



Testimony

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Affairs, House of Representatives

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VA REAL PROPERTY

Realignment May Benefit from Adopting Elements of Defense Base Realignment and Closure Process, Provided Process Challenges Are Addressed

Statement of David J. Wise, Director
Physical Infrastructure Issues

Brian J. Lepore, Director
Defense Capabilities and Management

Accessible Version

GAO Highlights

Highlights of [GAO-18-189T](#), a testimony before the Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VA operates one of the largest health care systems in the United States, utilizing more than 6,000 federally owned and 1,500 leased buildings. DOD has repeatedly applied the BRAC process to reduce the amount of unneeded property that it owns and leases and to save billions of dollars that could be applied to higher priority defense needs.

This statement is based on GAO's April 2017 report related to VA facility alignment ([GAO-17-349](#)) and numerous GAO reports related to the BRAC process as summarized in a June 2011 testimony ([GAO-11-704T](#)) and a March 2012 testimony ([GAO-12-513T](#)). This statement addresses (1) the factors that affect VA's facility alignment and the extent to which VA's capital-planning process facilitates the alignment of facilities with the veterans' population, and (2) the key elements and challenges affecting DOD and the Commission in BRAC 2005. Detailed information on our scope and methodologies for this work can be found in these published products, cited throughout this testimony.

What GAO Recommends

In the April 2017 report, GAO made recommendations related to capital planning and stakeholder involvement. VA concurred with the recommendations to the extent that they were within its control and has started making improvements.

View [GAO-18-189T](#). For more information, contact David Wise at (202) 512-2834 or wised@gao.gov or Brian Lepore at (202) 512-4523 or leporeb@gao.gov

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Realignment May Benefit from Adopting Elements of Defense Base Realignment and Closure Process, Provided Process Challenges Are Addressed

What GAO Found

Geographic shifts in the veterans' population, changes in health care delivery, aging infrastructure, and limited stakeholder involvement affect the Department of Veterans Affairs' (VA) efforts to align its services and real property portfolio to meet the needs of veterans. For example, a shift over time from inpatient to outpatient care will likely result in underutilized space once used for inpatient care. Further, the historic status of some VA facilities adds to the complexity of converting or disposing of them. In such instances, it is often difficult and costly for VA to modernize, renovate, and retrofit these older facilities.

GAO reported that two of the planning processes VA uses to align its facilities—VA's Strategic Capital Investment Planning (SCIP) and the VA Integrated Planning (VAIP)—have limitations that undermine VA's efforts to achieve its goals. Specifically:

- VA relies on the SCIP process to plan and prioritize capital projects, but VA routinely asks its facility planners to submit their next year's planned project narratives before knowing if their previous submissions have been funded. The overlapping budget cycle, which is outside of VA's control, combined with other SCIP limitations—including subjective narratives, long time frames, and restricted access to information—make it difficult for VA to rely on SCIP to accurately identify the capital necessary to address its service and infrastructure gaps. VA concurred that it needs to address SCIP limitations that are within its control, as GAO recommended; VA has made some progress in implementing the recommendation.
- The VAIP process is estimated to cost \$108 million and to produce market-level service delivery plans and facility master plans. However, the VAIP master plans incorrectly assume that all future growth in services will be provided directly through VA facilities without considering alternatives, such as purchasing care from the community. GAO recommended that VA consider discontinuing the VAIP facility master plans pending an assessment of their value as a facility-planning tool. VA agreed with the recommendation and is implementing it while pursuing a national realignment strategy..

Key elements of the Department of Defense's (DOD) 2005 Base Realignment and Closure (BRAC) process could benefit VA's asset and infrastructure review. The key elements included: (1) establishing goals for the process, (2) developing criteria for evaluating closures and realignments, and (3) establishing an organizational structure to develop closure and realignment options. GAO identified key challenges that affected DOD's implementation of BRAC 2005 and the results achieved; these challenges would need to be addressed if VA is to successfully apply the process. These challenges included: (1) large, complex recommendations required sustained senior leadership's attention and a high level of coordination among many stakeholders, and (2) the large number of actions that depend on each other for successful implementation.

Chairman Roe, Ranking Member Walz, and Members of the Committee:

We are pleased to be here today to discuss our work related to the Department of Veterans Affairs' (VA) efforts to align its medical facilities and services, as well as our work on the Department of Defense's (DOD) military Base Realignment and Closure (BRAC) process. These efforts are both relevant to challenges the federal government faces in real property management.

