



# US DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

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## VETERANS BENEFITS ADMINISTRATION

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# VBA Needs to Improve Oversight of the Digital GI Bill Platform

Audit

23-01252-175

August 28, 2024

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## Executive Summary

The Veterans Benefits Administration (VBA) is committed to delivering a variety of financial and other benefits to veterans and their families. In 2017, Congress passed the Forever GI Bill, which expanded education benefits and required VBA to make changes and improvements to its information technology system, including maximizing electronic adjudication of original and supplemental educational assistance claims.<sup>1</sup> In March 2021, VBA began an effort to transition from its existing VBA education benefits system to a Digital GI Bill platform designed to improve education benefits and customer service delivery.<sup>2</sup>

The COVID-19 pandemic changed the way veterans interacted with VBA and applied for education benefits, creating a greater need for automation and electronic services. According to a Government Accountability Office (GAO) report published in November 2022, VBA received \$195 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 stimulus funding to support changes to its digital education systems used by veterans and beneficiaries.<sup>3</sup> The VA Office of Inspector General (OIG) conducted this audit to assess VBA's progress with the implementation of the Digital GI Bill platform to support enhancing education benefits.

### What the Audit Found

The OIG found insufficient planning by VBA hindered development and completion of the Digital GI Bill platform and has led to significant delays and contributed to about \$479 million in additional costs. Of those extra contract costs, \$53 million was related to a contract adjustment based on an unanticipated issue during the development of the original contract and \$1 million in related costs. The remaining \$425 million was due to a renegotiated contract, which includes legacy data migration, program management, and IT support services. Because the renegotiated contract was completed outside the scope of this audit, the OIG did not analyze the breakdown of these costs.<sup>4</sup>

During the original contract's development process, VBA failed to include staff who had the required technical expertise to develop performance work statements, which outline the necessary steps to complete the platform development and therefore drive contract

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<sup>1</sup> Harry W. Colmery Veterans Educational Assistance Act of 2017, Pub. L. No. 115-48, 131 Stat. 973 (2017). This is commonly known as the Forever GI Bill.

<sup>2</sup> For more on GI Bill programs and the various electronic systems related to the Digital GI Bill platform, see appendix A.

<sup>3</sup> Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, Pub. L. No. 116-136, 134 Stat. 281 (2020); Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, §§ 514-515, 134 Stat. 1182, 1689 (2020); Government Accountability Office (GAO), "Veterans Affairs: Projection, Use, and Oversight of COVID-19 Relief Funding, GAO-23-105730 (November 2022), <https://www.gao.gov/assets/gao-23-105730.pdf>.

<sup>4</sup> See appendix B for the report's scope and methodology.

requirements.<sup>5</sup> The platform contractor attributed delays and cost increases to multiple contract changes that were necessary because initial requirements and expectations for the platform’s development were unclear or unrealistic.

According to the Office of Management and Budget policy, agency leaders must “develop a set of competency requirements for information resources staff” and make sure the project is supported by a sufficiently knowledgeable workforce.<sup>6</sup> In addition, the Federal Acquisition Regulation states that when an agency contracts for services, it “shall ensure that sufficiently trained and experienced officials are available within the agency to manage and oversee the contract administration function.”<sup>7</sup>

The OIG found VBA’s original contract requirements were unclear and included unrealistic expectations, which resulted in development and implementation delays for the Digital GI Bill platform. Specifically, the OIG found that VA agreed to provide the contractor with three test environments to complete critical data-quality and performance-sensitive testing for Digital GI Bill releases, including but not limited to integration, reliability, conversion, usability, and performance. While VA was due to provide three test environments by October 21, 2022, an Office of Information and Technology (OIT) program manager informed the audit team that, due to resource and infrastructure limitations, only one test environment could be provided, which was developed and undergoing testing in January 2024. Further, in April 2024, OIT informed the team that while VA agreed to three test environments, the contractor had not made any creative attempts to help it solve this known technical limitation. However, the original contract obligated VA to provide three testing environments, and by failing to do so, it failed to meet its contractual requirements. According to the renegotiated contract, VA will provide one end-to-end benefits automation testing environment.

In addition, implementation of the Digital GI Bill platform will result in the decommissioning of 12 legacy systems.<sup>8</sup> According to an OIT Account Management Office business epic (a term for an articulated business need), retiring the Benefits Delivery Network (BDN), which is a legacy system, is necessary to allow VBA to fully transition to the Digital GI Bill platform.<sup>9</sup> According

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<sup>5</sup> A performance work statement is “a statement of work for performance-based acquisitions that describes the required results in clear, specific and objective terms with measurable outcomes.” FAR § 2.101 (2023).

<sup>6</sup> Office of Management and Budget Circular A-130, *Managing Information as a Strategic Resource* (revised July 28, 2016), “Leadership and Workforce,” sec. 5.c. The circular states that the agency head should consult with the chief financial officer, chief acquisition officer, chief information officer, and program leaders to define the processes that program leaders use to work with the chief information officer to plan information technology resources that efficiently and effectively achieve objectives. Circular A-130, “Planning, Programming, and Budgeting,” sec. 5.a.3, topic c.

<sup>7</sup> FAR § 37.102(h) (2023).

<sup>8</sup> See appendix A for a list of the systems to be decommissioned.

<sup>9</sup> BDN is a suite of mainframe applications developed in the 1970s that collectively make up VBA’s primary claims processing, tracking, and payment systems.

to the assistant director of VBA’s Education Service, all BDN functions were scheduled to be merged into the new Digital GI Bill platform by September 2023. However, the decommissioning of BDN has been pushed back to June 2025, which could further delay the platform’s full implementation and may lead to additional costs. According to OIT, before BDN functions can be merged into the Digital GI Bill platform, the platform must be fully functional “as envisioned” so VA can retire BDN.

Additionally, the OIG found VBA did not choose to follow the GAO’s *Schedule Assessment Guide*, which prescribes best practices for a project’s integrated master schedule, which plots the entire scope of the project.<sup>10</sup> The audit team found that the project’s integrated master schedule did not take into account all external dependencies, including concurrent modernization efforts by VBA that involve the decommissioning of other systems. This occurred because, until February 2023, VBA lacked an overall integrated master schedule or other master scheduling plan for tracking each of these adjacent, parallel efforts, some of which affect the Digital GI Bill platform timeline directly.<sup>11</sup> Furthermore, following its implementation in February 2023, the overall schedule was not consistently shared with the contractor. The OIG found that poor communication contributed to failures such as missed and incomplete tasks in the critical path—the continuous sequence of activities in a schedule—that resulted in project delays and increased costs due to rescheduling.<sup>12</sup> In April 2024, OIT informed the audit team that the integrated master schedule for the new contract task order now combines the stakeholder activities across the program for a holistic view of each product increment, which emphasizes agile best practices of collaboration and daily interaction. Further, OIT indicated with the more detailed integrated master schedule, the program organization now works as a singular unit toward the same goals, increasing efficiency and productivity within different teams.

Given the many challenges to planning and implementing the platform, VBA made contract adjustments and eventually renegotiated the original contract terms, which further delays

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<sup>10</sup> GAO, *Schedule Assessment Guide*, GAO-16-89G, December 2015.

<sup>11</sup> The under secretary for benefits provided a technical comment disagreeing with the OIG assessment that the project lacked an integrated master schedule until February 2023 and that this directly affected the platform’s timeline. The OIG recognizes the under secretary’s concerns; however, the OIG stands by its finding that it was not until February 2023 that VBA coordinated with a consulting firm to develop and provide an overall integrated master schedule. After the schedule was in place, the OIG found the contractor was unable to account for external dependencies because the overall schedule was not consistently shared, which affected the timeline. See appendix C for the under secretary’s full comments.

<sup>12</sup> GAO, *Schedule Assessment Guide*.

implementation and contributes to increasing the cost of the project by \$479 million, more than doubling the original contract cost of \$453 million to \$932 million.<sup>13</sup>

## **What the OIG Recommended**

The OIG recommended that the under secretary for benefits ensure that VBA establishes a monitoring process to track implementation under the renegotiated contract. The OIG further recommended that the under secretary communicate regularly with the Digital GI Bill platform contractor to ensure that the project's integrated master schedule is consistently updated to reflect all schedule changes for external dependencies. Finally, the under secretary should develop strategies to address critical path failures to provide a clear timeline of further implementation activities.

