Memorandum

Department of Veterans Affairs

Date: SEP 27 2013

From: Secretary (00)

Subj: VA Planning Guidance Fiscal Year (FY) 2016-2020 Memorandum (VAIQ 7392943)

To: Under Secretaries, Assistant Secretaries, and Other Key Officials

1. VA's Planning, Programming, Budgeting, and Execution (PPBE) process is the mechanism for meeting the Department's mission and goals while staying within fiscal constraints set by the Office of Management and Budget and Congress.

2. The attached FY 2016-2020 VA Planning Guidance provides the general investment strategies needed to achieve the VA FY 2014-2020 strategic goals and objectives. The Planning Guidance is organized by the goals outlined in the draft VA FY 2014-2020 Strategic Plan, but does not cover the breadth and depth of the draft Strategic Plan. The VA Capability Model is the taxonomy used to define the capabilities and components, which are emphasized throughout the planning guidance.

3. The intended audiences for the FY 2016-2020 Planning Guidance are the planning and programming communities within VA. Planners and programmers need to carefully examine current and projected programs to validate alignment to this guidance. The Planning Guidance will be followed by programming guidance which will require rigorous analysis of VA's programmatic requirements, gaps, and risks for FY 2016-2020. The resulting program decision memorandum will inform the FY 2016 budget guidance provided by the Office of Management.

4. Please direct any questions to Ms. Susan Sullivan, Acting Deputy Assistant Secretary for Policy, at (202) 461-5831 or by e-mail at susan.sullivan2@va.gov.

Eric K. Shinseki

Attachment:
VA Planning Guidance FY 2016-2020

Department of Veterans Affairs

VA Planning Guidance
FY 2016-2020

VA Planning Guidance: FY 2016-2020

1. Introduction 3
2. Overview of VA's Planning, Programming, Budgeting, and Execution (PPBE) Process 3
3. The Planning Guidance 4
A. Near-term Guidance (FY 2016-2017) 5
B. Mid-term Guidance (FY 2017-2020) 10
C. Long-term Guidance – Beyond FY 2020 11
4. Conclusion 13

1. Introduction

VA's Quadrennial Strategic Planning Process (QSPP) examines emerging internal and external conditions and trends affecting Veterans and VA, and then develops alternative strategies for adjusting to those changes. The QSPP produces VA's Strategic Plan every 4 years, but includes continuous environmental scanning to inform the next year's Planning Guidance. The planning process lays the foundation for determining and validating the capabilities required to posture the Department for success in the future.

VA's Strategic Plan identifies the Department's goals, objectives, and performance measures for a 5-year period. Specific performance targets that will be used to monitor, assess, and report on progress toward the strategic goals are captured in the Department's Annual Performance Plan. VA's next Strategic Plan, covering the timeframe of 2014-2020, is in development. In accordance with the Government Performance Results Act Modernization Act of 2010, VA's FY 2014-2020 Strategic Plan will be published in February 2014. Internal implementation plans will be developed in conjunction with finalizing VA's Strategic Plan.

Although VA's Strategic Plan is still in draft form, this Planning Guidance serves as the initial step toward operationalizing VA's FY 2014-2020 Strategic Plan that will require translating the strategic goals and objectives into operational and tactical plans. Due to the level of maturity of our planning and programming processes, this FY 2016-2020 guidance emphasizes near term (FY 2016-2017) objectives while the planning community finalizes the FY 2014-2020 Strategic Plan and links the Department's strategic plan to organizational and program plans. Once the Strategic Plan is finalized and as our processes mature, future Planning Guidance documents will provide more detailed, long-term guidance. As this Planning Guidance is based upon the draft FY 2014-2020 Strategic Plan, readers should review that plan at:

http://vaww.teamshare.va.gov/opp/Office%20of%20Policy/SPC/20142020%20Strategic%20Plan%20Development/Forms/AllItems.aspx.

