



# DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

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*BEFORE THE*  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY AND  
SUBCOMMITTEE ON TECHNOLOGY MODERNIZATION  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
*HEARING ON*  
EXAMINING ONGOING FOREVER GI BILL  
IMPLEMENTATION EFFORTS  
MAY 9, 2019

Mr. Chairman, Madam Chair, Ranking Member Bilirakis, Ranking Member Banks, and members of the Subcommittees, thank you for the opportunity to discuss the Office of Inspector General's (OIG's) recent Issue Statement, *Forever GI Bill: Early Implementation Challenges*.<sup>1</sup> My statement will focus on the information collected to respond to concerns from members of Congress and the public about the implementation of the Forever GI Bill requirements. It underscores the challenges VA continues to face in developing the information technology (IT) systems needed to effectively carry out its mission.

The OIG conducts oversight of VA programs and operations through independent audits, inspections, reviews, and investigations. Our oversight of the programs and operations of the Veterans Benefits Administration (VBA) has identified a lack of effective program leadership and inadequate IT functionality as two recurring themes.<sup>2</sup> These deficiencies have negatively affected current programs and the implementation of new policies and initiatives, resulting in the inefficient delivery of services and inaccurate benefits provided to veterans. The OIG reported that these same issues negatively impacted VA's efforts to implement the Forever GI Bill requirements.

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<sup>1</sup> *Forever GI Bill: Early Implementation Challenges*, March 20, 2019.

<sup>2</sup> Other themes include deficient control activities and failures to plan for the unintended impact of the national work queue. See the Inspector General's statement from the November 29, 2018, hearing before the Subcommittee on Disability Assistance and Memorial Affairs, Committee on Veterans' Affairs, U.S. House of Representatives, at <https://www.va.gov/oig/pubs/statements/VAOIG-statement-20181129-missal.pdf>

## **BACKGROUND**

VBA is responsible for delivering approximately \$100 billion in federally authorized benefits and services—including education benefits—to eligible veterans, their dependents, and survivors. The Harry W. Colmery Veterans Educational Assistance Act of 2017 (Public Law 115-48), also known as the Forever GI Bill, became law on August 17, 2017, and expanded education benefits for veterans, servicemembers, families, and survivors. Among the Act's provisions is elimination of the deadline to use benefits within 15 years for certain beneficiaries, and changes to the formula for providing a monthly housing allowance.

In November 2018, VBA acknowledged implementation challenges with two key requirements of the Forever GI Bill related to the housing allowance (sections 107 and 501). The effective date of section 501 was January 1, 2018, while the effective date for section 107 was August 1, 2018. These two sections fundamentally redesign how VBA pays monthly housing allowances to veterans using the Post-9/11 Educational Assistance Program, including changing the base for the calculation of monthly housing stipends to the location of the campus where the student attends most classes, instead of the location of the main campus of the institution. VA's failure to properly implement these requirements led to the delivery of inaccurate and/or delayed housing stipend payments to eligible GI Bill recipients.

During the fall of 2018, the OIG received multiple congressional requests to review VA's actions to implement the housing allowance provisions and to investigate allegations that VA planned to withhold retroactive payments for missed or underpaid monthly housing stipends for students under the Forever GI Bill. In response to these congressional requests, an OIG team began reviewing VA's implementation of the Forever GI Bill requirements. During this review, Congress passed the Forever GI Bill Housing Payment Fulfillment Act (Public Law 115-422, January 3, 2019) mandating that VA report to Congress within 90 days on its plan to fully implement sections 107 and 501 of the Forever GI Bill.

## **FOREVER GI BILL ISSUE STATEMENT**

Given the seriousness of concerns raised in congressional requests and the impact of delayed or incorrect payments on veterans, the OIG examined VA's early implementation actions and the impediments to meeting Forever GI Bill implementation mandates. The review team created a timeline of significant events, which is attached as an appendix to this statement.

The OIG found that VBA's implementation of the payment of the housing allowances under the Forever GI Bill was hampered by the same underlying issues that have negatively affected VBA's implementation of other new policies and initiatives—lack of IT system functionality and inadequate program leadership. Specifically, the OIG found that VBA failed to modify its IT systems by the required implementation date to make accurate housing allowance payments. Additionally, VA lacked a single accountable official to oversee the project, which resulted in unclear communications to VA stakeholders of implementation progress and inadequately

defined expectations, roles, and responsibilities of the various VA business lines and contractors involved.

### **System Modifications**

The OIG found that approximately 10 months passed from the time the Forever GI Bill became law to when VA received the initial software development release and began testing the system modifications to VA's Long Term Solution (LTS) application in order to address sections 107 and 501.<sup>3</sup> LTS is an IT application for automated processing of Chapter 33, Post-9/11 Educational Assistance claims and is used to establish eligibility, determine payments, or disallow claims.<sup>4</sup> Once VA began testing the software development release, it identified defects that required the development of additional versions of LTS. Based on interviews, the OIG team learned that when user testing occurred, the tests failed scenarios that VBA did not account for when developing the business requirements.

VA also learned of changes needed to the VA ONline Certification of Enrollment program, a VA system that feeds necessary data to LTS. VA eventually paused testing on LTS software for sections 107 and 501 in August 2018 and reexamined the requirements. Subsequently, VA provided several new LTS testing scenario updates to Booz Allen Hamilton, the contractor tasked with modifying LTS.

### **Lack of a Single Accountable Official**

The parties involved in the implementation were primarily the VA Office of Information and Technology, VBA Education Service, VBA Office of Business Process Integration, Booz Allen Hamilton, and various VA leaders. Throughout planning and early implementation efforts, VA did not have a single accountable official to oversee the project and coordinate the roles and responsibilities of the many VA program offices and contractors involved.

