VEC. When we poll veterans who attend the dozens of hiring events The American Legion facilitates nationally every year, the results show that more attendees recognize the brand 'VA for Vets' and the VEC than they do the previous federal attempt at a one-stop veterans employment portal, 'My next Move.org/for Veterans.' VA is definitely achieving more success with recognition of the resources with this effort.

However, this does not mean that all of the problems have been solved in the process. Users of the application reported they find they have to save information multiple times as portions of their profiles are constantly being jettisoned from their account, sometimes immediately when logging back in and sometimes after periods of non-use. Some veterans report having to re-enter and 'save progress' as much as three times to complete their profiles. However, once the profile is complete and saved, it does make it easier to apply for VA jobs and navigation is simple and straightforward.

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<sup>4</sup> <https://www.ebenefits.va.gov/ebenefits/jobs>

VEC could therefore clearly use some work to improve the early portion of the experience for veterans, so they can more easily take advantage of the latter ease of application functionality.

The concerns do not end there however. VEC has touted itself as a cache of resumes and profiles that helps VA and private sector employers find veterans. To this date, we have never heard of one instance where VA or a private sector employer has reached out to a veteran for an interview after perusing the resumes on VEC. In fact, we've heard from HR representatives from large consulting firms the VEC site was hard to navigate and that it is not easy to find qualified candidates.

Nevertheless, The American Legion believes there is great potential in this one-stop veterans employment platform. Anecdotal success stories or hard data on utilization and onboarding would be valuable advertisements that would, in turn, entice more veterans to sign up and use this job search/resource site. That, coupled with the aforementioned improvements to the interface for new users and for HR teams could make this a successful platform.

### **Not Losing Sight of the Human Factor**

While continued IT improvements with the VEC are encouraged, we should not ignore the VA employment specialist and coordinators that work directly with veterans. The American Legion believes that the best thing we can do to improve the VEC is to build and improve the services around it. VA is the focal point of veterans programs and services. The consolidation of Homeless Veterans' Reintegration Program (HVRP) and Jobs for Veterans State Grants (JVSG) funding and services under VA's Office of Economic Opportunities simply makes sense. Therefore, we reiterate our support for Chairman Miller's *Jobs for Veterans Act of 2015* (H.R. 2275). Improving the website interface or capabilities is secondary compared to the potential of HVRP and JVSG programs built around this platform. Though there is a place for a veterans office within DOL, The American Legion believes these two programs would be better served if they were consolidated under VA.<sup>5</sup>

### **Case Management of VA's Vocational Rehabilitation and Employment Program**

The American Legion understands that VA has access to a limited amount of money to expend on IT improvements. Most of it is spent by VA to fulfill what many would consider their primary mission in administering healthcare, medical records keeping, and claims. The American Legion certainly recognizes the importance and necessity of improvements to IT infrastructure in those areas.

The American Legion does not oppose VA moving ahead to a paperless case management system for the Vocational Rehabilitation and Employment Program (VR&E) as they have done for disability claims with the Veterans Benefits Management System (VBMS). However, we hope that problems of underutilization and sluggish response times that have plagued VA's previous attempts to go paperless would not plague any such effort. With the lessons learned in

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<sup>5</sup> [Resolution No. 13: Expanding Veterans Employment and Homeless Services within the Department of Veterans Affairs – OCT 2014](#)

implementing VBMS since 2013, hopefully the same problems will not resurface and result in severe backups in productivity.

The American Legion understands that the rehabilitation caseload has increased dramatically due to better marketing of VR&E services and the influx of service-disabled veterans over the last decade. We believe that the easiest and most effective way of decreasing the caseload assigned to each rehabilitation counselor is by hiring more counselors. We recognize that hiring additional fulltime permanent counselors may not be the most cost-effective option, however, VA needs to consider contracting out for employment and rehabilitation counselors until the caseload can be brought down to a manageable level for the VA counselors.

Software technology offers many shortcuts in automating certain tasks. When utilized wisely it can be a force multiplier, but when it replaces interpersonal transactions it becomes a barrier. In addition to improving IT interfaces with their intended users, VA still needs to invest in face-to-face interactions, because often the veterans that need these programs and services the most do not have access to the internet and technology. They live in rural areas, they lives miles away from Job Centers, VA Regional Offices and Medical Centers and they change addresses often. There is a distinct population of veterans that reside somewhere between joblessness and homelessness that need employment services the most. As we automate more and more programmatic interactions, we may inadvertently be driving this already marginalized population further away.

### **Conclusion**

By improving the operation of the LTS VA can help process the education benefits more efficiently and reduce unnecessary waste that creates debt problems for both the government and veterans working towards their education. More attention to the interface functionality of the VEC can give both veterans and employers better tools to match capable veterans with the jobs they need. We must not forget the importance of the human factor however, and the needed vocational rehabilitation counselors, who can help get veterans on the right track and avoid letting them slip through the cracks.

As always, The American Legion thanks this committee for the opportunity to offer testimony on the position of the over 2 million members of this organization. Questions concerning this testimony can be directed to Jeff Steele, Assistant Director in The American Legion's Legislative Division at (202) 861-2700, or [jsteele@legion.org](mailto:jsteele@legion.org)