

STATEMENT OF  
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FOR THE RECORD

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

**“A Continued Review of GI Bill Payment Delays”**

WASHINGTON, D.C.

November 15, 2018

Chairman Arrington, Ranking Member O'Rourke, and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to present our views on this important benefit.

The Department of Veterans Affairs (VA) was required by Congress to implement major provisions of P.L.115-48, the Forever GI Bill, by August 1, 2018. In the months preceding the deadline, VA officials repeatedly vowed that students and schools would receive payments on time and, while the amounts may not be correct, veterans would not be harmed. Yet, VA has consistently missed its deadlines and has failed to properly notify stakeholders and affected beneficiaries.

After repeated inquiries, the VFW was told time and again, even as late as October 3, 2018, that all students were receiving some form of payments and the only issue was whether or not the amount of money students were receiving was correct. Finally, on October 9, 2018, VA admitted there was a larger problem and announced there were approximately 180,000 claims yet to be processed for the fall semester. These two different statements are wildly inconsistent and show a true breakdown in communication and transparency within VA.

The delays in implementing the changes to VA-ONCE pushed back normal certification of education claims until two weeks before the start of the fall semester. As the deluge of claims then began to roll in, VA employees must have recognized the overwhelming workload compared to previous normal day to day operations. Yet, nobody seemed willing to immediately reach out to schools and students to prepare them for eventual delays. This type of inaction by VA led to real life consequences for student veterans.

A Virginia family contacted the VFW for assistance after not receiving their housing allowance since beginning the fall 2018 semester. Their financial hardship was compounded because both are student veterans, and were relying on the timely disbursement of their benefits. When this did not occur, they fell behind in their rent, car payments, and utilities. To survive, they borrowed money from friends and family to keep a roof over their heads. Once they were informed of the Financial Hardship process by the VFW, they applied and received a partial payment from VA. They are not experiencing financial hardship any longer, but things are not fully back to normal, and are even more afraid that this issue will be repeated in the spring semester.

A young dependent of a service-connected veteran from Phoenix contacted the VFW after hearing about the 1 Student Veteran program. The current IT issues are not only affecting the payment and administration of Chapter 33, but in her case, Chapter 35 (aka DEA) as well. She was granted Chapter 35 benefits, but due to IT challenges, call center counselors could not inform her of when she would receive her award letter and payment, which is her only source of income. She faced repossession of her car until the VFW intervened and notified the creditor that her VA payment would be forthcoming. She later received her retroactive payments and was able to keep her car, allowing her to attend classes and take care of her infant daughter.

In order to make sure hardships like these do not recur in the upcoming semester the VFW has a few recommendations. First, we recommend VA prioritize their processing by focusing their attention into three groups for processing. The priority group that should be addressed first is the backlog of claims from the fall semester so current students can get back to some semblance of normalcy. Then, VA needs to prepare for and begin processing spring semester claims so students don't face a repeat scenario a few months from now. After that, VA needs to rectify the underpayments from the fall based on the IT upgrades being ready. This final step should be taken after the first two priority groups are addressed in order to lessen the burden on VA. A slight underpayment from the fall is better than no payment again in the spring semester.

Second, VA must recognize the processing error that affected the entire system, and take the steps to rectify it. Hardware issues like not having enough bandwidth to accommodate Regional Processing Offices is unacceptable. Offices like Muskogee were hampered by lack of bandwidth which impacts not only Chapter 33 payments, but all claims processing that comes out of that building. Software upgrades like the zip code changes should not sink an entire IT system. Adjusting zip codes is not rocket science, and should not crash VA's processing abilities. VA must be forthcoming with actual problems and also suggested solutions to fix them. If no plan to fix the problems is produced then there is no way to stay ahead of issues like this and VA will be doomed to repeat this situation. VA must fix its IT issues now. Failure to focus on real solutions will have significant impacts on student veterans who rely on their earned educational benefits.

Our third recommendation is to involve veterans' organizations, student groups, or other stakeholders who work with students on a regular basis to anticipate problems and be more proactive in communicating with those affected. The VFW and our partner veteran groups have been asking for certain information, and suggesting problem areas where VA should look in the spring semester. There is clearly a disconnect with VA and student veterans, and more collaboration between VA and veterans groups could help alleviate the communications gap, and better prepare students and schools as quickly as possible.

The VFW is concerned that VA will fail to take the needed steps to avoid repeating this mess in the upcoming semester. Temporarily adding more workers and authorizing overtime was a potential solution for the current problems, but that is not a permanent solution and we do not want to be sitting around at an oversight hearing in April to simply hear the same story again. VA's plan was to wait until the system was fully ready to roll out before stress-testing it. Decisions like consciously waiting until the 11th hour to do a systems check is unacceptable. Problems like this will continue unless real changes are made. If there are not substantive changes made now, then time and money will again be wasted next semester, and student veterans will face the hardships all over again.

One of the biggest problems that could have been confronted earlier was the lack of transparency about the severity of the delayed payment problem. Student veterans and schools waited with no answers about the cause or eventual solution to their financial problems. VA owes it to those student veterans to better inform them if there are problems, and not wait until it becomes a critical issue to admit errors. Student veterans earned their education benefits and should not have to suffer like this because VA was unwilling to face accountability and recognize there is a failure. Proper leadership means having to own up to negative outcomes and not keep pushing that burden down the road until it can be swept away. We call on VA's leadership to vow to be as open and transparent as possible, especially when veterans' livelihoods are on the line.