

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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VA REAL PROPERTY

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 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.