



VETERANS EDUCATION SUCCESS

STATEMENT FOR THE RECORD

LEGISLATIVE HEARING ON A
CONTINUED REVIEW OF GI BILL PAYMENT DELAYS

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

COMMITTEE ON VETERANS AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2018

Chairman Arrington, Ranking Member O'Rourke, and Members of the Subcommittee:

Veterans Education Success (VES) is a non-profit organization whose mission is to protect and defend the integrity of the GI Bill for those who have sacrificed on behalf of our country. In addition to research, providing free case work to students having trouble with GI Bill or impacted by predatory schools, and elevating the voices of students to share with policy makers both their positive and negative experiences in higher education, we are focused on addressing ways to increase the continued academic success of military-connected students in their pursuit of their academic goals.

We appreciate the opportunity to share our perspective on the recent efforts of the Department of Veterans Affairs (VA) to implement the *Harry W. Colmery Educational assistance act of 2017* (Public Law 115-48). This law, also known as the Forever GI Bill, included several provisions that were to be implemented as of August 1, 2018. One of these provisions, Section 107, was aimed at addressing inequities in the Monthly Housing Allowances (MHA) students receive.

Background

On March 7, 2018, VA held a roundtable with key stakeholders to address the plan for implementation of Section 107. The decision had been made to calculate MHA based on the zip code of the majority of classes the student was taking. Veterans service groups expressed significant concern over VA's plan and ability to implement these provisions in a timely manner. The groups recommended that, instead of using zip codes, VA use the codes already in existence at the Department of Education. VA rejected this recommendation and reassured concerned stakeholders that it would be able to implement all provisions by the established deadline.

On June 12th, VA hosted a webinar for school certifying officials (SCOs) to explain the new certification process. During this call, schools were encouraged to hold off on submitting certifications until the new upgrade to the IT system was implemented.¹ On July 16, VA communicated to the schools they could submit certifications with the caveat that they would have to resubmit certifications with the zip codes for each class when the new system was complete.² It wasn't until August, when schools had still not heard anything about the new system, that SCOs decided to no longer wait for an update from VA and submit their claims.

In July, VA confirmed the concerns of VSOs when it announced that, due to issues with updates to the IT system, it would not be able to implement Provision 107 by August 2018. Instead it would use the 2017 rates for both MHA and for Yellow Ribbon but that students would still receive MHA money without the 2018 cost of living adjustment (COLA) and schools would still receive payments.

On August 31, VBA's Monday Morning Workload report showed over 238,757 pending claims. This, in comparison to the 163,065 pending claims on the same day in 2017 was concerning, yet constituents continued to receive very little communication from VA. When the backlog hit a high of 248,396, almost half of the estimated 500,000 students using education benefits, on September 21, over a month into the new semester, VA issued its first email to beneficiaries informing them of potential delays. It was not until October 9, when there were still 180,000 claims not yet processed for the Fall semester, that VA communicated how bad the delay really was. It was too little too late.

VES started to receive complaints from students and schools that they were not receiving proper payments for MHA or for tuition in early September. There were no complaints about students receiving wrong payments but about students not receiving any payments. Students were concerned because they rely on their MHA to pay their bills, including rent, utilities, and food. Without this money they had no way to support themselves. As late as October 23, approximately two months into the school year, VES spoke with three law students at George Washington University who had not yet received any MHA.

By early October, VES also began to hear complaints from students about being charged late fees, being threatened to be dropped from classes, and/or not being allowed to register for spring semester classes because of the school having not received payment from VA for their benefits.

Recommendations Moving Forward

While VA has worked hard to rectify this unfortunate situation since early October, given the significant impact monthly housing allowances have on the lives of over one million veterans and families, we want to ensure lessons are learned and the same mistakes are not made from this point moving forward. To that point, Veterans Education Success and

¹ <https://www.benefits.va.gov/GIBILL/docs/presentations/WebinarQuestionsandAnswers061218.pdf>

² https://www.benefits.va.gov/GIBILL/docs/presentations/SCO_Webinar_07_17_2018.pdf

Student Veterans of America, the two leading organizations focused on student veteran success, make the following recommendations:

1. **Improved Communication** – While communication since October 9 has drastically improved, communication leading up to that point was lackluster. Therefore, we ask VBA from this point forward to:
 - a. **Communicate Proactively** - It is hard to know how VA missed the severity of the situation with the onslaught of certifications they received towards the end of August. With a failing IT system and limited manpower to manually process these claims, it would seem obvious that this was going to be a much bigger issue than VA originally thought. Moreover, even if VA believes a problem will not be widespread, it would be wise in the future to proactively communicate with SCOs and students about the potential for problems, in order to help identify and head off such problems. Proactive communication early on to keys stakeholders would have been beneficial as we worked to support those students impacted by the situation at hand. While we understand the desire of VA to focus on addressing the IT issues and processing certifications, it is inexcusable that students did not receive any communication until the end of September.
 - b. **Communicate with transparency** – From early on, VSOs had communicated concern over VA’s ability to implement some of the provisions of the Forever GI Bill by the August 1 deadline. When asked about these concerns, VA has repeatedly communicated that they were on target to implement provisions of the Forever GI Bill in a timely manner and without challenge. Had VA been more transparent with key stakeholders, we could have better prepared students for what might follow. With no real substantive data or knowledge of how significant the problem was, VSOs were unable to effectively support students.
 - c. **Communicate clearly, concisely** – Communication from VA has, at times, been confusing and contradictory. School certifying officials and administrators shared with VES the concerns they had over the communication they had received thus far. One official referred to the directions for certification to be, at times contradictory, and often very confusing. Schools are still unsure whether or not they should start submitting claims for the spring semester without the update to VA-Once. Some are currently planning on submitting but others are still waiting for instructions from their ELR on what to do. If they wait too long in hopes of it being fixed, we risk the same onslaught of certifications in the spring semester consequently leading to another massive backlog of unprocessed claims and students without their MHA.
2. **General Recommendations**
 - a. **Immediately Process Remaining Cases of Nonpayment** – The end of the Fall semester is quickly approaching, yet a large number of claims have yet been processed. They must be processed immediately.

- b. Begin Processing and Communicating for Spring 2019 Semester** – To reduce a potential issue with another backlog of claims, encourage schools to submit certifications for the Spring semester as soon as they are able and begin processing these claims.
- c. Maintain Mandatory Overtime** – It does not seem this problem will be resolved before the start of the spring semester. VA needs all hands on deck to ensure students receive their MHA in a timely manner and endure no more hardships.
- d. Make Fall 2018 Semester Payments Whole and Accurate** – Make sure students receive the money they are due with the COLA increase.
- e. Promptly and Thoroughly Address a Lagging IT Infrastructure** - There is clearly a significant issue with the existing education IT systems. They are failing. Addressing this issue is mandatory. When asked what the potential challenges VA might face in implementing provisions of the Forever GI Bill, former Deputy Under Secretary of Economic Opportunity Curt Coy stated he was most concerned about the IT system. His concerns have been validated.

We ask that members of Congress and VA make it a priority to address these issues in a timely and efficient manner. While \$30 million was allocated for an upgraded IT system, it is not clear that this amount of money will suffice for the upgrade. Further it is not clear whether or not this money has been appropriated.

We also ask the VA Secretary to ensure this money is used specifically for what it is intended to do, build and enhance a new IT system. The current outdated system is failing and has had too many patches added to it to try and fix it. Like a boat, there can only be so many patches before the it sinks. This sinking IT system has now negatively impacted the lives of hundreds of thousands of veterans and their families and must be addressed.

- f. Conduct Study on Feasibility on Batch Payments** – Unlike VA, the Department of Education (ED) processes batch payments to schools prior to the semester starting based on the enrollment of past years. This process has been effective for both schools and ED, and we believe there might be lessons learned for VA on ways to more effectively process education benefit payments. In theory, this process could alleviate the work of VA on the front end, so they can focus on processing the MHA for students. While we understand there are many variables between how VA processes payments and how ED processes payments, we believe there might be potential for better streamlining the current system at VA. Additionally, it would protect students from being dropped from classes, charged late fees, and/or being prohibited from registering for class for the following semester.
 - i. Make SITREP the law** – We are thankful to members of the House for passing SITREP, which ensures student veterans have

access to classes and facilities if VA payment is delayed. Unfortunately, it has remained stagnant on the Senate side and has yet to make it in front of the Senate Veterans Affairs Committee or the rest of the Senate for a vote. If ever there was a time that it was obvious this bill needed to be passed, now is the time. We have had students contact us because of the negative repercussions of the delay in payments to institutions of higher learning. SITREP would provide necessary protections for students.

- g. Provide Students Accurate Benefits Information** – Create a document, similar to a check stub, that students can use to show landlords and other loan guarantors. This stub will confirm the amount of money they will be receiving each month in their MHA and will help them in securing housing, utilities, etc.
- h. Make Economic Opportunity a priority** – The current state of affairs with the implementation of Section 107 of the Forever GI Bill is indicative of the concern many VSOs have about the lack of priority Economic Opportunity has within VA. Removing the Deputy Under Secretary Position silenced one of the few advocates in leadership this office had. It was clear back in the summer of 2018, if not earlier, that this process was going to be much more difficult than originally planned yet the low priority this office holds within VA meant that it kept moving forward without adequate support from those in leadership positions who had the power to make executive decisions.

We appreciate the work VA has done to address these concerns from early October and hope these recommendations can help prevent similar challenges from happening in the future. We owe it to people such as Ryan and Jane Wiley, both student veterans using their GI Bill benefits to go to school at Texas A&M and parents to two young children to resolve this issue immediately.³ Those who served our country and are using their hard earned benefits to attend school and ensure their civilian economic success do not deserve to have maxed out credit cards and worry about for their family come November 1, if they did not receive their MHA, since they would by then run completely out of money.⁴

We also appreciate the amount of time, effort, and attention the committee has dedicated to providing oversight of the implementation of the Forever GI Bill.

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³ <https://www.nbcnews.com/news/us-news/va-owes-veterans-housing-allowances-under-gi-bill-forcing-some-n917286>

⁴ *Ibid*