## **VA Management Comments and OIG Response**

The under secretary for benefits concurred in principle with all three recommendations, submitted an action plan for recommendation 1, and requested the closure of recommendations 2 and 3. The under secretary also provided general and technical comments to the report. See appendix C for the under secretary's full comments. The OIG responded to technical comments with footnotes where applicable.

The under secretary provided an action plan that was generally responsive to the intent of recommendation 1. The OIG will monitor implementation of VBA's corrective actions and close the recommendation when sufficient evidence demonstrates progress in meeting the intent of the recommendation.

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<sup>13</sup> The under secretary for benefits provided a technical comment disagreeing with the OIG assessment that the contract adjustments and renegotiated contract led to further delays, while acknowledging that the original contract was insufficient to achieve desired program outcomes. The OIG stands by its finding that the adjustments and renegotiated contract delayed implementation of the Digital GI Bill platform, such as extending the development and implementation phase. See appendix C for the under secretary's full comments.

Regarding the under secretary's requests to close recommendations 2 and 3, the OIG found that the comments supporting these requests do not provide sufficient evidence of progress to justify closure at this time. Recommendation 2 will remain open until the OIG receives evidence to support regular communication with the Digital GI Bill platform contractor to ensure that the project's integrated master schedule is consistently updated. Recommendation 3 will remain open until the OIG receives evidence that VBA has developed strategies to address the critical path failures identified.



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## Abbreviations

BDN	Benefits Delivery Network
CARES	Coronavirus Aid, Relief, and Economic Security
eMPWR	Enterprise Management Payment Workload and Reporting
GAO	Government Accountability Office
OIG	Office of Inspector General
OIT	Office of Information and Technology
VBA	Veterans Benefits Administration



## Introduction

The Veterans Benefits Administration (VBA) provides a variety of benefits to veterans and their families, including compensation, pensions, fiduciary services, employment services, home ownership promotion, transition assistance, life insurance, and educational opportunities. Since 1944, the GI Bill—which refers to any VBA education benefit earned by members and families of active duty, selected reserve, and National Guard armed forces—has helped qualifying veterans and their family members pay for some or all of the costs for school or training. The GI Bill has several programs, and each is administered differently depending on a person’s eligibility and duty status. These programs can help pay for college tuition, job training, and other approved programs.

The GI Bill expanded with the passage of the Post-9/11 Veterans Educational Act of 2008, which is known as the Post-9/11 GI Bill and was codified in Chapter 33 of Title 38 of the United States Code.<sup>14</sup> In 2017, the Harry W. Colmery Veterans Education Assistance Act, more commonly known as the Forever GI Bill, further expanded education benefits and included changes to science, technology, engineering, and mathematics programs, as well as veterans’ monthly housing stipends.<sup>15</sup> Additionally, the Forever GI Bill required VBA to make changes and improvements to its information technology system, including maximizing the electronic processing of original and supplemental educational assistance claims and ensuring that they are decided according to rules-based processing with as little human intervention as possible.<sup>16</sup> In November 2018, the VA Secretary named the under secretary for benefits as the official responsible for implementing the Forever GI Bill, which includes complying with all Congressional reporting requirements found in this and subsequent related legislation.<sup>17</sup>

In response to the Forever GI Bill, VBA focused on modernizing its existing Long-Term Solution application, a web-based system used to process Chapter 33 claims, including automating some aspects of the process such as establishing eligibility, determining payments, or disallowing claims. In a 2019 issue statement titled *Forever GI Bill: Early Implementation Challenges*, the VA Office of Inspector General (OIG) provided an interim look at VA’s

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<sup>14</sup> Post-9/11 GI Bill (Chapter 33) education benefits—the most-used category of GI Bill benefits—may be used for tuition, school fees, housing, and books and supplies, and can be transferred to family members. To be eligible, the veteran generally must have either served at least 30 days of continuous active duty service after September 10, 2001, and been discharged due to a service-connected disability, or served a total of 90 days active duty service and received an honorable discharge.

<sup>15</sup> Harry W. Colmery Veterans Educational Assistance Act of 2017, Pub. L. No. 115-48, 131 Stat. 973.

<sup>16</sup> Education claims can be identified as either original or supplemental claims. An original claim is submitted when a beneficiary first applies for initiation, review, and approval of education benefits. VBA’s claims examiners review applications for eligibility and either a certificate of eligibility or a denial of benefits is issued. Supplemental claims are submitted after the beneficiary registers for a course or training program.

<sup>17</sup> For example, see the Forever GI Bill Housing Payment Fulfillment Act of 2018, Pub. L. No. 115-422, 132 Stat. 5450 (2019).

progress in implementing the Forever GI Bill.<sup>18</sup> Specifically, the OIG found VBA failed to modify its electronic systems, including the Long-Term Solution application, by the required implementation date to make accurate housing allowance payments. VA lacked an accountable official to oversee the project during most of the effort, resulting in unclear communication of implementation progress and inadequately defined expectations, roles, and responsibilities of the various VA business lines and contractors involved.

Because the COVID-19 pandemic intensified the need for claims-processing automation and enhanced customer service, VBA began an effort in March 2021 to transition from the Long-Term Solution to a Digital GI Bill platform, which is designed to improve all aspects of the user experience. The OIG conducted this audit to assess VBA's progress with the implementation of the Digital GI Bill platform to support modernizing education benefits delivery.

## **Pandemic Stimulus Funding**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 provided stimulus funding to address issues arising from the COVID-19 pandemic.<sup>19</sup> Through the CARES Act, about \$14 billion was allocated to the Veterans Health Administration for medical services, which remained available until September 30, 2021, with about \$6 million allocated for general administration and about \$2.2 billion for information technology systems.

Subsequently, under the Consolidated Appropriations Act of 2021, Congress authorized the reallocation of certain unobligated CARES Act funds from the Veterans Health Administration to other VA organizations, including up to \$198 million for general operating expenses for VBA and up to \$45 million for information technology systems. The act states that the reallocated funds will be used “to prevent, prepare for, and respond to [the] coronavirus” and improve VBA's education systems, including implementation of changes to benefits for Chapters 30 through 36 as a result of the Forever GI Bill.<sup>20</sup> Further, a 2020 law authorized the VA secretary to treat certain programs of education that were converted to distance learning for emergencies and health-related situations—such as the pandemic—in the same manner as

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<sup>18</sup> VA OIG, [Forever GI Bill: Early Implementation Challenges](#), Issue Statement No. 19-06452-97, March 20, 2019.

<sup>19</sup> CARES Act, Pub. L. No. 116-136, 134 Stat. 281 (2020).

<sup>20</sup> Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182, 1689 (2020). For information on other benefits programs, see appendix A.

in-person programs at educational institutions.<sup>21</sup> According to VBA officials, the CARES Act funding allowed VBA to start the Digital GI Bill modernization earlier than anticipated.<sup>22</sup>

## Digital GI Bill Platform

The COVID-19 pandemic increased reliance on distance learning and exposed shortcomings in VBA's education benefits systems, prompting VBA to further modernize by developing the Digital GI Bill platform through a contracted service. In March 2021, VBA awarded a 10-year contract of about \$453 million to a contractor to develop and implement the platform, which is intended to both simplify the process for beneficiaries and reduce the burden on staff using cloud-based automation. Under the platform, the contractor is responsible for providing education claims services and technology services to support processes for administering VBA's education program, such as applying for benefits. According to VBA's Education Service assistant director, a fully functional and operational platform will be established by April 2024 that implements

- enhanced education award processing and other related transactions and communications capabilities;
- claims processing and management for original and supplemental GI Bill claims;<sup>23</sup>
- an improved user experience that reduces the timelines for processing these claims through automation of repetitive, formulaic, or rules-driven steps; and
- integration support between the platform and multiple VA systems, such as the replacement of the Benefits Delivery Network (BDN) payment function by the Enterprise Management Payment Workload and Reporting (eMPWR) application.<sup>24</sup>

Since March 2021, VBA's modernization efforts have achieved some of the milestones required for the platform's eventual completion. According to VBA's Education Service executive

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<sup>21</sup> An Act, Pub. L. No. 116-128, 134 Stat. 221 (2020). In addition, another veteran-specific law modified access to education programs and assistance for veterans during the period from March 1, 2020, through December 21, 2020. Student Veteran Coronavirus Response Act of 2020, Pub. L. No. 116-140 (2020).

