A testimony before the Subcommittee on Technology Modernization, Committee on Veterans' Affairs, House of Representatives

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What GAO Found

VA's fiscal year 2026 budget reflects a range of planned reforms: investing over $3.5 billion to hasten implementation of electronic health record modernization, reducing IT expenditures by about $500 million to retire outdated legacy systems and reassess IT initiatives, and streamlining administrative practices leading to about $40 million in savings. GAO has identified leading practices and selected questions that can assist in achieving IT reform goals.

Figure: Leading Practices and Selected Key Questions for Agency Reform Efforts

Categories for Leading Practices	Selected Key Questions
Goals and Outcomes **What was the agency trying to achieve with its proposed reforms, and who should achieve them.**	• To what extent has the agency established clear outcome-oriented goals and performance measures for the proposed reforms? • To what extent has the agency identified any risks of using contractors to perform activities, and if so, has it developed appropriate risk mitigating strategies?
Process for Developing Reforms **What was the process used to develop the proposed reforms, and what factors were considered.**	• How and to what extent has the agency consulted with the Congress and other key stakeholders, such as planned users, to develop its proposed reforms? • What data and evidence has the agency used to develop and justify its proposed reforms?
Implementing the Reforms **What practices did the agency put in place to support the successful implementation of proposed reforms.**	• Is there a dedicated implementation team that has the capacity, including staffing, resources, and change management expertise, to manage the reform process? • How has the agency ensured their continued delivery of services during reform implementation?
Strategically Managing the Federal Workforce **What practices did the agency use to support the development and implementation of its proposed reforms regarding its workforce and performance management strategies.**	• How does the agency plan to sustain and strengthen employee (user) engagement during and after the proposed reforms? • To what extent has the agency conducted strategic workforce planning to determine whether it will have the needed resources and capacity, including the skills and competencies, in place for the proposed reforms or reorganization?

Sources: GAO; lovemask/stock.adobe.com (icons). | GAO-25-108627

Why GAO Did This Study

VA depends on critical IT systems to manage benefits and provide care to millions of veterans and their families. The department's investment in IT is substantial—VA plans to spend about $7.3 billion in fiscal year 2026.

VA operates a centralized organization, the Office of Information Technology, to plan and execute most IT management functions. This office is responsible for providing direction and guidance on IT acquisition and management.

However, VA has a long history of failed IT modernization efforts. For example, after three failed attempts between 2001 and 2018, VA began implementing its fourth effort in 2020 to modernize its legacy health information system. However, in 2023 it halted further system deployments due to widespread concerns. In December 2024, VA announced plans for additional deployments restarting in 2026. VA has experienced similar weaknesses in acquiring major IT systems, managing its IT workforce, tracking software licenses, and standardizing cloud computing procurement.

GAO's statement (1) identifies key reform elements of VA's fiscal year 2026 IT budget request, and (2) describes leading practices and selected questions for assessing agency reforms.

What GAO Recommends

The prior GAO IT reports described in this statement include 26 recommendations to VA that are not yet implemented.