VA operates one of the largest health care systems in the United States, providing care to more than 8.9 million veterans each year. VA is also one of the largest federal property-holding agencies. In September 2014, VA's reported inventory included 6,091 federally owned buildings and 1,586 leased buildings. However, in recent decades, the veteran population and preferences have shifted. VA has recognized this shift and the need to modernize its aging infrastructure and align its real property assets to provide accessible, high-quality, and cost-effective services to veterans. Aligning VA facilities to improve veteran access to services integrates two of GAO's high risk areas: veterans' health care and federal real property. In 2015, GAO placed veterans' health care on its High Risk List due to persistent weaknesses and systemic problems with timeliness, cost-effectiveness, quality, and safety of the care provided to veterans.¹ In 2003, GAO placed federal real property management—including management of VA real property—on its High Risk List due to long-standing challenges, such as effectively disposing of excess and underutilized federal property.²

¹GAO, *High-Risk Series: An Update*, [GAO-15-290](#) (Washington, D.C.: February 2015). GAO maintains a high-risk program to focus attention on government operations that it identifies as high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges. See, for example, GAO, *VA Health Care: Actions Needed to Improve Newly Enrolled Veterans' Access to Primary Care*, [GAO-16-328](#) (Washington, D.C.: Mar. 18, 2016) and GAO, *VA Mental Health: Clearer Guidance on Access Policies and Wait-Time Data Needed*, [GAO-16-24](#) (Washington, D.C.: Oct. 28, 2015). See also, for example, Department of Veterans Affairs, Office of Inspector General, *Veterans Health Administration, Review of Alleged Patient Deaths, Patient Wait Times, and Scheduling Practices at the Phoenix VA Health Care System*, Report No. 14-02603-267 (Washington, D.C.: Aug. 26, 2014) and VA, *Department of Veterans Affairs Access Audit, System-Wide Review of Access, Results of Access Audit Conducted May 12, 2014, through June 3, 2014*.

²See GAO, *High-Risk Series: Federal Real Property*, [GAO-03-122](#) (Washington, D.C.: January 2003).

DOD has repeatedly applied the BRAC process to reduce the amount of unneeded property that it owns and leases. DOD has undergone five BRAC rounds since 1988 as a means of reducing excess infrastructure and realigning bases to meet changing force structure needs. The most recent BRAC round in 2005 also provided opportunities for furthering transformation and fostering jointness. As a result of these rounds, DOD reported that it had reduced its domestic infrastructure and transferred hundreds of thousands of acres of unneeded property to other federal and nonfederal entities. DOD data show that the department generated an estimated \$28.9 billion in net savings or cost avoidances from the prior four BRAC rounds through fiscal year 2003 and expects to save about \$7 billion each year thereafter. Regarding the 2005 BRAC round, we estimated that DOD saved about \$15.2 billion from fiscal years 2006 through 2011 with an annual recurring savings of \$3.8 billion beginning in fiscal year 2012. These savings reflect money that could be applied to other higher priority defense needs as well as savings from what DOD estimated it would likely have spent to operate military installations had they remained open.

Our testimony today is based on our April 2017 report examining VA's efforts to align its facilities with veterans' needs, and on numerous GAO reports related to the BRAC process as summarized in June 2011 and March 2012 testimonies.³ Today's testimony addresses (1) the factors that affect VA's facility alignment and the extent to which VA's capital-planning process facilitates the alignment of facilities with the veterans' population, and (2) the key elements and challenges affecting DOD and the Commission in BRAC 2005. For our April 2017 report, we reviewed VA's facility-planning documents and data and interviewed VA officials in headquarters and at seven medical facilities selected for their geographic location, veteran population, and past alignment efforts. Additional information on our scope and methodology is available in our April report. Detailed information on our scope and methodologies for our BRAC work can be found in the published products, which are cited throughout this testimony. The work on which this testimony is based was conducted in accordance with generally accepted government auditing standards.

³See GAO, *VA Real Property: VA Should Improve Its Efforts to Align Facilities with Veterans' Needs*, [GAO-17-349](#) (Washington, D.C.: Apr. 5, 2017), *Federal Real Property: Proposed Civilian Board Could Address Disposal of Unneeded Facilities*, [GAO-11-704T](#) (Washington, D.C.: June. 9, 2011), and *Military Base Realignments and Closures: Key Factors Contributing to BRAC 2005 Results*, [GAO-12-513T](#) (Washington, D.C.: Mar. 8, 2012).

Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

VA's Efforts to Align its Facilities Are Affected by Several Factors and Are Impeded by Limitations in Its Capital-planning Processes

Facility Alignment Is Challenged by Shifting Veterans' Populations, Evolving Care Standards, Aging Infrastructure, and Limited Stakeholder Involvement

Geographic shifts in the veterans' population, changes in health care delivery, an aging infrastructure, and limited stakeholder involvement affect VA's efforts to align its services and real property portfolio to meet the needs of veterans. For example, there has been a shift over time from inpatient to outpatient care. This shift will likely result in underutilized space once used for inpatient care. In such instances, it is often difficult and costly for VA to modernize, renovate, and retrofit these older facilities. In June 2017, VA reported that its facility inventory includes 430 vacant or mostly vacant buildings that are, on average, more than 60 years old, and an additional 784 buildings that are underutilized.