<sup>22</sup> The Government Accountability Office (GAO) published a report in November 2022 that comments on the expenditure of CARES Act funds for VBA education benefits. GAO noted that VA allocated about \$351 million from the CARES Act funding to VBA, of which approximately \$195 million was obligated to support changes to its digital education systems that were necessary for providing distance learning to veterans and beneficiaries during the COVID-19 pandemic. The GAO report also explains that the pandemic highlighted shortcomings in VBA's Education Service systems. GAO, *Veterans Affairs: Projection, Use, and Oversight of COVID-19 Relief Funding*, GAO-23-105730, November 2022.

<sup>23</sup> Original claims result in the establishment of eligibility and/or original entitlement, including denials; supplemental claims result in the establishment of awards and debts and/or entitlement and eligibility adjustments, including claims that result in no payment.

<sup>24</sup> BDN is VBA's primary claims processing, tracking, and payment system. The eMPWR application development is being completed under a separate contract with a different contractor.

director, partial functionality of the platform has led to increased electronic processing of original and supplemental GI Bill claims, a more streamlined claims process (such as same-day education benefits decisions for GI Bill applicants), and the ability for claimants to download digital copies of decision letters rather than wait for a paper copy in the mail. In July 2022, the deputy under secretary for policy and oversight testified before Congress that VA has made significant improvements in claims processing, stating that the automation of Post-9/11 GI Bill supplemental claims processing was operating at 56 percent by the end of March 2022, reflecting a 23 percent increase in automation since March 2019.<sup>25</sup>

## Organizational Structure

Following the contract award in 2021, VBA created a unified program integration office for oversight of the Digital GI Bill platform implementation, including coordinating and managing platform functions, technical requirements, and claims processing. According to VBA's Education Service assistant director, the integration office included representatives from VBA's Education Service and Office of Business Integration, as well as from VA's Office of Information and Technology (OIT) and Office of Financial Management.<sup>26</sup> Further, the assistant director stated these representatives were responsible for making decisions and submitting proposed changes to the executive directors of these offices, who composed an operational governance board for approval regarding program scope and project planning.

According to the contract, the integration office and the governance board should meet regularly with VBA's Executive Steering Committee to address and mitigate any risks or issues that require executive attention and to provide a high-level status update on program progress. The steering committee—which includes the deputy under secretary for benefits, VBA's chief financial officer, and VA's chief information officer—is responsible for strategic decisions and ensuring that Education Service modernization efforts, such as the Digital GI Bill platform project, have adequate technical staffing, funding, and necessary resources.<sup>27</sup>

In April 2023, the Education Service restructured the unified program integration office under its new Digital GI Bill Program Management Office, which provides dedicated full-time staff for

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<sup>25</sup> *Modernizing Veteran Education in the Shadow of COVID-19, Before the Subcommittees on Economic Opportunity and Technology Modernization, House Committee on Veterans' Affairs, 117th Cong. (July 20, 2022)* (statement of Ronald S. Burke, Jr., Deputy Under Secretary Office of Policy and Oversight Veterans Benefits Administration, Department of Veterans Affairs).

<sup>26</sup> The Office of Business Integration enables effective investment decisions of VBA business systems by providing its decision-makers with comprehensive, integrated business capabilities, which enable faster and more efficient delivery of benefits. The office also provides implementation and integration services to deliver business capabilities and collaborate with OIT as an advocate for VBA.

<sup>27</sup> The deputy under secretary for policy and oversight is currently the delegated accountable official for the Digital GI Bill program.

platform oversight. The change allows the program management office to make lower-level decisions, such as

- focusing on establishment, implementation, and continuous improvement of the platform;
- increasing Education Service support on platform development in coordination with OIT;
- focusing on cross-organizational coordination of potential changes; and
- implementing a comprehensive approach to assign clear roles, responsibilities, and accountability throughout the platform's lifetime.

The Education Service executive director and the newly established Digital GI Bill program director head the program management office, while the members of the previous governance board, OIT, the Office of Financial Management, and the Office of Business Integration are involved only if the proposed change requires cross-organizational input. The shifting of responsibility to the program management office also allows the program director to independently accept implementation changes, such as functionality releases without seeking approval of other senior members of the office or submitting a request to the steering committee. According to VBA's Education Service assistant director, the restructure has allowed for the direct management of contract performance; approval of contract requirements, pricing, and costs; and coordination with the Education Service executive director.

## Results and Recommendations

### **Finding: Insufficient Contract Planning and Management Have Hindered Development and Completion of the Digital GI Bill Platform**

VBA’s Digital GI Bill platform, with an original cost of \$453 million, was scheduled to be fully operational by April 2024. However, the platform will be severely delayed due to VBA’s insufficient contract planning and subsequent poor contract management, which have led to multiple unrealistic requirements, several modifications, and the clear need for VBA to renegotiate the contract. As of March 2024, VBA had agreed to pay about \$479 million in additional contract costs, more than doubling the original contract amount to \$932 million.

During the contract planning process, VBA failed to identify the steps required to complete the platform development, properly assess the timelines for these steps, and establish achievable contract requirements. One significant requirement for VA under the original contract—the development of three test environments—was, according to individuals at OIT, not even possible given funding and VA’s current information technology infrastructure. The contract required VA to provide three fully connected, end-to-end test environments by October 21, 2022. However, according to the OIT Digital GI Bill program manager, VA’s infrastructure can accommodate only one such environment.

In addition, implementation of the Digital GI Bill platform will result in the decommissioning of 12 legacy systems.<sup>28</sup> According to an OIT Account Management Office business epic, retiring BDN, which is a legacy system, is necessary to allow VBA to fully transition to the Digital GI Bill platform.<sup>29</sup> Four additional systems are scheduled to be decommissioned concurrent with BDN, which was initially given a September 2023 completion date.<sup>30</sup> However, the decommissioning of BDN has been pushed back to June 2025, which could further delay the platform’s full implementation and may lead to additional costs. According to OIT, before BDN functions can be merged into the Digital GI Bill platform, the platform must be fully functional “as envisioned” so VA can retire BDN.

Finally, the audit team found VBA did not choose to follow the best practices established by the Government Accountability Office (GAO) that prescribe an integrated master schedule to guide a project—specifically, a schedule that consolidates all levels of effort into summary activities. The integrated master schedule is an essential program management tool that allows leaders to understand, evaluate, and plan the time needed to successfully complete a program and to make

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<sup>28</sup> See appendix A for a list of the systems to be decommissioned.

<sup>29</sup> BDN is a suite of mainframe applications developed in the 1970s that collectively make up VBA’s primary claims processing, tracking, and payment systems.

<sup>30</sup> See appendix A for systems requiring decommissioning to complete the Digital GI Bill platform implementation.

contingency plans, as necessary, to minimize risk.<sup>31</sup> The audit team found that while a project-specific integrated master schedule was in place since the beginning of the contract, VBA did not have an overall integrated master schedule or other master scheduling plan that included all VBA modernization efforts—including adjacent projects that impacted the Digital GI Bill platform—until February 2023, when it coordinated with a consultant to develop one. Furthermore, once this overall integrated master schedule was established, the OIG found that it was not consistently shared with the Digital GI Bill platform contractor, and this resulted in multiple critical path failures.<sup>32</sup> According to GAO best practices, the critical path is a continuous sequence of activities in a schedule and delays of any one activity on the critical path can affect the finish date of a project. These failures, such as missed and incomplete tasks, were more difficult to identify without access to an overall integrated master schedule.

Given the many challenges related to planning and implementing the platform, VBA made contract adjustments and eventually renegotiated the original contract terms, which further delays the Digital GI Bill implementation and increases the contract costs.<sup>33</sup> To fully implement the platform, VBA should establish a process to monitor progress under the renegotiated contract, ensure better tracking of scheduling discussions, and establish a clear and realistic timeline.

The following determinations formed the basis for the finding and prompted the OIG's recommendations:

- Poor contract planning caused delays in the implementation of the Digital GI Bill platform.
- VBA's insufficient contract management risks further platform delays.

## What the OIG Did

The audit team reviewed applicable laws, regulations, policies, and procedural guidance to assess VBA's progress in developing the Digital GI Bill platform. The team also reviewed award

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<sup>31</sup> GAO, *Schedule Assessment Guide*, GAO-16-89G, December 2015.

