

**STATEMENT OF
MR. KEITH M. WILSON
DIRECTOR, EDUCATION SERVICE
VETERANS BENEFITS ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE
THE HOUSE COMMITTEE ON ARMED SERVICES
SUBCOMMITTEE ON MILITARY PERSONNEL
AND
THE HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
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Good morning Chairman McHugh, Chairman Boozman, and members of the Subcommittees, I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs (VA) education benefit programs. My testimony will highlight workload trends and related issues for the Montgomery GI Bill – Selected Reserve (Chapter 1606) and the Reserve Educational Assistance Program (Chapter 1607).

Chapter 1606 provides members of the Selected Reserve with educational assistance, generally in the form of monthly benefits, to assist them in reaching their educational or vocational goals. It is a Department of Defense (DoD) education benefit program jointly administered by DoD and VA. The Selected Reserve includes the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, Army National Guard and Air National Guard. The program was designed to encourage members to remain in the Selected Reserve for a period of not less than six years by providing educational benefits.

This benefit may be used for degree and certificate programs, flight training, apprenticeship/on-the-job training, and correspondence courses. In addition, remedial, deficiency, and refresher courses may be approved under certain circumstances.

The Reserve Educational Assistance Program (Chapter 1607), also referred to as REAP, was established as a part of the Ronald W. Reagan National Defense Authorization Act for FY2005. It provides an enhanced benefit for reservists and those in the National Guard. Like Chapter 1606, it is a DoD education benefit program jointly administered by DoD and VA. The program is designed to provide educational assistance to members of the Reserve components called or ordered to active duty in response to a war or national emergency (contingency operation) as declared by the President or Congress. This newer program makes certain reservists who were activated for a contingency operation for at least 90 days on or after September 11, 2001, either eligible for education benefits or eligible for increased benefits.

Effective January 6, 2006, reimbursement for the costs of licensing and certification tests is available under Chapters 1606 and 1607. The statute permits payment of up to \$2,000 per test taken. There is no limit to the number of tests that can be taken. VA will reduce remaining entitlement based on the cost of the test reimbursed. For example, if the cost of the test were \$148.50, VA would reduce entitlement by 1/2 month (\$148.50 equals 1/2 of the \$297 monthly full-time training rate).

In August 2006, our regional processing offices (RPOs) began paying Chapter 1607 claims for the licensing and certification benefit. However, due to programming delays, we will not be able to pay Chapter 1606 claims until FY2007. At this time, we are accepting Chapter 1606 claims and holding them. We have received approximately 50 claims for the licensing and certification benefits under each program.

Workload Trends and Related Issues

The combined total of all Chapter 1606 and Chapter 1607 claims completed this fiscal year through August is just over 241,000. This represents an increase of 1.1 percent over the same time period in FY2005. The number of reservists using the education program benefits has risen by 6.4 percent, from 79,035 students as of August 31, 2005, to 84,092 students as of August 31, 2006. VA began making payments under Chapter 1607 in December 2005, and we have processed over 47,000 claims. The majority of the Chapter 1607 claims adjudicated thus far are from reservists previously drawing benefits under Chapter 1606.

Payment accuracy for all education programs is 94.3 percent for FY2006. The accuracy target is 95 percent. Our accuracy has consistently remained near 95 percent (95.9 percent for 2005 and 94.7 percent for 2004). Aggressive training programs are in place to ensure newly hired claims processors receive appropriate training and that target any areas identified as needing improvement.

To improve claims processing timeliness, we just implemented a contract for a National Call Center to handle all education calls received on the 1-888-GI-Bill-1 line and respond to all Internet inquiries. The Call Center was activated on September 18, 2006. This initiative allows the RPOs to focus more trained claims processors on adjudicating claims. This is particularly important during high workload volume periods such as the fall and spring enrollment periods when telephone traffic is also high.

Information Technology Highlights

We continue our efforts to migrate all claims processing work from the legacy claims processing system into the new VA corporate environment. The Education Expert System (TEES) is a multi-year initiative that, when fully deployed, will electronically receive and process application and enrollment information. TEES will enable us to further improve both the timeliness and quality of education claims processing.

The first phase of TEES implementation is the Web Enabled Approval Management System (WEAMS). WEAMS is the approval repository for educational and job training programs; licensing and certification tests; and national exams maintained in the VA corporate environment. WEAMS merged two existing approval systems – the On-Line Approval File (OLAF), which contained educational and job training programs, and the Licensing and Certification Approval System (LACAS), which contained the approvals for national exams, and also incorporated paper approval

records being maintained manually. The consolidation of these legacy applications and manual records into a single repository allows our education liaison representatives to process and maintain approval information more efficiently. Similarly, WEAMS frees claims examiners from searching for approvals in separate locations, providing more time to process education benefit claims. Eventually, the public will be able to access WEAMS on-line to learn which programs are approved for VA training.

The Web Automated Verification of Enrollment (WAVE), found at <https://www.gibill.va.gov/wave>, has been fully operational since July 2001. This site allows individuals to verify enrollment, notify VA of any reduction in course load, change their address, or establish direct deposit. Allowing beneficiaries to verify their continued enrollment each month over the Internet, instead of mailing the verification form to VA, enables them to receive their monthly benefits more quickly. Changes can also be made by calling our toll-free interactive voice response (IVR) telephone line at 1-877-823-2378.

In addition, VA-ONCE, an application that allows school certifying officials to transmit enrollment data electronically to VA, has been in use since FY2003 and has been well received. In FY2005, approximately 88 percent of all enrollment data was received electronically.

Messers. Chairmen, this concludes my statement. I would be pleased to answer any questions you or any of the other members of the Subcommittees may have.