2. Overview of VA's Planning, Programming, Budgeting, and Execution (PPBE) Process

The PPBE process is the Department's requirements-based, integrated, multi-year resource allocation process. It provides an integrated, structured, and data-driven approach for the Department to assess its needs, allocate resources, and produce a budget that delivers high quality and timely benefits and services to Veterans. The steps of the PPBE process are outlined below:

Planning establishes the strategic priorities and capabilities required to achieve the Department's mission and strategy. This phase includes definition and examination of alternative strategies; analysis of changing conditions and trends; and the application of technology and economic assessments used to understand the long-term implications of both change and current choices. The planning phase defines and evaluates alternate strategies to address the emerging needs of the Department and lays the foundation for determining the capabilities required to achieve VA's strategic goals.

Programming identifies and allocates the Department's resources to the programs that provide the capabilities required to achieve VA strategic priorities. This phase includes identification of the capabilities and associated programs necessary to carry out the Department's strategies; validation and prioritization of program requirements; definition and analysis of alternative organization structures, resource and staffing requirements, and support systems (including information technology (IT) and facilities through the Strategic Capital Investment Planning process); and multi-year resource implications and evaluation of trade-off options. The programming phase allocates, balances, and integrates resources among various programs according to VA priorities.

Budgeting develops the VA President's Budget and operating plans and provides justification for the approved programs authorized in VA's Programming Decision Memorandum. This phase is focused on the formulation of the Department's budget to acquire funding approval from the Office of Management and Budget, and authorization and appropriations from Congress to successfully execute the programs necessary to achieve the Department's strategic goals and objectives.

Execution involves developing and delivering the required capabilities to achieve the goals and objectives articulated in the VA Strategic Plan, as well as measuring how well the desired capabilities were achieved. This phase includes execution of the enacted budget to ensure that funds are spent in accordance with the law; program management and reviews to ensure that execution consistency in accordance with the Department's program management framework and approved program management plans; and evaluation and measurement of program outcomes to ensure that they meet assigned metrics and assist VA in achieving its strategic goals.

3. The Planning Guidance

VA business line owners, planners, and programmers must coordinate and address how they will support and resource the identified capability areas when they respond to the tasks specified in the VA Programming Guidance. This will provide the next level of programmatic guidance based upon this Planning Guidance. Likewise, those business line owners, planners, and programmers must also look for opportunities to divest investment in capabilities

that are no longer required to meet priority needs, and look for the most efficient and effective means to deliver higher priority capabilities.

VA's PPBE process is a capability-based analysis. The VA Capability Model (VACM) is the taxonomy that defines VA's capabilities and components and provides a blueprint of VA's operations independent of the offices that perform them. Capabilities are expressed in high level terms and reflect the outcome the capability is intended to achieve. In the PPBE construct, the set of resources (people, money, and things) used to build or sustain a capability are organized into one or more programs.

The VACM is based on the Federal Enterprise Architecture Business Reference Model Version 2.3, and is being integrated into VA's Enterprise Architecture as the basis for VA's business reference model. To view the VA Capability Model and other enterprise architecture resources, please visit: http://vaww.ea.oit.va.gov/OneVA/Enterprise_Artifacts.asp.

The responses to the Programming Guidance, upon which the Department's FY 2016-2020 Program Decision Memorandum will be based, and evaluated, in large measure, on how well the proposed programs meet the objectives outlined in this Planning Guidance, and how well they support the development of the capabilities associated with the VACM.