The historic status of some VA facilities adds to the complexity of converting or disposing of them. In 2014, VA reported holding 2,957 historic buildings, structures, or land parcels—the third most in the federal government after DOD and the Department of the Interior. In some instances, it may be more expensive to renovate than to demolish and rebuild outdated facilities. In other cases, however, there may not be an option to demolish if these buildings are designated as historic. For example, planning officials at four medical facilities in our review told us that state historic preservation efforts prevented the VA from demolishing vacant buildings, even though these buildings require upkeep costs and pose potential safety hazards. (See fig. 1.)

Figure 1: Example of a Deteriorating Historic Vacant Building at a Department of Veterans Affairs' (VA) Medical Center, July 2016



Interior damage of Kerrville Medical Center.



Portions of the ceiling have collapsed, spraying debris on to the floors and walls.



Exterior view of the building shows broken windows and missing bricks.

Source: GAO. | GAO-18-189T

Note: Kerrville VA Medical Center, Kerrville, Texas: These pictures show a dwelling formerly used for medical staff housing that has been designated as a historic building. The outside of the building shows broken windows, missing bricks, and gutters that have nearly detached from the building. On the inside, portions of the ceiling have collapsed, spraying debris onto the floors and walls.

VA has also encountered challenges to its facility alignment efforts, in part, because it has not consistently followed best practices for effectively engaging stakeholders. VA may align its facilities to meet veterans' needs by expanding or consolidating facilities or services. Stakeholders—including veterans; local, state, and federal officials; Veterans Service Organizations; historic preservation groups; VA staff; and Congress—often view changes as working against their interests or those of their constituents, especially when services are eliminated or shifted from one location to another. We found that VA has not consistently engaged with stakeholders, and, in some cases, this inconsistency resulted in adversarial relationships that reduced VA's ability to better align facilities with the needs of the veteran population.

In our April 2017 report, we recommended that VA improve stakeholder communication guidance and evaluate its efforts. VA agreed with our recommendations and outlined a plan to implement them.

Limitations in VA's Capital-planning Processes Impede Its Alignment of Facilities

Two of the planning processes VA uses to align its facilities—VA's Strategic Capital Investment Planning (SCIP) and the VA Integrated Planning (VAIP)—have limitations.⁴

SCIP Process

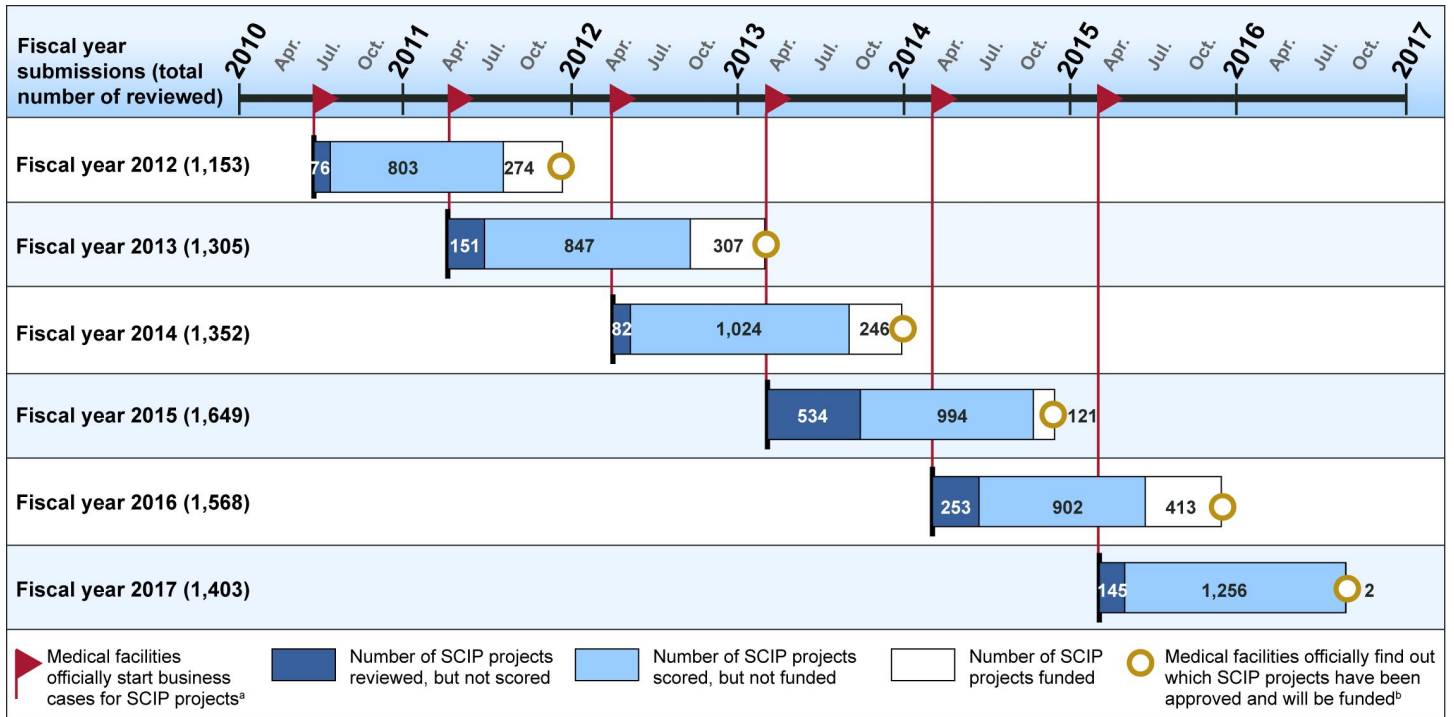
VA relies on the SCIP process to plan and prioritize capital projects system-wide, but SCIP's limitations—including subjective narratives, long timeframes, and restricted access to information—undermine VA's ability to achieve its goals. For example, the time between when planning officials at VA medical facilities begin developing the SCIP narratives and when they are notified that a project is funded has taken between 17 and 23 months over the past 6 fiscal-year's SCIP submissions.⁵ (See fig. 2.) As such, VA routinely asks its facility planners to submit their next year's planned project narratives before knowing if their project submissions from the previous year have been funded.

