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VETERANS' AFFAIRS

**Veterans Benefits
Administration's Progress
and Challenges in
Implementing GPRA**

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Veterans' Affairs: Veterans Benefits Administration's Progress and Challenges in Implementing GPRA

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to provide our views on the progress made and challenges faced by the Veterans Benefits Administration (VBA) in implementing the Government Performance and Results Act (GPRA). As you know, over the past several years, the Congress has taken steps to fundamentally change the way federal agencies go about their work. The Congress took these steps in response to management problems so common among federal agencies that they demanded governmentwide solutions. GPRA was passed in 1993 to require agencies to clearly define their missions, set goals, measure performance, and report on their accomplishments.

VBA is responsible for administering the Department of Veterans Affairs' (VA) nonmedical programs that provide financial and other benefits to veterans, their dependents, and survivors. These benefits include disability compensation, pensions, rehabilitation assistance, education benefits, home loan benefits, and insurance coverage. As requested by the Subcommittee, my statement will center primarily on VBA's largest program—the compensation and pension program—which accounts for more than 90 percent of VBA's \$20 billion appropriation for fiscal year 1996 and provides compensation and pensions to over 3 million veterans and their survivors. My statement will address the purpose and requirements of GPRA, the progress VBA has made, and challenges it faces in implementing the act. The information in this statement is based on our past work in the area, a review of VBA's strategic plan, and discussions with VBA officials.

In summary, VBA has taken an important first step in implementing GPRA, but this process is an evolving one. To date, VBA has developed a strategic plan with a mission and goals and has begun consultation with the Congress and other stakeholders to obtain their views on its plan. For the compensation and pension program, VBA has identified specific performance measures for such factors as timeliness and accuracy in processing claims. However, these measures are primarily process oriented. As it continues through the planning process, VBA also needs to ensure that its strategic plan focuses on results, as required by GPRA, such as those related to the overall purpose of the program, and not merely on the process used to administer the benefits. In addition, to help ensure quality service, VBA needs to integrate its strategic plan with VA's overall plan and with the plans of other key federal agencies, such as the Department of Defense and the Department of Labor's Veterans'

Employment and Training Service. Down the road, VBA will also need to ensure that it effectively measures and assesses its performance, as mandated by GPRA, to determine how well its programs are meeting their goals and making improvements. Our prior work suggests that VBA will be challenged in implementing GPRA because it has had difficulties in the past in bringing about program improvements.

Purpose and Requirements of GPRA

GPRA is the centerpiece of a statutory framework provided by recent legislation to bring needed improvements to federal agencies' management activities. (Other parts of the framework include the 1990 Chief Financial Officers Act, the 1995 Paperwork Reduction Act, and the 1996 Clinger-Cohen Act.) Under GPRA, executive branch agencies are to set strategic goals, measure their performance, and use that performance information to make improvements.

GPRA was designed to focus federal agencies' attention on the results of the programs they administer—not just on program operations. Instead of focusing on the amounts of money they spend or the size of their workloads, agencies are expected to rethink their missions in terms of the results they provide, develop goals based on their results-oriented missions, develop strategies for achieving their goals, and measure actual performance against the goals.

Our reviews of federal programs have found numerous examples of management problems that GPRA is intended to correct.¹ Several examples follow:

- Some agencies do not have clear understandings or statements of what their missions are. GPRA requires agencies to articulate their missions.
- In some program areas, responsibilities are fragmented among several agencies, which wastes scarce funds, confuses and frustrates customers, and limits the overall effectiveness of federal efforts to serve customers. GPRA aims to help agencies to address the fragmentation of program areas, and to coordinate their strategic planning efforts with other agencies.
- Many agencies measure performance on the basis of their workloads, rather than on the results of their programs. Instead of the more difficult task of measuring how well programs are serving customers and achieving the results intended by the Congress, agencies focus on such measures as how many applications they process and how quickly they process them.

¹Managing for Results: Using GPRA to Assist Congressional and Executive Branch Decisionmaking (GAO/T-GGD-97-43, Feb. 12, 1997).

Thus, agencies do not know, and cannot inform the Congress, how well their programs are actually achieving their purposes. GPRA requires agencies to develop results-oriented performance measures.

