

U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

ONE HUNDRED NINTH CONGRESS

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WASHINGTON, DC 20515

<http://veterans.house.gov>

February 22, 2005

Honorable James Nicholson
Secretary, Department of Veterans Affairs
810 Vermont Avenue
Washington, DC 20420

Mr. Secretary:

From Fiscal Years 2003 through 2006, the Department of Veterans Affairs (VA) Budget Submission has claimed over \$4.345 billion in savings through unproven management efficiencies and has used these projections of savings to offset veterans' health care funding. Proof of net savings through management efficiencies has yet to be demonstrated. Were those net savings to be proven, we would laud VA's successful management efforts. If they cannot be proven, the savings offset to veterans' health care should cease immediately because of the potential adverse impact on veterans' health care. No claim of savings through implemented management efficiencies should be acceptable *until* the net savings are proven when compared to a demonstrable baseline.

In past years VA, like most agencies, has demonstrated both management successes and mismanagement-related setbacks. The aggregate effect of those actions is not clear. What is clear is that veterans' health care funding has been reduced based on a claimed amount, rather than on the actual savings realized. This must stop.

I request VA expedite its proof of savings through management efficiencies for the period FY 2003-FY 2006. I would like you to include analysis related to the net impact of failures of the CoreFLS and HR Link\$ systems, delays or failures of other major projects, and to also account for the impact of all Inspector General, Government Accountability Office and independent auditor findings related to management deficiencies. Finally, VA should review the testimony and materials submitted for the record

related to this Committee's hearings on Fraud, Waste, Abuse and Mismanagement at VA, and which were directed by the House Budget Committee in FY 2004.

As VA has adjusted this savings estimate in each of the last three budget submission cycles, it follows that data should be available to support all prior projections and changes. Please provide that data and analysis to the Subcommittee on Oversight and Investigation before March 17, 2005.

Thank you for your prompt action.



Lane Evans

Ranking Member, House Veterans' Affairs Committee



Ted Strickland

Ranking Member, Subcommittee on Oversight and Investigation