⁴Established in 2010, the goal of SCIP is to identify the full capital needed to address VA's service and infrastructure gaps and to demonstrate that all project requests are centrally reviewed in an equitable and consistent way throughout VA, including across market areas within VA's health care system. Annually, planners at the medical facilities develop 10-year action plans for their respective facilities, which include projects to address gaps in service identified by the SCIP process. Medical facility officials then develop more detailed business plans for the capital improvement projects that are expected to take place in the first year of the 10-year action plan. These projects are validated, scored, and ranked centrally based on the extent to which they address the annual VA-approved SCIP criteria using the assigned weights.

Separately, implemented in fiscal year 2011 as a pilot project, the VAIP process's goal was to identify the best distribution of health care services for veterans; where the services should be located based on the veterans' locations and referral patterns; and where VA should adapt services, facilities, and health care delivery options to better meet these needs as determined by locations and referral patterns.

⁵The scoring of submitted projects includes both narrative responses that are evaluated (about one-third of the overall score) and data-driven scoring based on gap closure (the remaining two-thirds of the overall score).

Figure 2: Overlapping Timelines of the Last 6 Fiscal Years of the Strategic Capital Investment Program’s (SCIP) Project Submissions and the Number of Submissions



Source: GAO analysis of Department of Veterans Affairs information. | GAO-18-189T

^aAlthough planning officials at VA medical facilities obtain initial information from SCIP about what gaps they need to address, they do not officially start developing the narratives until they receive a request from VA to submit a project for SCIP scoring and approval. Officials from the office that oversees SCIP told us that facilities usually have access to the tools for submission about a week prior to the request date.

^bMedical facilities officially find out which major (over \$10 million) and minor construction (under \$10 million) SCIP projects are approved and will be funded when Congress passes the department’s budget for that fiscal year. Non-recurring maintenance SCIP projects—repairs and renovations within the existing square footage of a facility that total more than \$25,000—are available for funding on the first day of the fiscal year for that project’s submission because such projects have advance appropriations.

Data Table for Figure 2: Overlapping Timelines of the Last 6 Fiscal Years of the Strategic Capital Investment Program’s (SCIP) Project Submissions and the Number of Submissions

	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017
Number of SCIP projects reviewed, but not scored	76	151	82	534	253	145
Number of SCIP projects scored, but not funded	803	847	1,024	994	902	1,256

	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017
Number of SCIP projects funded	274	307	246	121	413	2
Totals	1,153	1,305	1,352	1,649	1,568	1,403

An official from the office that oversees SCIP told us that the timing of the budgeting process, which is outside VA’s control, contributes to these delays. While these aspects are outside of VA’s control, VA has chosen to wait about 6 to 10 months to report the results of the SCIP scoring process to the medical facilities. This situation makes it difficult for local officials to understand the likelihood that their projects will receive funding. A VA official said that for future SCIP cycles, VA plans to release the scoring results for minor construction and non-recurring maintenance projects to local officials earlier in the process. At the time of our review, however, the official did not have a time frame for when VA would do this. Although VA acknowledges many of these limitations, it has taken little action in response. Federal standards for internal control state that agencies should evaluate and determine appropriate corrective action for identified limitations on a timely basis.⁶ If VA does not address known limitations with the SCIP process, it will not have reasonable assurance that SCIP can be used to accurately identify the capital necessary to address VA’s service and infrastructure gaps.

