VA REAL PROPERTY

Realignment Progressing, but Greater Transparency about Future Priorities Is Needed

Why GAO Did This Study

The Department of Veterans Affairs (VA) has undertaken various planning efforts to realign its real property portfolio, including the Capital Asset Realignment for Enhanced Services (CARES), creation of a 5-year capital plan, and its newest effort, the Strategic Capital Investment Planning process (SCIP). Through these efforts, VA has identified numerous real property priorities it believes should be completed if the agency's facilities are to meet veterans' needs for services now and in the future. In January 2011, GAO reported on the extent to which VA's capital planning efforts (1) have resulted in changes to its real property portfolio and (2) follow leading practices and provide information for informed decision making. This statement summarizes the results of this report. To perform the work for the report, GAO reviewed leading capital planning practices and data on VA's real property portfolio and future priorities. GAO also interviewed VA officials and veterans service organizations and visited sites in 5 of VA's 21 veterans integrated service networks.

What GAO Found

GAO reported that, through its capital planning efforts, VA had taken steps to realign its real property portfolio from hospital based, inpatient care to outpatient care, but a substantial number of costly projects and other long-standing challenges also remain. Several of VA's most recent capital projects—such as community-based outpatient clinics, rehabilitation centers for blind veterans, and a spinal cord injury center—were based on its CARES efforts and subsequent capital planning. VA officials and veterans service organizations GAO contacted agreed that these facilities have had a positive effect on veterans' access to services. However, VA had identified several high-cost priorities such as facility repairs and projects that have not yet been funded. For example, VA reported in its 5-year capital plan for fiscal years 2010-2015 that it had a backlog of $9.4 billion of facility repairs. The 5-year plan further identified an additional $4.4 billion in funding to complete 24 of the 69 ongoing major construction projects. Besides substantial funding priorities, GAO also found that VA, like other agencies, has faced underlying obstacles that have exacerbated its real property management challenges and can also impact its ability to fully realign its real property portfolio. GAO previously reported that such challenges include competing stakeholder interests, legal and budgetary limitations, and capital planning processes that did not always adequately address such issues as excess and underutilized property.

VA's capital planning efforts generally reflected leading practices, but lacked transparency about the cost of future priorities that could better inform decision making. For example, VA's 2010-2015 capital plan linked its investments with its strategic goals, assessed the agency's capital priorities, and evaluated various alternatives. Also, SCIP strengthened VA's capital planning efforts by extending the horizon of its 5-year plan to 10 years and providing VA with a longer range picture of the agency's future real property priorities. VA officials told GAO that SCIP builds on its existing capital planning processes, addresses leading practices, and further strengthens VA's efforts in some areas. GAO has not fully assessed SCIP and it remains to be seen what impact SCIP will have on the results of VA's capital planning efforts. While these changes were positive steps, GAO found that VA's planning efforts lacked transparency regarding the magnitude of costs of the agency's future real property priorities, which may limit the ability of VA and Congress to make informed funding decisions among competing priorities. For instance, for potential future projects, VA's 2010-2015 capital plan only listed project name and contained no information on what these projects were estimated to cost or the priority VA had assigned to them beyond what was then the current budget year. Transparency about future requirements would benefit congressional decision makers by putting individual project decisions in a long-term, strategic context, and placing VA's fiscal situation within the context of the overall fiscal condition of the U.S. government.

What GAO Recommends

In the report, GAO recommended that VA annually provide to Congress the full results of its SCIP process and any subsequent capital planning efforts, including details on estimated costs of future projects. VA concurred with this recommendation.

View GAO-11-521T or key components. For more information, contact Lorelei St. James at (202) 512-2834 or stjamesl@gao.gov.