<sup>32</sup> The under secretary for benefits provided a technical comment disagreeing with the OIG assessment that the project lacked an integrated master schedule until February 2023 and that this directly affected the platform's timeline. The OIG recognizes the under secretary's concerns; however, the OIG stands by its finding that it was not until February 2023 that VBA coordinated with a consulting firm to develop and provide an overall integrated master schedule. After the schedule was in place, the OIG found the contractor was unable to account for external dependencies because the overall schedule was not consistently shared, which affected the timeline. See appendix C for the under secretary's full comments.

<sup>33</sup> The under secretary for benefits provided a technical comment disagreeing with the OIG assessment that the contract adjustments and renegotiated contract led to further delays, while acknowledging that the original contract was insufficient to achieve desired program outcomes. The OIG stands by its finding that the adjustments and renegotiated contract delayed implementation of the Digital GI Bill platform, such as extending the development and implementation phase. See appendix C for the under secretary's full comments.

documentation for master schedules along with associated contract modifications and performance work statements. The team also assessed the decommissioning schedules of VBA legacy systems and analyzed the relationship between the decommissioning efforts and Digital GI Bill platform development. Further, the team interviewed VBA and OIT officials and staff associated with platform implementation and reviewed communications between VBA, its master schedule consultant, and the contractor. See appendix B for more details about the audit's scope and methodology.

## **Poor Contract Planning Caused Delays in the Implementation of the Digital GI Bill Platform**

While the Digital GI Bill platform has yielded some positive results according to the executive director of VBA's Education Service, VBA did not achieve its goal of having a fully operational platform by April 2024 according to VBA's Education Service assistant director. This is due in large part to poor contract planning, including the lack of information technology expertise, which led to unclear and unrealistic requirements, as well as to several contract modifications—including a renegotiation of the contract—that caused delays and additional costs.

The OIG found that the inclusion of unachievable requirements and timelines in the contract was likely a result of VBA rushing to award the contract and the lack of expert personnel involved. VBA's Education Service assistant director, who has overseen the platform since February 2023, believes that VBA rushed the contract to use CARES Act funding before it expired on September 30, 2021. According to him, the contract was based on the funding available rather than the requirements to develop the platform.

The Education Service deputy director of operations, who was involved in drafting the contract and source selection, stated that senior managers from the steering committee, including the former under secretary for benefits, directed that the contract be awarded as soon as possible but did not specify a time frame. The deputy director noted that VBA completed the acquisition process within about 45 days, much shorter than the typical four- to six-month time frame, but concluded this process time was not unreasonable because the lack of competing priorities at the time allowed for an all-hands-on-deck effort. However, the contracting officer involved with the awarding of the contract stated there was very little time to develop the contract, and that the initial performance work statement, which outlines the necessary steps to complete the platform development and therefore drive contract requirements, did not have all the pertinent information. This resulted in VBA having to later modify the contract and add requirements.<sup>34</sup>

Furthermore, VBA did not assign personnel who were sufficiently trained and experienced to develop the requirements for the Digital GI Bill platform. Such an approach is contrary to both

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<sup>34</sup> Contracting officers are responsible for ensuring compliance with all terms and conditions of the contracts they enter into for goods and services.

Office of Management and Budget policy and the Federal Acquisition Regulation, which state that agencies should develop a set of competency requirements for information resources staff and must “ensure that sufficiently trained and experienced officials are available within the agency to manage and oversee the contract administration function.”<sup>35</sup> Although OIT was involved in the acquisitions process—with the chief information officer, as part of the Executive Steering Committee, approving the overall project—the audit team received minimal information about key contracting and scheduling decisions from OIT and VBA officials.

The Education Service deputy director of operations stated that because she lacked experience with managed services contracts, she relied on market research and the cost estimate to support VBA’s award decision, admitting that some of the contract requirements, such as the claims automation goals, were ill-defined and contributed to the delays. Further, she said she had no concerns over VBA’s lack of technical expertise because of OIT’s involvement in the contract and also indicated that the timeline depended on OIT because it handles technical issues, whereas the Education Service oversees business aspects. However, she acknowledged that OIT’s director of the education and veteran readiness and employment product line had expressed concerns about the timeline during the contract planning process. The OIT Digital GI Bill program manager, who has been in the role since the contract was awarded, stated he was unaware if someone with the required experience or technical knowledge existed in VA to develop the contract requirements for the platform, explaining it has taken him two years to learn the requisite knowledge to be the current subject matter expert. Further, he described the platform as experimental in some aspects and stated that VBA had never created a managed service at this scale of integration before.

Multiple failures—including VA’s inability to provide three test environments and to migrate specific legacy system functions into the Digital GI Bill platform within the time specified, both of which are detailed in the following sections—might have been avoided if sufficiently trained and experienced technical experts had been present to help plan the contract and develop the requirements. Due to this poor planning, as of May 2023, VBA had made 18 modifications and numerous revisions to the performance work statement, delaying the full implementation of the platform.<sup>36</sup>

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<sup>35</sup> FAR § 37.102(h) (2023). In addition, Office of Management and Budget Circular A-130, *Managing Information as a Strategic Resource* (revised July 28, 2016), states that the agency head should consult with the chief financial officer, chief acquisition officer, chief information officer, and program leaders to define the processes that program leaders use to work with the chief information officer to plan information technology resources that efficiently and effectively achieve objectives. It also states that agency leaders must “ensure that the workforce, which supports the acquisition, management, maintenance, and use of information resources, has the appropriate knowledge and skills to facilitate the achievement of the portfolio’s performance goals and, further, evaluate the extent to which the agency’s executive-level workforce has appropriate information and technology-related knowledge and skills.”

<sup>36</sup> A performance work statement is “a statement of work for performance-based acquisitions that describes the required results in clear, specific and objective terms with measurable outcomes.” FAR § 2.101 (2023).

## Incomplete Testing Environments

The original contract, which was still active during the review period of this audit, required VA to provide three fully connected and production-sized test environments by October 21, 2022. According to the OIT Digital GI Bill program manager, the contractor built in assumptions about three environments because in large information technology scenarios, the ability to scale testing environments is an industry best practice and would allow for multiple overlapping tests. However, he stated it is not possible given VA's current infrastructure. Furthermore, the contractor stated that because multiple test environments allow for overlapping tests, the requirement of three fully connected and production-sized test environments would provide a better chance of meeting contractual deadlines.

However, OIT's director of the education and veteran readiness and employment product line stated OIT does not have funding or resources to provide more than one test environment. According to the Digital GI Bill program manager, OIT communicated to the contractor that it would only provide one test environment because VA's current information technology infrastructure cannot accommodate three. The monthly Digital GI Bill progress report for September 2022 flagged the test environment as a risk, stating that if the environment was not available by November 15, 2022, then the September 2023 integration of the Digital GI Bill platform with BDN's replacement system, the eMPWR application, could be delayed.<sup>37</sup> A later update from the December 22, 2022, steering committee slides indicated that beginning November 19, 2022, delays in the implementation of the testing environment had resulted in project delays and that a feasible date for the testing environment needed to be determined. The February 2023 monthly progress report, under the "Missed Dependencies" section, included the following:

OIT has confirmed that 3 environments will not be provided and directed [the contractor] to model the... replan effort [a renegotiated contract] with only one end to end testing environment. This changed assumption will significantly extend the delivery timeline of... the replan and potentially affect the level of effort.

The May 2023 monthly progress report indicated that OIT still had not produced the single testing environment, while the contractor stated that OIT had committed to providing it by September 30, 2023. The OIT Digital GI Bill program manager reported that the environment would not be ready until November 2023—13 months after the date specified in the contract for three test environments. The manager later confirmed that, as of January 31, 2024, the test environment was developed and testing was underway. However, according to the contractor, reducing the number of test environments from three to one forces the contractor to conduct tests

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<sup>37</sup> These reports are internal documents and not publicly accessible.

in sequence rather than concurrently, and this—along with delays in providing just the one test environment—has significantly pushed back the platform’s implementation.

In April 2024, OIT informed the audit team that while VA agreed to three test environments, the contractor has not made any creative attempts to help it solve this known technical limitation. However, the contract requires VA to provide three test environments to complete critical data-quality and performance-sensitive testing for Digital GI Bill releases including but not limited to integration, reliability, conversion, usability, and performance. By not providing three test environments, VBA failed to meet the requirements of the original contract. However, according to the renegotiated contract, VA will provide one end-to-end benefits automation testing environment.