In our April 2017 report, we recommended that VA address identified limitations to the SCIP process, including limitations to scoring and approval, and access to information.⁷ VA concurred with the recommendation to the extent the limitations were within its control. While VA has taken some actions, the recommendation remains open.

VAIP Process

The VAIP process produces a market-level health services delivery plan for each Veterans Integrated Service Network (VISN) and a facility master plan for each medical facility. VA has estimated the entire process to create plans for VISNs and facilities to cost \$108 million when fully

⁶See GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

⁷See [GAO-17-349](#).

complete.⁸ However, the VAIP process's facility master plans assume all future growth in services will be provided directly through VA facilities. This assumption is not accurate given that (1) VA obligated about \$10.1 billion to purchase care from non-VA providers in fiscal year 2015 and (2) VA can provide care directly through its medical facilities or purchase health care services from non-VA providers through both the Non-VA Medical Care Program (referred to as "care in the community" by VA) and clinical contracts.⁹ The Office of Management and Budget's acquisition guidance notes that investments in major capital assets should be made only if no alternative private sector source can support the function at a lower cost.¹⁰

In our April 2017 report, we recommended that VA assess the value of the VAIP's facility master plans as a facility-planning tool, and based on conclusions from the review, to either (1) discontinue the development of VAIP's facility master plans or (2) address the limitations of VAIP's facility master plans.¹¹ VA concurred with the recommendation, and in August 2017, VA noted that it has discontinued its VAIP facility master plans while VA pursues a national realignment strategy, after which it plans to adjust its future facility master plans to incorporate pertinent information, including care in the community realignment opportunities.

⁸VA organizes its system of care into regional networks (VISNs), which are responsible for coordination and oversight of all administrative and clinical activities within the VISN's specified geographic region. As of January 2017, VA officials told us they had mostly completed the VAIP process in 6 of the 18 VISNs and had plans to start or complete the remaining VISNs by October 2018.

⁹VA uses the services of non-VA providers in non-VA facilities under the following statutory authorities: 38 U.S.C. §§ 1703, 1725, 1728, 8111, and 8153. The Non-VA Medical Care Program includes the Choice Program and Patient-Centered Community Care, among other programs. The Choice Program was authorized under the Veterans Access, Choice, and Accountability Act of 2014 (Choice Act), which appropriated \$10 billion for the furnishing of non-VA care when veterans' access to VA health care does not meet applicable timeliness or travel requirements. Pub. L. No. 113-146, 128 Stat. 1754 (2014). VA may authorize Choice Program care until such funds are exhausted. Pub. L. No. 115-26, § 1, 131 Stat. 129 (2017). Patient-Centered Community Care is a nationwide program where VA may authorize non-VA care when a VA facility is unable to provide certain specialty care services, such as cardiology or orthopedics, or under other conditions. To implement the program, VA utilizes two contractors, Health Net and TriWest, to establish networks of providers in a number of specialties—including primary care, inpatient specialty care, and mental health care.

¹⁰See Office of Management and Budget, *Circular No. A-11: Preparation, Submission, and Execution of the Budget*, July 2016.

¹¹See [GAO-17-349](#).

Key Elements and Challenges Affecting DOD and the Commission in BRAC 2005

Key Elements That DOD Used to Develop Its 2005 BRAC Recommendations That Could Benefit VA Asset and Infrastructure Review

As Congress evaluates proposed legislation for disposing of or realigning VA property, it may wish to consider seven elements DOD relied on as it developed its recommendations for the BRAC Commission.¹²

- **Establish goals for the process.** The Secretary of Defense emphasized the importance of transforming the military to make it more efficient as part of the 2005 BRAC round. Other goals for the 2005 BRAC process included fostering jointness among the four military services, reducing excess infrastructure, and producing savings. Prior rounds focused more on reducing excess infrastructure and producing savings.
- **Develop criteria for evaluating closures and realignments.** DOD proposed selection criteria, which were made available for public comment via the *Federal Register*. Ultimately, Congress enacted the final BRAC selection criteria in law with minor modification and specified that four selection criteria, known as the “military value criteria,” were to be given priority in developing closure and realignment recommendations.¹³ Further, Congress required that the Secretary of Defense develop and submit to Congress a force structure plan that described the estimated size of major military units needed to address probable threats to national security for the 20-year period beginning in 2005, along with a comprehensive inventory