- Many agencies lack coherent strategies for achieving their missions. In a time of budget constraints, agencies need to rethink how they manage their programs, and they need strategies for achieving their missions more efficiently and effectively. GPRA requires agencies to develop such coherent strategies.
- Many agencies lack adequate information on program results and costs. Without such information, the Congress has difficulty making informed policy and budget decisions. GPRA requires agencies to develop results-oriented performance measures and to report annually on their performance. As we noted in a recent report, GPRA aims for a closer and clearer linkage between spending decisions and the results of federal programs.²

Also, GPRA requires agencies to consult with the Congress in developing their strategic plans. This gives the Congress the opportunity to work with agencies to ensure that their missions and goals are focused on results; consistent with the Congress' intent in establishing programs; and reasonable, in light of fiscal constraints. The products of this consultation should be clearer guidance to agencies on their missions and goals and better information to help the Congress make choices among programs, consider alternative ways to achieve results, and assess how well agencies are achieving the results the Congress intended for programs.

GPRA requires VA and other agencies to complete their strategic plans by September 30, 1997. Future actions required under GPRA include the following:

- Beginning in the fall of 1997 (for the fiscal year 1999 budget cycle), agencies will submit an annual performance plan to the Office of Management and Budget (OMB).
- Beginning with the fiscal year 1999 budget, OMB will include a governmentwide performance plan in the President's budget submission to the Congress.
- On March 31 of each year, beginning with 2000, agencies will submit annual performance reports, comparing their actual performance with their goals, to the Congress and OMB.

²Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation (GAO/AIMD-97-46, Mar. 27, 1997).

Progress VBA Has Made in Implementing GPRA

In implementing GPRA, VBA's planning process has been evolving. VBA first developed a strategic plan in December 1994 covering fiscal years 1996-2001. The plan laid out VBA's mission, strategic vision, and goals. For example, the compensation goal was to provide compensation benefits to veterans who were disabled while in the service and to their eligible dependents upon the veterans' death. The pension goal was to provide pension benefits to veterans of wartime periods who are disabled and do not meet minimum income requirements, and to their eligible dependents upon the death of the veterans. However, in a 1995 report, VA's Inspector General stated that the goals in the strategic plan could not be measured because the plan did not contain specific performance information.³

In fiscal year 1995, VBA established a new GPRA strategic planning process. VBA began developing five "business line" plans corresponding with its major program areas: compensation and pension, educational assistance, loan guaranty, vocational rehabilitation and counseling, and insurance. These business plans were to supplement the overall strategic plan and to specify program performance objectives and measurements.

In VA's fiscal year 1998 budget submission, VBA has set forth its business goals and measures. VBA has identified seven goals for the compensation and pension program that are oriented toward the efficiency of claims processing and customer satisfaction.

- Be responsive to customer and stakeholder needs.
- Maintain a 97-percent accuracy rate for claims processing.
- Reduce the time required to process claims.
- Reduce operating costs.
- Ensure the best value for the taxpayers' dollar.
- Maintain a highly skilled, motivated, and adaptable workforce.
- Improve communications and outreach.

VBA has also identified specific performance measures for the compensation and pension program. For instance, the measures include reducing processing time for original compensation claims from 144 days to 53 days and achieving a 97-percent accuracy rate for claims processing by fiscal year 2002.

³Office of the Inspector General, Review of the Implementation of VBA's Strategic Plan and Performance Measurements, 5R1-B18-100 (Washington, D.C.: VA, Aug. 25, 1995).

Challenges VBA Faces

As VBA continues its process of implementing GPRA, it faces some difficult challenges. If the full intent of GPRA is to be achieved, VBA will need to develop a strategic plan with a clear mission, goals, and performance measures that are truly results oriented. In addition, VBA will need to integrate its strategic plan with those of VA and other federal agencies to ensure quality service, since VBA is not the only agency providing veterans' benefits. Furthermore, VBA will need to effectively measure and assess its performance to fully complete the process that GPRA mandates for improved federal programs.

Focusing on Results

VBA has identified specific goals and measures in its current strategic plan, but again, they tend to be process oriented. While these goals and measures are important, they do not reflect program results. For example, the purpose of the disability compensation program is to compensate veterans for the average loss in earning capacity in civilian occupations that results from injuries or conditions incurred or aggravated during military service. Given this program purpose, results-oriented goals would focus on issues such as whether disabled veterans are indeed being compensated for average loss in earning capacity and whether VBA is providing compensation to all of those who should be compensated. VBA has not yet tackled these types of difficult questions and will need to do so in consultation with the Congress in order to develop a truly results-oriented strategic plan. VA officials told us that these issues are particularly sensitive and that they have begun consultations with the Congress and other stakeholders about the purpose of the compensation and pension program. However, no final agreements have been made to date.