### **Delayed Migration of Specific Legacy Systems**

To fully implement the Digital GI Bill platform, VBA must address challenges associated with integrating numerous complex information technology systems and decommissioning legacy systems. The contractor initially planned to integrate the platform with multiple VA systems by the end of September 2021.<sup>38</sup> These systems include the Identity Credential Access Management system for user credentialing, the VA Department of Defense Information Repository to obtain military service information, and the eMPWR application that will replace BDN once it is decommissioned. The decommissioning effort focuses on BDN because of the system’s complexity and importance in the overall completion of the platform.

BDN is a suite of mainframe applications developed in the 1970s that collectively make up VBA’s primary claims processing, tracking, and payment systems. BDN uses outdated software languages and unsupported hardware that pose significant risks to VBA’s ability to provide benefits in a consistent, secure, and timely manner, and it has been targeted for retirement since 2003. As the primary database and payment system for all Education Service benefit programs, BDN contains the master education record files for veterans and other beneficiaries and processes about \$40 billion in veteran entitlements yearly.

VBA initially identified 12 systems for decommissioning as part of its implementation of the Digital GI Bill platform. Examples of these systems include the Electronic Certification Automated Processing System, which electronically processes enrollment certifications and notices of change in student status, and the Web Enabled Approval Management System, which is a VBA public internet application that allows the public to access information about approved educational programs. While some of the systems have been decommissioned or consolidated—including the Long-Term Solution, which was the predecessor to the Digital GI Bill platform—other systems are on hold but still in use. According to the OIT program manager for the Digital GI Bill platform, systems such as the Electronic Certification Automated Processing and the

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<sup>38</sup> See appendix A for a list of the 12 systems identified for decommissioning.

Web Automated Verification of Enrollment are tied to the BDN decommissioning effort and cannot be retired until BDN is no longer in use.

The OIT's Account Management Office has a business epic, which is a term for an articulated business need, that includes functional and capability requirements along with desired outcomes.<sup>39</sup> This epic states that retiring BDN is necessary to allow VBA to fully transition to the Digital GI Bill platform and the eMPWR application. Specifically, the retirement is needed to integrate the application payment functions with the platform. The epic further stated the efforts to retire BDN will be a multiyear effort that is more complex than a transfer of data from one location to a newer platform because BDN does not allow for modernization or easy data sharing.

In November 2022, the Education Service assistant director indicated all BDN functions would be merged into the Digital GI Bill platform by September 2023, after which BDN would no longer be used to process any education claims. He also stated that he does not have control over the dependencies, and if the external stakeholders responsible for merging the systems and applications do not complete the required activities, the platform milestones will slip.<sup>40</sup>

In April 2023, the OIT Digital GI Bill program manager stated that, given its complexity, the decommissioning of BDN would not be completed by September 2023 and may not occur until as late as spring 2025, a timeframe that was confirmed by the OIT director of education at Veteran Readiness and Employment. The OIT program manager also explained that four of the 12 systems identified for decommissioning in the contract cannot be decommissioned until the BDN replacement is complete and that, according to the contract specialist, due to the missed 2023 deadline, the support contract for BDN had to be extended to September 30, 2025. The contract cost for that extension included about \$24.6 million to maintain BDN for those two extra years.<sup>41</sup> While the contractor and OIT have made progress on decommissioning legacy systems as provided by the OIT Digital GI Bill program manager, significant work remains to complete the effort and consolidate education claims processing into one platform. According to VBA, before BDN functions can be merged into the Digital GI Bill platform, the platform must be fully functional "as envisioned" so VA can retire BDN. However, the decommissioning of BDN has been pushed back to June 2025, which could further delay the Digital GI Bill platform's full implementation and may lead to additional costs.

## **Financial Impact of Poor Contract Planning**

The delays in decommissioning BDN and related legacy systems and in providing end-to-end production test environments have caused modernization efforts to slow down, as modifications

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<sup>39</sup> OIT Account Management Office, *Epic Writing Best Practices*, May 2019.

<sup>40</sup> The BDN decommissioning effort is being handled by a different contractor.

<sup>41</sup> This contract to extend support of BDN is not related to the Digital GI Bill contract.

and additional work have increased along with the costs. Initially, the total contract cost increased by about \$54 million from the original contract value of \$453 million. The largest amount of that increase is attributable to a \$53 million equitable adjustment.<sup>42</sup> The contractor issued an initial letter to VBA on November 24, 2021, requesting this equitable adjustment and citing instances of various VBA stakeholders taking unanticipated additional time to specify or amend final requirements. The letter also stated dependencies for integrating other VBA systems were not met in a timely manner.<sup>43</sup> Further correspondence indicated that technical issues with the larger VA test environment prevented the program from completing testing activities in time to support the planned deployment date.

The contractor eventually submitted an updated proposal that included a revised performance work statement and pricing schedule on June 27, 2022. The updated proposal included period-of-performance extensions, value adjustments, and scope additions. The deputy under secretary for policy and oversight, the acting executive director of the Education Service, OIT, and the integration office agreed to the proposal which resulted in a \$53 million equitable adjustment to the contract.<sup>44</sup>

Subsequently, in December 2023, because these multiple contract requirements could not be met, VBA completed a renegotiated contract to account for the change in contract needs, which included about \$425 million in additional costs.<sup>45</sup> This amount, combined with earlier adjustments to the original contract, brings the total cost of the project to about \$932 million, more than doubling the original contract cost, with further cost increases necessary.<sup>46</sup>

## **VBA's Insufficient Contract Management Risks Further Platform Delays**

In addition to the issues identified previously regarding the planning of the Digital GI Bill platform contract, deficiencies in program management after the contract was awarded failed to effectively address those issues and may cause further delays. The audit team found examples of

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<sup>42</sup> The \$54 million represents a \$53 million equitable adjustment and about \$1 million in other related costs.

<sup>43</sup> Dependencies are other systems that feed information into the benefits system.

<sup>44</sup> The integration office was reorganized into the program management office in April 2023, as discussed previously in the "Organizational Structure" section.

<sup>45</sup> The \$425 million includes legacy data migration, program management, and IT support services. Because the renegotiated contract was completed outside the scope of this audit, the OIG did not analyze the breakdown of these costs.

<sup>46</sup> The original \$453 million contract was intended to cover 10 years of project implementation. Combined with the \$79 million in added costs, the original contract cost had increased to \$532 million by the time VBA renegotiated the contract. As part of the renegotiation, VBA removed \$25 million from the original contract amount that was committed for the final three years of the platform implementation, bringing the obligated original contract cost to \$507 million. The renegotiated contract for \$425 million replaced years four through seven of the original contract, bringing the total to \$932 million in committed costs as of March 2024. However, the final three years of the contract have not been renegotiated yet, but it will further increase project costs.

this in various project documents, including important activities that were not updated across several months of Executive Steering Committee briefing slides and contractor progress reports. More importantly, the audit team found that the project’s integrated master schedule (hereafter, “project schedule”) did not take into account all external dependencies, including concurrent modernization efforts by VBA that involve the decommissioning of other systems. This occurred because, until February 2023, VBA lacked an overall integrated master schedule (hereafter, “overall schedule”) that tracked each of these adjacent, parallel efforts, some of which affect the Digital GI Bill platform timeline directly, according to the contractor. However, following its implementation in February 2023, the contractor stated that the overall schedule was not consistently shared.

According to GAO best practices, an integrated master schedule is necessary for ensuring the successful and timely execution of a project from start to finish, as it connects all the scheduled work of the government and the contractor and provides a logical sequence of steps describing how involved parties work together. The integrated master schedule should identify the program’s critical path, which determines its earliest completion date and focuses the team’s energy and management’s attention on the activities that will lead to the project’s success. The critical path allows leaders to examine the effects of any missed milestones and develop contingency plans to mitigate risk as needed.<sup>47</sup>

While the contractor’s project schedule was in place from the beginning of the contract, the contractor’s September 2022 progress report identified VBA’s lack of an overall schedule as a risk. Four months later, in its January 2023 progress report, the contractor indicated that VBA still did not have an overall schedule in place. Personnel from VBA and OIT who are involved in the Digital GI Bill platform project stated its critical path has been disrupted by many dependencies, which they often have little control over. According to VBA’s Education Service assistant director, this includes the development of the eMPWR application to replace BDN, a project being undertaken by a different contractor under a separate contract, which has its own milestones that do not always align with Digital GI Bill platform milestones.