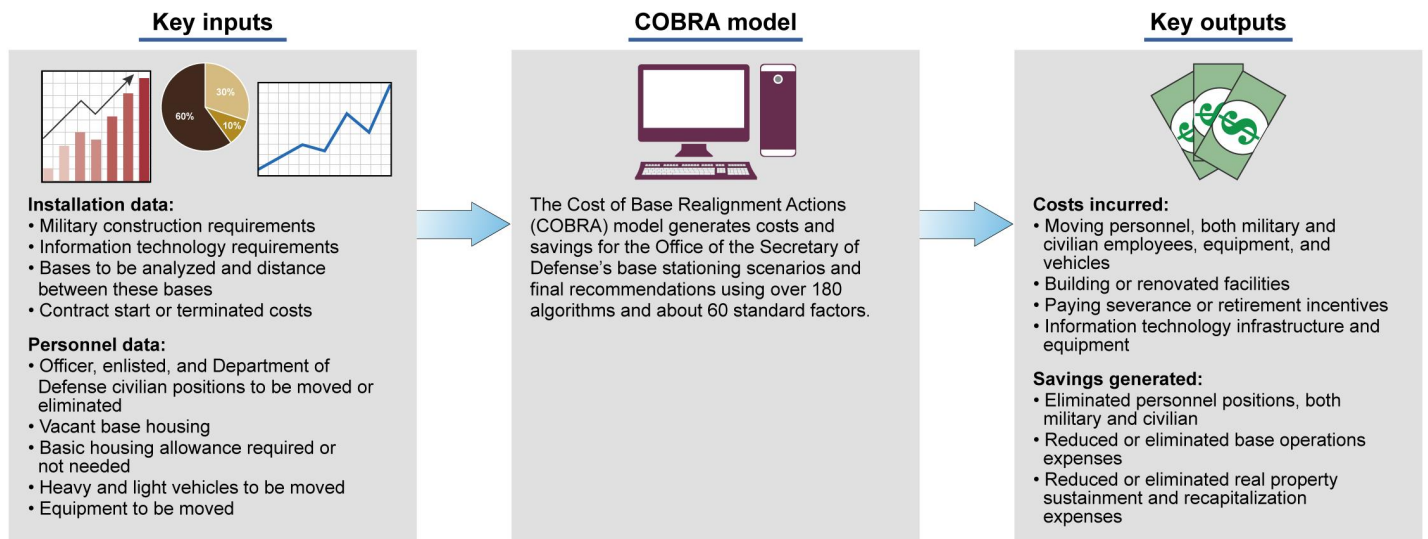
¹²After DOD selected its recommendations, it submitted them to the BRAC Commission, which performed an independent review and analysis of DOD’s recommendations. The Commission could approve, modify, reject, or add closure and realignment recommendations.

¹³Section 2832 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375 (2004).

of global military installations.¹⁴ In authorizing the 2005 BRAC round, Congress specified that the Secretary of Defense publish a list of recommendations for the closure and realignment of military installations inside the United States based on the statutorily-required 20-year force structure plan and infrastructure inventory, and on the final selection criteria.

- **Estimate costs and savings to implement closure and realignment recommendations.** To address the cost and savings criteria, DOD developed and used the Cost of Base Realignment Actions (COBRA) model, a quantitative tool that DOD has used since the 1988 BRAC round to provide consistency in potential cost, savings, and return-on-investment estimates for closure and realignment options. We found the COBRA model to be a generally reasonable estimator for comparing potential costs and savings among alternatives. (See fig. 3.)

Figure 3: Key Inputs and Outputs of the Cost of Base Realignment Actions (COBRA) model