A. Near-term Guidance (FY 2016/2017)

As stated in the VA FY 2014-2020 Strategic Plan, VA will continue to build on past accomplishments and drive further improvements in quality, customer service, preparedness, and internal management systems that were identified in the previous VA Strategic Plan. Rather than a radical departure from the previous plan, the VA FY 2014-2020 Strategic Plan shifts the focus from improvements within a particular service or benefit delivery program to coordination and integration across business lines, measuring performance by the ultimate outcome for the Veteran, and putting the Veteran in control of how, when, and where they wish to be served. Specifically, VA's FY 2014-2020 goals are:

- Goal 1: Empower Veterans to Improve Their Well-being
- Goal 2: Enhance and Develop Trusted Partnerships
- Goal 3: Manage and Improve VA Operations to Deliver Seamless and Integrated Support

Goal 1: Empower Veterans to Improve Their Well-being

This goal outlines the work that VA will do to directly improve the lives of Veterans, Servicemembers, their families and survivors, and, ultimately, provide Veterans the wherewithal to control and customize their experience with VA. The two primary areas of focus are: (1) improving coordination of activities across VA benefits and services, and (2)

improving customer service capabilities. VA must improve and leverage supportive interactions to reduce redundancies across VA benefits and services. As a customer service organization, VA must keep pace with Veterans' expectations and transform its customer service capabilities, including the ability to solicit regular customer feedback, streamline processes, and deliver consistent service across customer-preferred channels. Emphasis on these actions will equip Veterans with the knowledge, interfaces, and mechanisms to make informed decisions about their care and benefits. Specific focus areas include:

1) Enhance efforts to coordinate the delivery of benefits and services in an integrated, client-centered portfolio tailored to meet unique Veteran needs and situations in the most effective and efficient ways possible.

   - **VACM Capabilities:** *2.1*[1] *Ensure Income Security; 2.2 Provide Health Care; 2.3 Provide Education Benefits; 2.4 Promote Workforce and Economic Development; and 2.5 Provide Memorial Services*

2) Reduce efforts dedicated exclusively to "rescue" to refocus resources and enhance Veteran homelessness prevention efforts by developing the most effective and efficient prevention methods available.

   - **VACM Capabilities:** *2.1 Ensure Income Security; 2.2 Provide Health Care; 2.3 Provide Education Benefits; and 2.4 Promote Workforce and Economic Development*

3) Enhance efforts to refocus educational and vocational counseling to Veterans with disabilities and those who are GI Bill eligible to identify the most effective long-term outcomes for Veterans, increase Veteran career readiness, and reduce Veteran unemployment.

   - **VACM Capabilities:** *2.3 Provide Education Benefits*

4) Expand the implementation of Patient Aligned Care Teams and improve patient-facing and clinician-facing electronic health systems such as clinical video telehealth, home telehealth, and store and forward telehealth.

   - **VACM Capabilities:** *2.2 Provide Health Care; and 4.4 Conduct Information and Technology Management*

5) Enhance efforts to expand and refine, in coordination with the Department of Defense (DoD), research into the long-term consequences of traumatic brain injury and posttraumatic stress disorder.

[1] Numbers referenced within each Capabilities section refer to the capability number documented in the VA Capability Model (http://vaww.ea.oit.va.gov/OneVA/Enterprise_Artifacts.asp).

- **VACM Capabilities:** *2.2 Provide Health Care*

6) Ensure disability claims are adjudicated in no more than 125 days with at least 98 percent accuracy. Continue transformation implementation plans to harmonize and/or consolidate disability evaluation systems (such as Benefits Delivery at Discharge, Quick Start, Integrated Disability Evaluation System, etc.), and roll out changes in people, processes, and technology in a progressive, planned sequence that enables efficiency gains, while minimizing risks to performance.

   - **VACM Capabilities:** *2.1 Ensure Income Security (Components: Provide Access to Income Security Benefits; and Manage Disability Compensation Benefits); 3.4 Conduct Regulatory Development (Component: Develop Policy and Guidance); 4.3 Conduct Human Resources Management; and 4.4 Conduct Information and Technology Management*

7) Eliminate disincentives to improving Veteran health and wellness by developing policies and procedures that encourage self-care management and preventive health actions, rather than policies that provide incentives for inaction and poor health habits.

   - **VACM Capabilities:** *2.1 Ensure Income Security (Components: Provide Access to Income Security Benefits; and Manage Disability Compensation Benefits); and 2.2 Provide Health Care*

8) Preserve efforts to increase access to burial benefits through construction of new national cemeteries, urban satellites, national Veteran burial grounds, state and tribal cemeteries.