In the past, VBA has not focused on results. For example, in 1984, 1992, and again in 1996, we reported that VBA's vocational rehabilitation program did not focus on helping disabled veterans find jobs, despite a 1980 law (P.L. 96-466) requiring it to do so.⁴ Instead, VBA continued to focus on sending veterans to training, an intermediate step in finding jobs. Consequently, VBA has placed relatively few disabled veterans in jobs.

VBA is aware that it needs to focus more on its benefits programs' outcomes for veterans rather than only on the process used to administer

⁴VA Can Provide More Employment Assistance to Veterans Who Complete Its Vocational Rehabilitation Program (GAO/HRD-84-39, May 23, 1984); Vocational Rehabilitation: Better VA Management Needed to Help Disabled Veterans Find Jobs (GAO/HRD-92-100, Sept. 4, 1992); and Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs (GAO/HEHS-96-155, Sept. 3, 1996).

the benefits. In its fiscal year 1998 budget submission, VBA stated that, historically, VA has engaged in little policy or program analysis of its benefits programs and that this work is needed if the intended results of GPRA are to be fully achieved. VBA acknowledges that additional data and research will be required, including formal program evaluations and extensive consultation with stakeholders.

Integrating Strategic Plans

As VBA continues its strategic planning, it will need to integrate its plan with those of the rest of VA and those of other federal agencies that support the veterans' benefits programs. For example, in determining the eligibility of a veteran for disability compensation, VBA usually requires the veteran to undergo a medical examination, which is generally performed by a Veterans Health Administration physician. Similarly, VBA looks to the Department of Defense for information about the medical conditions of veterans while they were in the military and to the Department of Labor for veterans' employment and training experiences. VBA will need to determine what impact these other entities will have on the success of VBA's performance.

Currently, VA is in the process of developing a departmentwide strategic plan. VBA is participating in this planning effort. In addition, VA has initiatives under way to improve its information exchange with the Department of Defense. Furthermore, as we recently testified before this Subcommittee, the Department of Labor's Veterans' Employment and Training Service has developed a draft strategic plan and performance measures.⁵ VBA will need to continue to coordinate with these agencies that are critical to veterans' benefits programs to ensure overall high quality service to veterans.

Measuring and Assessing Performance

Once VBA has identified results-oriented goals, it will need to effectively measure and assess its performance. As mandated by GPRA, federal agencies are required to link their performance measures to their annual budget requests. Federal agencies are expected to limit their performance measures to a few that

- best demonstrate how the agency's goals are met;
- allow agency managers to balance quality, costs, customer satisfaction, stakeholder concerns, and other matters; and

⁵Veterans' Employment and Training Service: Focusing on Program Results to Improve Agency Performance (GAO/T-HEHS-97-129, May 7, 1997).

- are linked directly to the offices in each agency that are directly responsible for making programs work.

The Congress, in enacting GPRA, recognized that measuring the results of many federal programs will be difficult and, as a result, permitted GPRA to be phased in over several years. Measuring results will be a challenge because the link between program operations and results can be difficult to establish. Also, a result may occur years after an agency has completed a task (for example, awarding a research grant). Nevertheless, agencies are expected to use the performance and cost data they collect to continuously improve their operations, identify gaps between their performance and their performance goals, and develop plans for closing performance gaps.

VBA will need to develop appropriate performance measures and collect adequate and reliable performance and cost data to effectively measure and assess its performance. VBA will have to balance the costs of data collection against the need for complete, accurate, and consistent data.

Conclusion

VBA is aware that it has much work to do to fully implement GPRA. VBA's success in implementing the act will depend on how successful it is in ensuring that its strategic plan focuses on results, how well it integrates its plan with the plans of VA and other key agencies, and how effectively it measures and assesses its performance in meeting its goals and bringing about program improvements. The Congress will play an important role in consulting with VBA in developing results-oriented goals and overseeing VBA's efforts to implement GPRA.

Mr. Chairman, this completes my testimony this morning. I would be pleased to respond to any questions you or Members of the Subcommittee may have.

Contributors

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