



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

December 10, 2018

The Honorable Michael B. Enzi  
Chairman  
Committee on the Budget  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

Thank you for your November 16, 2018, letter to the Department of Veterans Affairs (VA) expressing concern regarding the delays in the timely delivery of full GI Bill benefits to Veterans due to VA information technology (IT) systems.

The enclosed Information Sheet provides responses to your specific questions.

Should you have further questions, please have a member of your staff contact Mr. Brendon Gehrke, Congressional Relations Officer, at (202) 461-7318 or by email at [Brendon.Gehrke@va.gov](mailto:Brendon.Gehrke@va.gov).

Thank you for your continued support of our mission.

Sincerely,

A handwritten signature in black ink, reading "Robert L. Wilkie".

Robert L. Wilkie

Enclosure

**Information Sheet for Chairman Enzi regarding Concerns that Information Technology (IT) Systems have Delayed GI Bill Benefits (VIEWS 135592)**

**Question 1:** How much money has the VA spent to address this IT system failure? Please provide a detailed breakdown of these costs, including how much the VA spent to prepare to implement this new policy and costs related to overtime and to hire new employees once problems arose. Please also include the number of employees working to address this problem, broken down by hiring authority.

**VA Response:** The Veterans Benefits Administration (VBA) Education Service leverages overtime during peak every peak enrollment season. This is not an unusual practice. Between August 1, 2018, and October 31, 2018, Education Service employees have worked approximately 300,000 hours of overtime at a cost of approximately \$4 million.

Besides implementing mandatory overtime for the education claims processors at the Regional Processing Offices, Education Service leveraged and reprioritized 202 additional processors hired for Colmery implementation.

**Question 2:** What is the value of the Department's contract with an outside vendor to implement the processing system? What oversight is the VA conducting over the contractor? What consequences, if any, has the VA imposed on the contractor for the failure to implement the changes required by the Forever GI Bill? Please also provide a copy of the contract.

**VA Response:** The Total Task Order Value is \$409,779,580.60, of which the Colmery Act is only a portion. Contract Sub-Line Item Numbers 4001-7 and 4001-8 are each valued to be \$2,591,476.08, for a total of \$5,182,952.16. Sections 107 and 501 were invoiced/paid \$647,869.02, with \$4,535,083.14 remaining invoiced/unpaid. The total amount of money spent to date, including the work that was done in support of Section 112 of the Colmery Act and delivered in April 2018 is \$1,231,904.46. Section 112 information technology (IT) solutions are fully operational and were delivered on time and within budget.

VA has continually monitored the performance of the Contractor and to date, four quarterly performance assessments have been submitted all of which rate the Contractor's performance as satisfactory. Without evidence of the Contractor's failure to perform the requirements, there is no action VA can take against the Contractor.

**Question 3:** What is the current status of the IT upgrades? Will these systems be upgraded in time for the spring semester? If not, when does the VA expect to fully implement these changes? How much does the VA estimate it will need to spend to complete its IT upgrade?

**VA Response:** The IT solution for Sections 107 and 501 of the law continues to be challenging given the complexity and depth of changes required in the IT business rules to support the processing of monthly housing allowance (MHA) payments. These two critical provisions impact all Post-9/11 GI Bill beneficiaries in receipt of MHA as the law changes the way VA pays MHA. The law amends the location basis for MHA and aligns MHA payments with the Department of Defense's (DoD) basic housing allowance (BAH) rates.

VA is re-setting its implementation efforts for Sections 107 and 501. VA will execute a revised strategy for the implementation of Sections 107 and 501, including a re-compete for the technical requirements of this effort. VA will leverage the acquisitions process to seek contractors as necessary for support in the areas of program integration, systems implementation, and software development. By December 1, 2019, VA will have the capability to process enrollments in accordance with the law.