   - **VACM Capabilities:** *2.5 Provide Memorial Services*

Goal 2: Enhance and Develop Trusted Partnerships

No single office, organization, or agency owns the expertise and resources to deliver all of the benefits, services, and resources necessary to meet the needs and expectations of every Veteran. This goal focuses on improving coordination and integration within and between VA and its external partners. Specific focus areas include:

1) Preserve efforts to improve data and information sharing between VA and DoD and increase the information and self-service capabilities available for Servicemembers and Veterans through eBenefits.

   - **VACM Capabilities:** *3.6 Conduct Public Affairs (Component: Manage Partnerships); and 4.4 Conduct Information and Technology Management*

2) Enhance efforts to increase partnership opportunities within VA and between VA and other Federal agencies, non-profits, academic affiliates, states, and tribal and private sector organizations to align policies, procedures, and business practices. As appropriate, adopt enterprise services and solutions that leverage evidence-based or industry best practices. Enhance efforts to encourage partnership opportunities by taking advantage of private sector solutions, when appropriate, to improve outcomes for Veterans.

   - **VACM Capabilities:** *2.4 Promote Workforce and Economic Development (Component: Promote Business and Industry Development); 3.4 Conduct Regulatory Development (Component: Develop Policy and Guidance); 3.6 Conduct Public Affairs (Component: Manage Partnerships); and 4.4 Conduct Information and Technology Management (Component: Enable Information Sharing)*

3) Enhance efforts to improve Congressional understanding of VA benefits, services, programs, policies, and legislative agenda through communication with Congress regarding the Department's plans, priorities, outcomes/results, accomplishments, and legislative goals.

   - **VACM Capabilities:** *3.3 Conduct Congressional and Legislative Affairs*

4) Create efforts to establish standardized corporate outreach and communications policies and procedures to coordinate efforts across the Department so that VA's internal and external communications are timely, clear, concise, positive, and compelling.

   - **VACM Capabilities:** *3.4 Conduct Regulatory Development (Component: Develop Policy and Guidance); and 3.6 Conduct Public Affairs (Component: Conduct Public Relations)*

Goal 3: Manage and Improve VA Operations to Deliver Seamless and Integrated Support

Internal improvements are a continuous effort. This goal represents VA's highest priority management objectives: developing our workforce and efficiently managing our infrastructure and processes. VA must focus on developing cost-effective and integrated solutions to increase productivity and develop better capabilities to identify inefficiencies and redundancies, and divest or eliminate them when possible. VA must also integrate business support processes, Veteran-facing services, and technology Departmentwide. Specific focus areas include:

1) Preserve efforts to identify mission-critical occupations and competencies to validate workforce requirements, understand organizational demographic profile shifts and implications, analyze and address risks to effective staffing, and establish career paths to ensure VA has the right people, with the right skills in the right job at the right time.

   - **VACM Capabilities:** *3.4 Conduct Regulatory Development (Component: Develop Policy and Guidance); and 4.3 Conduct Human Resource Management*

2) Reduce IT sustainment costs of low priority legacy systems and retire redundant systems. This includes evaluating upfront investment requirements, as well as near and long-term return on investment (ROI) to retire legacy systems.

   - **VACM Capabilities:** *4.4 Conduct Information and Technology Management*

3) Enhance efforts to promote more efficient use of authoritative data across business lines, capturing data once, and sharing it enterprise-wide.

   - **VACM Capabilities:** *3.4 Conduct Regulatory Development (Component: Develop Policy and Guidance); 3.5 Conduct Planning, Programming and Budgeting (Component: Manage Agency Enterprise Architecture);and 4.4 Conduct Information and Technology Management (Components: Provide IT Services; Manage Knowledge and Information; and Enable Information Sharing)*

4) Continue to implement the Continuous Readiness in Information Security Program and Homeland Security Presidential Directive-12.