To mitigate this risk, VBA coordinated with a consulting firm that developed and, in February 2023, provided an overall schedule. However, the contractor’s monthly progress report from May 2023 shows that the contractor did not have access to it. According to a project lead from the consulting firm, a schedule analysis—a set of checks of dates, dependencies, and resource allocations required for the overall schedule—is typically discussed during a weekly meeting with the contractor and evaluated as part of the critical OIT dependencies. Further, monthly meetings are held as part of the Executive Steering Committee briefings with VBA, OIT, the consulting firm, and the contractor invited to discuss updates to the overall schedule. However, the audit team found that some attendees at the weekly meetings stated they did not

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<sup>47</sup> GAO, *Schedule Assessment Guide*.

recall what was discussed. For example, the contractor stated it would benefit from seeing the overall schedule at regular intervals, while the consulting firm claimed that it shares the updates in the monthly meetings.

The audit team performed a schedule analysis on the contractor's project schedule and found that it was not updated regularly, with updates occurring on an interval from about six weeks to 15 weeks from February 2022 to March 2023, rather than biweekly as the contract specifies. The team's analysis also found several missed, incomplete, or delayed tasks that constitute critical path failures, as the following example illustrates.<sup>48</sup>

### **Example**

*According to OIT and VBA officials, VBA had planned to implement new functionality for the Digital GI Bill platform in January 2023, which would substantially change the way schools determine veterans' education benefits by allowing them to work within the platform rather than using emails to transmit information. However, school certifying officials were concerned that this major change would impact their spring enrollment responsibilities and requested that the release of the new functionality be delayed until March 2023, which VBA approved. As a result, the critical path for the platform was extended by several months.*

Given that an overall schedule was not implemented during the first 23 months of the contract according to the consultant, and that, following its implementation, it was not consistently shared with the contractor, critical path failures, such as missed and incomplete tasks, became more difficult to identify, resulting in delays and higher costs due to rescheduling. To follow GAO's *Schedule Assessment Guide*, VBA would need to update its overall schedule regularly, providing a realistic forecast of start and completion dates for all related activities, and then share its updated overall schedule with all applicable parties on a consistent basis. By failing to do this VBA would risk losing sight of other forecasted critical path activities and further compromise the successful completion of the Digital GI Bill platform. In April 2024, OIT informed the audit team that the integrated master schedule for the new contract task order now combines the stakeholder activities across the program for a holistic view of each product increment which emphasizes agile best practices of collaboration and daily interaction. Further, OIT indicated with the more detailed integrated master schedule, the program organization now works as a singular unit toward the same goals, increasing efficiency and productivity within different teams.

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<sup>48</sup> The schedule analysis was performed using Microsoft Project, a project management software tool designed to assist a project manager in developing a schedule, assigning resources to tasks, tracking progress, managing the budget, and analyzing workloads.

## Conclusion

Once fully implemented, the Digital GI Bill platform is expected to improve all aspects of the education claims process for veterans and other beneficiaries. The automation of original and supplemental education benefits claims is critical, as it would lead to faster decision-making and decrease the time that education staff spend processing claims manually. Although VBA started implementing the Digital GI Bill platform in March 2021 with the intent to modernize and improve the claim submittal process, the OIG found that steps are still needed to achieve modernization goals and ensure the new system succeeds. Though partial functionality of the Digital GI Bill platform has enabled the improved processing of some education claims, and a required test environment has been developed, further development of the platform is planned through July 2026 according to VA's latest timeline. In addition, because of the renegotiated contract, VBA and its newly established Digital GI Bill Program Management Office should establish a monitoring process to track implementation under the new contract terms, as well as make certain that these activities are reflected in both the overall and project schedules and communicated to all stakeholders.

## Recommendations 1–3

The OIG made three recommendations to the under secretary for benefits:

1. Establish a mechanism to monitor progress of the Digital GI Bill platform implementation under the renegotiated contract to avoid additional costs and delays.
2. Communicate regularly with the Digital GI Bill platform contractor to ensure that the project's integrated master schedule or other master scheduling plan is consistently updated to reflect all schedule changes for external dependencies.
3. Develop strategies to address critical path failures to provide a clear timeline of further implementation activities.

## VA Management Comments

The under secretary for benefits concurred in principle with recommendations 1 through 3, provided an action plan for recommendation 1, and requested the closure of recommendations 2 and 3. The under secretary also provided general and technical comments to the report. See appendix C for the under secretary's full response. The OIG responded to technical comments with footnotes where applicable.

Regarding recommendation 1, the under secretary for benefits stated that VBA has a program in place to monitor the Digital GI Bill platform implementation and ensure the Digital GI Bill Program Management Office conducts appropriate project management. The under secretary said VBA holds biweekly Executive Steering Committee meetings and weekly program management office meetings. Further, he indicated that VBA has contracted with a federally

funded research and development center to supplement the program oversight, plans to add 15 staff to support the program management office, and will continue to evaluate staffing needs.

In response to recommendation 2, while the under secretary stated VBA communicates regularly with the contractor, he indicated that an overall schedule is “antithetical” to the government’s approach to program management. The under secretary also stated that an overall schedule that “accurately identifies all variables, risks, dependencies, and enablers” is—if even possible for complex IT modernization projects—not considered a best practice. He noted that VBA has instead established a “scaled agile framework” to guide the Digital GI Bill platform project.<sup>49</sup>

The under secretary stated that recommendation 3 is based on a misconception and reiterated that decommissioning BDN before fully implementing the Digital GI Bill platform would put the delivery of educational benefits at risk. Additionally, the under secretary stated that the program management office monitors the program and escalates potential obstacles at weekly executive director meetings.

## OIG Response

The Education Service’s plan to add employees to support project management office functions and commitment to continue to evaluate staffing needs meets the intent of recommendation 1. The OIG will monitor the implementation of VBA’s corrective actions and will close the recommendation when sufficient evidence demonstrates progress in meeting its intent.

Regarding recommendation 2, the OIG found that an overall schedule was established nearly two years after the initial contract award and, as explained previously, was not consistently shared with the contractor for the purposes of meeting the contract requirement of maintaining a project schedule. Regardless of whether VBA actively uses this overall integrated master schedule or its scaled agile framework, the Digital GI Bill platform contractor must keep its project schedule up to date, which, given the project’s many external dependencies and their changing timelines, requires regular communication. Recommendation 2 will remain open until the OIG receives evidence that this is occurring to ensure that the project schedule is updated consistently.

For recommendation 3, the OIG acknowledges that the Digital GI Bill platform must achieve a certain level of functionality prior to the decommissioning of BDN to prevent any gaps in educational benefits to veterans and their beneficiaries. However, the under secretary’s response does not directly address the recommendation, which is concerned with VBA correcting the

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<sup>49</sup> In his response, the under secretary provided two website links that provide background on the scaled agile framework—SAFe Studio (<https://scaledagileframework.com/roadmap/>) and the Association for Project Management (<https://www.apm.org.uk/resources/find-a-resource/agile-project-management/>). According to these sources, the scaled agile framework or “agile project management” favors an iterative or flexible approach to projects.

critical path failures identified by the OIG. This recommendation will remain open until the OIG receives evidence that VBA has developed strategies to address these failures.

## Appendix A: Background

### Other GI Bill Programs

The GI Bill refers to any VA education benefit earned by members of active duty, selected reserve, National Guard armed forces, and their families. For education claims purposes, they can be categorized into two categories: (1) Post-9/11 GI Bill (Chapter 33) claims; and (2) pre-9/11 or non-Chapter 33 claims, such as the following:

- Chapter 30: The Montgomery GI Bill provides education benefits to veterans and service members who have at least two years of active duty.
- Chapter 35: The Dependents’ Educational Assistance Program provides education to children whose education would otherwise be impeded or interrupted by reason of the disability or death of a parent from a disease or injury incurred or aggravated in the armed forces. The program also includes surviving spouses of veterans who died of service-connected disabilities and to spouses of veterans with a permanent service-connected total disability.
- Chapter 1606: The Montgomery GI Bill: Selected Reserve provides education and training benefits to eligible members of the selected reserve.