Source: GAO analysis of DOD information. | GAO-18-189T

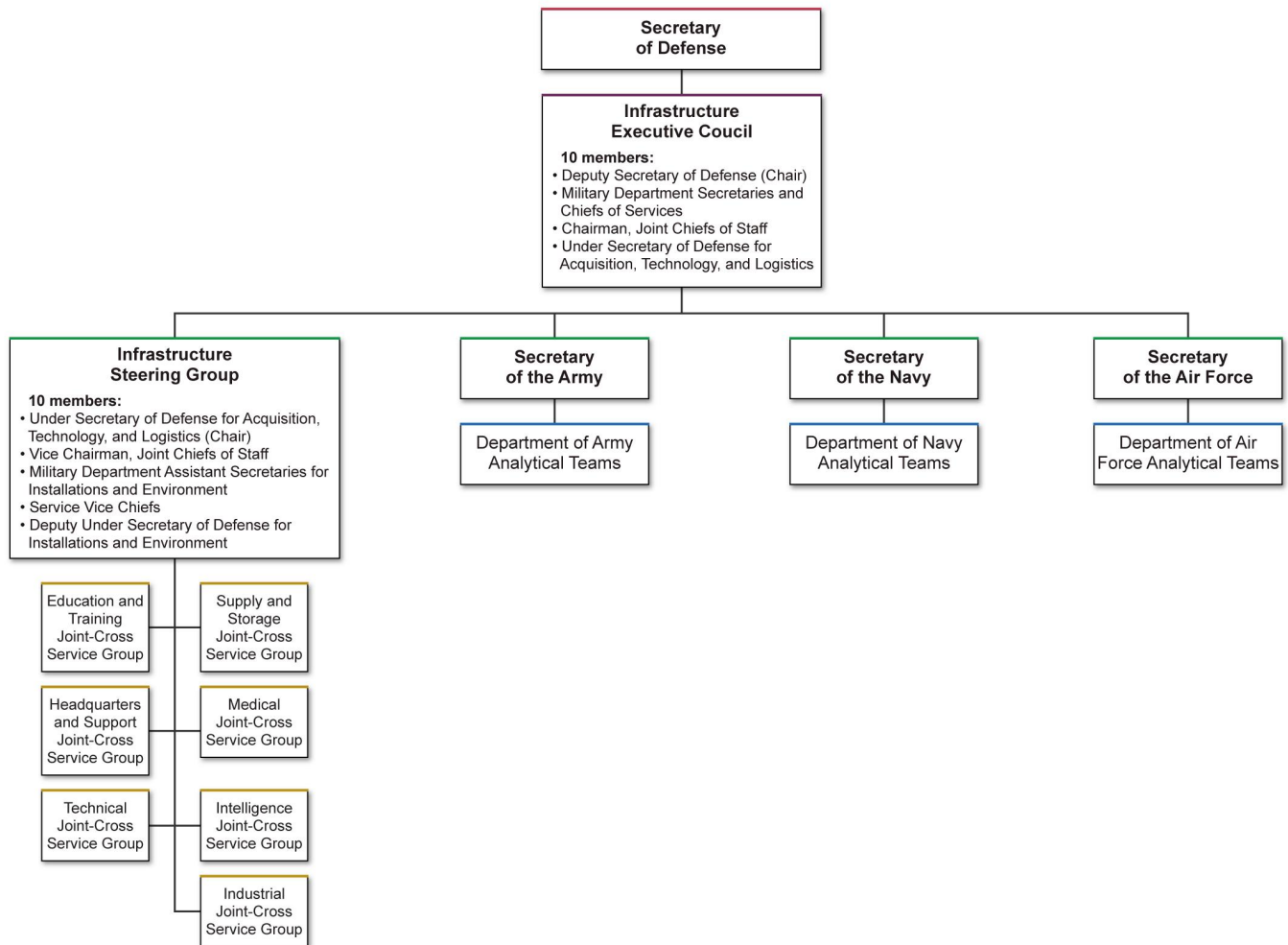
¹⁴Section 3001 of the National Defense Authorization Act for Fiscal Year 2002, Pub. L. No. 107-107 (2001), amended the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510 (1990), to, among other things, require DOD to develop a 20-year force structure plan as the basis for its 2005 BRAC analysis to include the probable end strength levels and major military force units needed to meet the probable threats identified by the Secretary of Defense.

As with any model, the quality of the output from COBRA was a direct function of the data DOD included in the model. Also, DOD's COBRA model relied to a large extent on standard factors and averages and did not represent budget quality estimates that were developed once BRAC decisions were made and detailed implementation plans were developed. Nonetheless, the financial information provided important input into the selection process as decision makers weighed the financial implications—along with military value criteria and other considerations—in arriving at final decisions about the suitability of various closure and realignment options.

- **Establish an organizational structure.** The Office of the Secretary of Defense emphasized the need for joint cross-service groups to analyze common business-oriented functions. For the 2005 BRAC round, as for the 1993 and 1995 rounds, these joint cross-service groups performed analyses and developed closure and realignment options in addition to those developed by the military departments. Our evaluation of DOD's 1995 BRAC round found that few cross-service recommendations were made, in part because of the lack of high-level leadership to encourage consolidations across the departments' functions. In the 1995 BRAC round, the joint cross-service groups submitted options through the military services for approval, but few were approved.¹⁵ The number of approved recommendations that the joint cross-service groups developed significantly increased in the 2005 BRAC round. This increase was, in part, because high-level leadership ensured that the options were approved not by the military departments but rather by a DOD senior-level group, known as the Infrastructure Steering Group. As shown in figure 4, the Infrastructure Steering Group was placed organizationally on par with the military departments.

¹⁵GAO, *Military Bases: Lessons Learned From Prior Base Closure Rounds*, GAO/NSIAD-97-151 (Washington, D.C.: July 25, 1997).