VA will define a training site as a "campus" for when the following conditions are true: the physical site of the training is either owned or leased by the school; and the school has ownership or control over the student's classroom instruction or the faculty conducting the instruction. This approach reduces the administrative burden for schools and students from VA's initial interpretation.

VA will install the current academic year uncapped DoD BAH rates for all Post-9/11 GI Bill students and retroactively correct any applicable underpayments. This policy will terminate upon implementation of a fully-developed IT solution for Section 501.

VA is still assessing the full cost of these measures.

**Question 4:** Does the VA plan to retire the legacy IT system that processes MHAs? If so, does the VA have estimates on how much replacing that system will cost?

**VA Response:** VBA and Office of Information and Technology (OIT) are committed to a critical path that begins development work in February 2019 and projects delivery of full Colmery Act Section 107/501 capabilities by December 2019. Currently, VA is preparing cost projections to onboard an Integrator. Once the Integrator is fully adopted, VA will be able to identify additional needs and the associated additional costs. As part of the plan to improve benefits delivery, VBA and OIT are working as quickly as possible under the required Federal Acquisition rules to award the development contract by early February 2019 and commence work immediately thereafter.

**Question 5:** How long will it take the VA to reimburse the veterans who did not receive their MHAs or received incorrect MHAs? As of now, how much does the VA estimate it owes to student veterans affected by this issue? Will there be any remuneration for veterans who have incurred additional costs due to the lack of receipt of an MHA or receipt of an MHA of the incorrect amount?

**VA Response:** VA will install the current academic year uncapped DoD BAH rates for all Post-9/11 GI Bill students and retroactively correct any applicable underpayments. This policy will terminate upon implementation of a fully-developed IT solution for Section 501.

By the end of 2018, VA will install the current year uncapped DoD BAH rates for all Post-9/11 GI Bill students, and subsequent MHA payments will follow this rate. Shortly after this update, VA will issue an additional payment to students who were underpaid for applicable terms. Other than the issuance of the corrected past due amount, there will not be any remuneration for Veterans who received the incorrect amount.

I have made myself clear to Chairmen Isakson and Roe that each and every Post-9/11 GI Bill beneficiary will be made whole – retroactively if need be – for their housing benefits for this academic year based on Forever GI Bill rates, not on Post-9/11 GI Bill rates. I have stated this to reassure Congress, Veterans, and taxpayers that is indeed the case. We will work with your office to ensure that each and every beneficiary will receive retroactively the exact benefits to which they are entitled under that law.

**Question 6:** On average, how long does it take the VA to resolve a claim regarding an MHA?

**VA Response:** As of December 7, 2018, our timeliness for the month of December is 24.3 days for original claims and 8.1 days for supplemental claims, while timeliness fiscal year-to-date is 28.3 days for originals and 18.9 days for supplementals.

**Question 7:** What steps is the VA taking to communicate with the veterans and schools affected by these delays? Does the VA have a proactive plan for communications for the spring 2019 semester?

**VA Response:** VA notified schools, students, and Veterans Service Organizations (VSO) of the delays associated with implementing the IT solution for sections 107 and 501 of the Colmery Act and processing claims. On September 7, 2018, VA sent an email notification to School Certifying Officials (SCO) with an update on changes to MHA as a result of the Colmery Act. VA also sent this message to students and updated SCOs on September 17, 2018, with the message that the 2018 tuition and fees cap was implemented. On October 9, 2018, VA sent an email notification to the student population regarding payment timeliness and delays and how to get immediate help. These messages are cross posted on the Education Service Web site and Facebook page. We have also provided regular updates to VSOs, including a daily call, so information may be shared with their members on how to make VA aware of hardship cases for expedited processing.

VA will also communicate with stakeholders about the upcoming spring 2019 term. Pending workload will increase as normal, and VA is prepared to handle this workload and maintain timeliness goals of 28 days for original enrollments and 14 days for

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supplemental enrollments. VA is asking schools to submit enrollments as soon as possible for the spring 2019 term.

Department of Veterans Affairs  
December 2018