The Digital GI Bill platform currently processes Post-9/11 GI Bill (Chapter 33) education claims and will eventually process non-Chapter 33 education claims.

### Systems to Be Decommissioned

The Veterans Benefits Administration (VBA) and the contractor identified 12 systems for decommissioning to complete the Digital GI Bill platform implementation as well as their actual or projected completion dates. The systems and their status are listed in table A.1.

**Table A.1. Legacy Systems to Be Decommissioned**

System or application name	Description	Actual or estimated decommissioning date
Veteran Employment Through Technology Education Courses	Application used to identify training for areas such as computer software and programming, data processing, and information science	Decommissioned spring 2022
Long-Term Solution	Web-based application used to process Chapter 33 benefits and letters	Decommissioned July 2022
VA Online Certification of Enrollment (VA-ONCE)	Web-based application used by training certifying officials to submit electronic enrollment certification forms to VA	Decommissioned June 2023

System or application name	Description	Actual or estimated decommissioning date
Web Enabled Approval Management System	Data repository of all programs and the approval for delivering training under VBA educational programs	Third quarter of fiscal year 2024
Web Enabled Approval Management System Public	An internet application that allows the public to access information about VBA-approved educational programs	Third quarter of fiscal year 2024
The Image Management System (TIMS)	Web-based imaging- and workflow-processing application used by the Education Service to establish and maintain electronic veteran folders for recipients of education benefits	Fiscal year 2024
Benefits Delivery Network (BDN)	Primary database and payment system for all education benefit programs administered by VBA's Education Service	June 2025
Electronic Certification Automated Processing	System that uses a dedicated server and computers to electronically process enrollment certifications and notices of change in student status. Also, assists with VBA's workload management	Will be decommissioned concurrent with BDN, June 2025–August 2025
National Education Web Automated Verification of Enrollment Mass Address Navigator	System designed to automate the process of changing the claimant's address information and establishing or changing direct deposit information on the Common Customer Data Repository	Will be decommissioned concurrent with BDN, June 2025–August 2025
Web Automated Verification of Enrollment	Internet application allowing students to electronically complete and transfer monthly verifications of enrollment to release payments	Will be decommissioned concurrent with BDN, June 2025–August 2025
Work Study Management System	Web-based application that processes work-study applications and supplemental time sheets received via the Right Now Web or manual submission	Will be decommissioned after BDN, target range June 2026–July 2026
Flight, On-the-Job Training, Correspondence, and Apprenticeship System	Web-based system for processing non–Chapter 33 benefits claims outside of BDN	Will be decommissioned concurrent with the Work Study Management System consolidation

Source: *OIG analysis of VA legacy systems requiring decommissioning.*

## Appendix B: Scope and Methodology

### Scope

The audit team conducted its work from February 2023 through November 2023. The audit scope included VBA efforts to fully implement the Digital GI Bill platform, which is intended to improve education benefits through automation and electronic services.

### Methodology

The audit team reviewed applicable laws, regulations, policies, and procedural guidance to assess VBA's progress with developing the Digital GI Bill platform. The team also reviewed contract award and documentation for the platform development along with associated contract modifications. In addition, the team reviewed the master schedules and associated performance work statements. The team reviewed the decommissioning schedules and analyzed the relationship between the legacy system decommissioning and the platform development. Also, the team reviewed communication between VBA, its consultant, and the contractor. Finally, the team interviewed VBA and the Office of Information and Technology (OIT) officials and staff associated with the implementation of the platform.

### Internal Controls

The audit team assessed the internal controls of VBA and OIT significant to the audit objective. This included an assessment of the five internal control components to include control environment, risk assessment, control activities, information and communication, and monitoring.<sup>50</sup> In addition, the team reviewed the principles of internal controls as associated with the objective. The team identified three components and six principles as significant to the objective.<sup>51</sup> The team identified internal control weaknesses during this audit and proposed recommendations to address the following control deficiencies:

- Component 1: Control Environment
  - Principle 2: Exercises oversight responsibility.
  - Principle 3: Establish structure, responsibility, and authority.
  - Principle 4: Demonstrate commitment to competence.
  - Principle 5: Enforce accountability.

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<sup>50</sup> Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014.

<sup>51</sup> Since the audit was limited to the internal control components and underlying principles identified, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

- Component 4: Information and Communication
  - Principle 14: Communicate internally.
- Component 5: Monitoring
  - Principle 17: Evaluate issues and remediate deficiencies.

## **Fraud Assessment**

The audit team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, significant within the context of the audit objectives, could occur during this audit. The team exercised due diligence in staying alert to any fraud indicators but did not identify any instances of fraud during this audit.

## **Data Reliability**

The audit team assessed the reliability of computer-processed schedule data created and maintained in Microsoft Project. The team also assessed the reliability of using commercially available software to conduct analyses of the schedules. To assess the reliability of the schedule data, the audit team confirmed with VA leaders that all the integrated master schedules were provided. The audit team confirmed with OIT and the consultant that the downloaded files were up to date. The team also interviewed the contractor and OIT staff responsible for developing and maintaining the schedules and performed some basic reasonableness checks of the data. The team concluded the data were sufficiently reliable for the purposes of the audit. The team's determination was made based on the guidance from GAO for assessing the reliability of computer-processed data in accordance with generally accepted government audit standards.<sup>52</sup>

## **Government Standards**

The OIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on audit objectives. The OIG believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

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<sup>52</sup> GAO, *Assessing Data Reliability*, GAO-20-283G, December 2019.

## Appendix C: VA Management Comments, Under Secretary for Benefits

### Department of Veterans Affairs Memorandum

Date: July 11, 2024

From: Under Secretary for Benefits (20)

Subj: Office of Inspector General (OIG) Draft Report - VBA Needs to Improve Oversight of the Digital GI Bill Platform [Project No. 2023-01252-AE-0048] — [VIEWS 11609879]

To: Assistant Inspector General for Audits and Evaluations (52)

1. Thank you for the opportunity to review and comment on the OIG draft report: VBA Needs to Improve Oversight of the Digital GI Bill Platform. The Veterans Benefits Administration (VBA) provides the attached response to the draft report.

*The OIG removed point of contact information prior to publication.*

(Original signed by)

Joshua Jacobs

Attachments

**The Veterans Benefits Administration (VBA) concurs with the Office of Inspector General's draft report.****VBA provides the following general comments:**

VA continues to work diligently with our contract partners to ensure the Digital GI Bill (DGIB) modernization effort provides Veterans and their beneficiaries with a fully operational and capable system to access their educational benefits. Since the original DGIB contract was awarded in March 2021, VA has delivered key releases to implement and migrate capabilities to the contractor. Significant DGIB progress has been achieved to date, improving the Veteran experience and outcomes through increased claims processing automation that both streamlines timeliness and provides real-time claims status and information. VA has completed five major releases and retired two of the three largest legacy systems, including the Chapter 33 Processing System, also known as DGI, and replacing the Long-term Solution for Chapter 33 benefit processing in September 2021. With the retirement of these primary processing systems, each successive release could build on expanded automated processing and outreach to Veterans and external stakeholders to improve service and engagement.

In August 2022, VA made applying for the Post-9/11 GI Bill easier for eligible Veterans, Service members and their dependents by streamlining and automating the Post-9/11 GI Bill application process. Through the My Education Benefit (MEB) application portal, for the first time in history, VA is now able to provide eligibility decisions within seconds and quick access to digital copies of eligibility letters. Prior to the MEB implementation, a Veteran or beneficiary could expect their application for original benefits to take up to 28 days, and follow-on supplemental claims to take up to 14 days. FY-to-date, all claims, including those automated and manually processed, are now being completed in approximately 10 days for original claims and 4 days for supplemental claims.

VA has also retired VA Once, the legacy system used by School Certifying Officials (SCOs) to submit enrollment information for Veterans and their dependents. Developed with a Human-Centered Design (HCD) approach, Enrollment Manager (EM) enhanced the SCO experience, streamlined processes, allowed for quicker information sharing, and contains a new GI Bill Chatbot which allows SCOs to get immediate answers to education benefit related questions. Since its deployment in March 2023, VA has continued to provide system enhancements and upgrades based on feedback from SCOs and stakeholders. VA has made significant progress addressing and alleviating the top concerns about EM functionality raised by SCOs. As of May 20, 2024, there are more than 23,000 SCOs from approximately 16,200 institutions utilizing EM. As of early May 2024, more than 5.6 million enrollment certifications were submitted via EM. In addition to enhancing the SCO experience, the deployment of EM has facilitated improvements in automated supplemental claims processing. FY 2024 through May 20, 2024, VA has automated 1,255,556 (67.1%) of the 1,870,756 supplemental claims received through EM.