Figure 4: Department of Defense’s (DOD) Base Realignment and Closure (BRAC) Leadership Structure



Source: Department of Defense. | GAO-18-189T

- Establish a common analytical framework.** To ensure that the selection criteria were consistently applied, the Office of the Secretary of Defense, the military departments, and the seven joint cross-service groups first performed a capacity analysis of facilities and functions. Before developing the candidate recommendations, DOD’s capacity analysis relied on data calls to hundreds of locations to obtain certified data to assess such factors as maximum potential capacity, current capacity, current usage, and excess capacity. Then, the military departments and joint cross-service groups performed a military value analysis for the facilities and functions based on primary

military value criteria, which included a facility's or function's current and future mission capabilities, physical condition, ability to accommodate future needs, and cost of operations.

- **Develop BRAC oversight mechanisms to improve accountability for implementation.** In the 2005 BRAC round, the Office of the Secretary of Defense for the first time required the military departments to develop business plans to better inform the Office of the Secretary of Defense of the status of implementation and financial details for each of the BRAC 2005 recommendations. These business plans included: (1) information such as a listing of all actions needed to implement each recommendation; (2) schedules for personnel relocations between installations; and (3) updated cost and savings estimates by DOD based on current information. This approach permitted senior-level intervention if warranted to ensure completion of the BRAC recommendations by the statutory completion date.
- **Involve the audit community to better ensure data accuracy.** The DOD Inspector General and military department audit agencies played key roles in identifying data limitations, pointing out needed corrections, and improving the accuracy of the data used in the process. In their oversight roles, the audit organizations, which had access to relevant information and officials as the process evolved, helped to improve the accuracy of the data used in the BRAC process and thus strengthened the quality and integrity of the data used to develop closure and realignment recommendations. For example, the auditors worked to ensure certified information was used for BRAC analysis and reviewed other facets of the process, including the various internal control plans, the COBRA model, and other modeling and analytical tools that were used in the development of recommendations.

Key Challenges Affecting DOD and the Commission in BRAC 2005

We identified two key challenges that affected DOD's implementation of BRAC 2005 and would need to be addressed for VA to adopt a BRAC-like process for its asset and infrastructure review.

- **Some transformational-type BRAC recommendations required sustained senior leadership attention and a high level of coordination among many stakeholders to complete by the required date.** Implementation of some transformational BRAC recommendations—especially those where a multitude of

organizations had roles to play to ensure the achievement of the goals of the recommendation—illustrated the need to involve key stakeholders and effective planning. For example, the Defense Logistics Agency committed sustained high-level leadership and included relevant stakeholders to address implementation challenges faced with the potential for disruptions to depot operations during implementation of the BRAC consolidation recommendation.¹⁶ To implement the BRAC recommendations, the agency had to develop strategic agreements with the services that ensured that all stakeholders agreed on its plans for implementation, and had to address certain human capital and information technology challenges.

- **Large number of actions and interdependent recommendations complicated the implementation process.** The large number and variety of BRAC actions presented challenges during implementation. The BRAC 2005 round had more individual actions (813) than the four prior rounds combined (387). The executive staff of the Commission told us that it was more difficult to assess the costs and the amount of time for the savings to offset the implementation costs since many of the recommendations contained multiple interdependent actions, all of which needed to be reviewed. Specifically, many of the BRAC 2005 recommendations were interdependent and had to be completed in a sequential fashion within the statutory implementation period. In cases where interdependent recommendations required multiple relocations of large numbers of personnel, delays in completing one BRAC recommendation had a cascading effect on the implementation of other recommendations. Specifically, DOD had to synchronize the relocations of over 123,000 people with about \$24.7 billion in new construction or renovation. Commission officials told us that in prior BRAC rounds each base was handled by a single integrated recommendation. However, in BRAC 2005, many installations were simultaneously affected by multiple interconnected BRAC recommendations. Given the complexity of interdependent recommendations, the Office of the Secretary of Defense required the military departments and defense agencies to provide periodic updates on implementation challenges and progress.

¹⁶GAO, *Military Base Realignment and Closures: DOD Needs to Update Savings Estimates and Continue to Address Challenges in Consolidating Supply-Related Functions at Depot Maintenance Locations*, [GAO-09-703](#) (Washington, D.C.: July 9, 2009).

Chairman Roe, Ranking Member Walz, and Members of the Committee, this concludes our prepared statement. We are happy to answer any questions related to our work on VA's efforts to align its medical facilities and services or on DOD's BRAC process.

GAO Contact and Staff Acknowledgments

If you or your staff members have any questions concerning this testimony, please contact David Wise at (202) 512-2834 or wised@gao.gov regarding federal real property, or Brian Lepore at (202) 512-4523 or leporeb@gao.gov regarding the BRAC process. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Other individuals who made key contributions to this testimony include Keith Cunningham, Assistant Director; Gina Hoffman, Assistant Director; Tracy Barnes; Jeff Mayhew; Kevin Newak; Richard Powelson; Malika Rice; Jodie Sandel; Eric Schwab; Amelia M. Weathers; and Crystal Wesco.

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