The OIG found that VA's program offices held different expectations from one another as to what they considered complete and accurate business requirements. In addition, VA's Office of Information and Technology and VBA Education Service had divergent opinions of a deployable solution. Without an accountable official, these differing opinions and expectations were not mitigated or resolved and became significant impediments to a successful and timely implementation of the Forever GI Bill requirements.

In November 2018, Secretary Wilkie named Dr. Paul Lawrence, Under Secretary for Benefits, as the official responsible for implementing the Forever GI Bill.

### **MITRE Technical Assessment**

As part of this review, the OIG considered the results of an independent technical assessment conducted by The MITRE Corporation. VA tasked The MITRE Corporation with performing an

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<sup>3</sup> VA had to implement section 107 by August 1, 2018.

<sup>4</sup> Chapter 33 of Title 38 of the United States Code provides the framework for Post-9/11 Educational Assistance.

assessment to identify issues related to the delayed delivery of LTS and to recommend a resolution. The resulting report, dated November 30, 2018, included 22 findings and 20 recommendations to VA to help ensure that LTS is successfully tested and deployed. The findings and recommendations focused on issues of leadership and governance, the technical environment, processes, requirements management, personnel authority and responsibilities, and software code evaluation.

## **CONCLUSION**

The OIG has continually identified systemic problems that VBA needs to address when implementing new initiatives and policies, including a lack of IT system functionality, poor planning, and inadequate program leadership. These same systemic problems were a significant factor in the delays and disruptions VA has experienced while implementing the housing allowances requirements in the Forever GI Bill. The OIG will continue to monitor VA's implementation actions and will review the plan provided to Congress under the Forever GI Bill Housing Payment Fulfillment Act.

Mr. Chairman, Madam Chair, and members of the Subcommittees, this concludes my statement. I would be happy to answer any questions you may have.

## Appendix

The timeline below represents activities that occurred from the enactment of the Forever GI Bill in August 2017 to January 2019, as reported to the OIG team by VA and Booz Allen Hamilton personnel. According to the Forever GI Bill, the effective date of section 501 was January 1, 2018, and the effective date for section 107 was August 1, 2018.

### High-Level Timeline of Events

#### August through November 2017

- VBA Education Service established a Program Executive Office to monitor and coordinate all Forever GI Bill implementation activities.
- VA conducted internal analyses and found that 22 of 34 sections needed IT solutions at an estimate of \$70 million, and that, without IT changes, VA would need almost 1,000 new employees, including more than 800 solely for implementing the requirements of sections 107 and 501.
- VA's Office of Information and Technology committed to providing a solution to sections 107 and 501, and decided to partially redirect an already awarded contract with Booz Allen Hamilton to conduct some of the work.
- VBA Education Service staff began identifying requirements for VA's LTS application with Booz Allen Hamilton.

#### December 2017 through May 2018

- From December 2017 through April 2018, requirements elaboration, software development, testing, and deployment to address the requirements of section 112 of the Forever GI Bill were also carried out.
- Business requirements were loaded into an application used to manage and track changes, and the process of clarifying the requirements for sections 107 and 501 was started.
- The previously awarded contract with Booz Allen Hamilton was amended to include work on sections 107 and 501. Booz Allen Hamilton started onboarding teams to address these sections.
- According to Booz Allen Hamilton, its teams were fully staffed for sections 107 and 501 work by March 2018.
- Booz Allen Hamilton started software development on sections 107 and 501, although requirements generation and clarification were ongoing.
- VA learned of changes needed to the VA-ONCE program, a VA system that provides necessary data to LTS.

## **June through October 2018**

- Booz Allen Hamilton delivered the initial LTS release to address sections 107 and 501 to VA for testing. As testing continued to identify defects, additional versions of LTS were developed.
- New VA-ONCE requirements to provide data to LTS were identified.
- VA paused testing on LTS software for sections 107 and 501 in August 2018 and reexamined the requirements.
- VA provided several LTS testing scenario updates to Booz Allen Hamilton.
- Software testing continued. Booz Allen Hamilton and VA’s Office of Information and Technology determined that the VA-ONCE system did not have the requirements needed to provide the necessary data to LTS.<sup>5</sup>

## **November 2018**

- Booz Allen Hamilton provided the most current version of LTS to VA. VA assessed whether to deploy this version.
- VA announced that, effective December 1, 2018, VBA “will reset its implementation efforts for sections 107 and 501 of the law to give the department the time, contracting support and resources necessary to develop the capability to process Spring 2020 enrollments in accordance with the law by December 1, 2019. This includes soliciting bids from contractors for support in the areas of program integration, systems implementation, and software development... Also, for the current academic year (2018–2019), VBA will pay housing allowances based on the location of a school’s main campus, rather than the physical location of the student.”<sup>6</sup>
- VA released another statement clarifying that “once VA is in a position to process education claims in accordance with the new law—each and every beneficiary will receive retroactively the exact benefits to which they are entitled under that law.”<sup>7</sup>

## **As of January 2019**

- VA issued a Request for Information for a contractor to provide a fully functional and operational solution that fully implements the Forever GI Bill, to include all software and software development, integration, testing, maintenance, and training. VA was in the process of developing a Request for Proposal.

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<sup>5</sup> As of November 2018, the anticipated completion date for updates to VA-ONCE was estimated to be March 2019 or later.

<sup>6</sup> <https://www.blogs.va.gov/VAntage/54520/post-9-11-gi-bill-housing-payment-rates-update/>

<sup>7</sup> <https://www.va.gov/opa/pressrel/pressrelease.cfm?id=5154>