In March 2021, VBA entered into a contract to transition from an existing education benefits system to a Digital GI Bill platform designed to improve education benefits and customer service delivery. As the program evolved, and working through the major releases therein, it became evident that unanticipated work would need to be added to the original contract. Due to failures to meet external dependencies' committed integration dates, changes to schedules required additional work to be added. Further, VA requested the transfer of intellectual property to the VA, which differed from the original scope. VA also wanted to ensure greater vendor accountability as DGIB moves toward critical releases and milestones. Hence, there were costs associated with this additional level of effort. The original 7-month base plus 9 option-year contract was awarded for \$453 million. There have been twenty-five modifications to the contract in the amount of \$79.9 million, bringing the total contract value (TCV) to \$532.8 million.

Obligations-to-date on this task order are in the amount of \$436.1 million (81.8% of the TCV). Expenditures-to-date on this task order are in the amount of \$406.4 million (93.2% of the total obligation to date). VA determined that the contract modifications were insufficient to meet the following objectives of modernizing the DGIB platform:

- World-class customer and financial services to enable timely and accurate delivery of payments, real-time eligibility and benefit information, and first contact resolution.
- An end-to-end systems and operational management perspective to ensure proper compliance and oversight of GI Bill programs, and the use of data and business intelligence tools to monitor and measure school and student outcomes.
- Opportunities for GI Bill students to engage with VA to directly access their earned benefits through electronic outreach, intake, and communication tools for on-the-spot service.

In December 2023, VA entered into a renegotiated, second contract. The renegotiated contract expands user acceptance testing (UAT) support, data migration and integration services, and agile enhancement support services in preparation for the functional milestones and intellectual property transition from the contractor to VBA. This new contract was necessary to ensure greater vendor accountability as DGIB moves toward critical releases and milestones. The new task order is fully focused on meeting VA's critical objectives of intellectual property transfer to VA, increased automation for education benefits claims processing, and timely Benefits Delivery Network (BDN) retirement. VBA acknowledges there were additional costs associated with the renegotiated contract; however, ultimately the changes were needed to correct the original contract and meet the objectives of the DGIB platform.

**VBA provides the following technical comments:**

**Page iii, paragraph 1:**

“The audit team found that the project’s integrated master schedule did not take into account all external dependencies, including concurrent modernization efforts by VBA that involve the decommissioning of other systems. This occurred because, until February 2023, VBA lacked an overall integrated master schedule or other master scheduling plan for tracking each of these adjacent, parallel efforts, some of which affect the Digital GI Bill platform timeline directly.”

VBA Comment: VBA does not agree with the statement and implication that it lacked an overall Integrated Master Schedule (IMS) until February 2023, impacting the DGIB timeline directly. As stated in the report, VBA and the contractor created a project-specific IMS which was in place since the beginning of the contract. A more suitable method, and an industry best practice of tracking overall project progress was performed through the established roadmap which includes steps, approvals, data sources, and integration points needed to achieve the objectives for claims processing and management services.

**Page iii, paragraph 2:**

“Given the many challenges to planning and implementing the platform, VBA made contract adjustments and eventually renegotiated the original contract terms, which further delays implementation and increases the cost of the project by \$479 million, more than doubling the original contract cost of \$453 million to \$932 million.”

VBA Comment: VBA does not agree with the contention the contract adjustments and renegotiated contract led to “further delays”, however, VBA acknowledges that the original contract was insufficient to achieve desired program outcomes. The award of the second task order was driven primarily by the need to expand the development and implementation phase beyond the original contract. This new contract

was necessary to ensure greater vendor accountability as DGIB moves toward critical releases and milestones. The new task order is fully focused on meeting VA's critical objectives of intellectual property transfer to VA, increased automation for education benefits claims processing, and timely BDN retirement. While this caused an increase in cost and added time to overall implementation, the renegotiation did not inherently delay the implementation of DGIB. VBA has maintained its DGIB roadmap and implementation schedule.

**The following comments are submitted in response to the recommendation in the OIG draft report:**

Recommendation 1: Establish a mechanism to monitor progress of the Digital GI Bill platform implementation under the renegotiated contract to avoid additional costs and delays.

VBA Response: Concur in principle. VBA and OIT have robust program governance in place to monitor progress of DGIB implementation. In March 2022, the VBA Deputy Under Secretary for Policy and Oversight was appointed as the responsible and accountable official overseeing the effort for the implementation of VBA Education Service's DGIB Modernization effort. VBA holds bi-weekly Executive Steering Committee meetings to monitor progress, to include funding and schedule compliance, provide guidance and determine the path forward if necessary. In addition, VBA's Education Service through its dedicated DGIB Program Management Office (PMO) holds weekly governance meetings to plan for next phases; review and mitigate costs, schedule, and technical risks; and ensure appropriate project management. VBA maintains a robust repository of artifacts documenting this modernization effort to include briefing materials and agendas.

Additionally, the PMO attained Initial Operating Capability in January 2023. The key capabilities as defined in the program Concept of Operations, were filled and active at that time. Outstanding resources to move the PMO to Full Operating Capability, targeted for January 2025, focus on governance related to performance management. VA has contracted with a Federally funded research and development center to supplement the program oversight. VBA's Education Service plans to add 15 FTE to support PMO functions. VBA will continue to evaluate staffing needs of the PMO to ensure enhanced contract oversight.

Target Completion Date: January 31, 2025

Recommendation 2: Communicate regularly with the Digital GI Bill platform contractor to ensure that the project's integrated master schedule or other master scheduling plan is consistently updated to reflect all schedule changes for external dependencies.

VBA Response: Concur in principle. VBA and the contractor communicate regularly to ensure project deliverables and milestones are met. This includes daily stand-up meetings, monthly performance reviews, weekly Change Control Board Meetings, and a litany of other recurring and ad hoc meetings.

While consistent, regular communication is essential to a successful product, VBA does not agree with the statement that the IMS is an essential program management tool to be utilized as an overall method of tracking project performance and is not considered industry's best practice. Although Defense Acquisition Notes: DI-MGMT-81661 "Integrated Program Management Report (IPMR)" is used to obtain the IMS; it states the contracting officer and contractor should negotiate reporting provisions in the contract, including the level of detail, submission dates, and frequency of the schedule risk analysis. The IMS is not usually considered a contractual document.

The IMS is best applied to the building of a product with a more traditional timeline and materials usage. There are very few modern IT modernization projects where it is possible or even a best practice to have

and rely on an overall IMS at the front end of the project that accurately identifies all variables, risks, dependencies, and enablers. That would be antithetical to the Scaled Agile Framework approach that the Federal Government is trying to adopt, and that the contractor stated they employ within the Performance Work Statement (PWS) and technical approach (both of which have been previously submitted).

(<https://scaledagileframework.com/roadmap/>; <https://www.apm.org.uk/resources/find-a-resource/agile-project-management/>) IT modernization, such as DGIB, relies on a scaled agile framework. VBA has established the scaled agile framework with a mutually agreed upon roadmap and program integration planning and will continue to monitor the project through that framework.

VBA requests closure based on the evidence provided.

**Recommendation 3:** Develop strategies to address critical path failures to provide a clear timeline of further implementation activities.

**VBA Response:** Concur in principle. VBA believes this recommendation is formulated based on the misconception of the relationship between decommissioning VA's Benefits Delivery Network (BDN) and DGIB. BDN cannot be decommissioned prior to the full and complete implementation of DGIB. If VBA were to decommission BDN prior, per year over 862,000 Veterans and their beneficiaries would be at risk to not receive their earned VA educational benefits. Additionally, VBA's Education Service PMO proactively analyzes and identifies potential obstacles to planned implementation. Any findings are escalated to the weekly Executive Director's governance meetings for awareness and action, as explained in Attachment G, Education Veteran Readiness and Employment Product Line (EVREPL) Integrated Master Schedule (IMS).

VBA requests closure based on the evidence provided.

*For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.*

## OIG Contact and Staff Acknowledgments

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<b>Contact</b>	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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