   - **VACM Capabilities:** *4.1 Conduct Administrative Management; 4.3 Conduct Human Resource Management; and 4.4 Conduct Information and Technology Management*

5) Enhance efforts to increase the flexibility and scalability of VA's capital infrastructure to optimize the size of VA's physical footprint through integration of services and sharing/consolidating physical and virtual space among VA and non-VA entities, and eliminating unnecessary real estate.

   - **VACM Capabilities:** *3.5 Conduct Planning, Programming and Budgeting (Component: Conduct Capital Planning)*

6) Reduce dependency on physical infrastructure by expanding virtual access to benefits and services.

- **VACM Capabilities:** *2.1 Ensure Income Security; 2.2 Provide Health Care; 2.3 Provide Education Benefits; 2.4 Promote Workforce and Economic Development; 2.5 Provide Memorial Services; and 4.4 Conduct Information and Technology Management*

7) Reduce and eventually eliminate improper payments, and increase the recapture of misallocated funds.

- **VACM Capabilities:** *4.2 Conduct Financial Management*

8) Enhance efforts to improve the models and systems VA uses to forecast demand, capture cost, and predict ROI.

- **VACM Capabilities:** *3.5 Conduct Planning, Programming and Budgeting; 4.2 Conduct Financial Management; and 4.4 Conduct Information and Technology Management*

9) Preserve efforts to develop and refine VA's Continuity Program in accordance with National Continuity Policy and support VA's Comprehensive Emergency Management Program.

- **VACM Capabilities:** *2.6 Conduct Disaster Management Activities*

B. Mid-term Guidance (FY 2017-2020)

This document places great emphasis on near term (FY 2016-2017) guidance - those strategies that need to be addressed in the FY 2016/2017 budget cycle. This document also serves as an initial step toward operationalizing the VA FY 2014-2020 Strategic Plan and achieving VA's strategic goals and objectives. In accordance with the Strategic Plan, VA will continue to build on accomplishments and drive further improvements in quality, customer service, preparedness, and internal management systems.

Successful implementation of the Strategic Plan also requires mid-term planning. Once the Strategic Plan is finalized, VA will develop internal implementation plans to fully address the longer-term objectives. These subordinate plans will result in the "cascading" of the Strategic Plan throughout the organization, with tactical-level requirements associated with the appropriate offices.

Throughout this timeframe, VA will place emphasis on defining success by achieving positive Veteran outcomes. To do that, VA must improve our ability to partner and work with those who provide benefits, services, and resources to our clients through improved collaboration and business practices.

VA will improve coordination between programs, leverage supportive interactions between programs, and reduce overlap across programs. In addition, VA will identify and address internal organizational policy, procedural, and cultural boundaries that constrain our ability to coordinate, integrate and deliver benefits and services. Having an understanding of these internal boundaries will allow us to design policies, processes, and approaches that allow VA to readily adapt with minimal disruption. That will require the continued reduction of duplicative systems and facilities and investment in enterprise-wide capabilities that align to end-to-end business processes.

VA's workforce is its most important resource in mission achievement. The continued development and engagement of our workforce, including at managerial and leadership levels, will be an integral part of VA's success. This will allow VA to continue to develop capabilities to understand the needs and expectations of those VA serves.

Finally, VA must protect against and prepare to respond to and recover from all hazards to ensure the safety and security of Veterans, eligible beneficiaries, volunteers, employees, and visitors at VA facilities, while integrating, improving, and increasing VA's resiliency through operational continuity and preparedness.

C. Long-term Guidance – Beyond FY 2020

To establish a forward-looking posture, VA is looking at "what's next" beyond FY 2020 and the VA FY 2014-2020 Strategic Plan. Some of the themes and trends that informed the Strategic Plan will persist beyond FY 2020; others are evolving, and new trends are emerging. Since FY 2012, VA has executed its QSSP to identify these trends and determine the critical factors that will have long-term impacts on VA, and develop strategies for addressing the opportunities these factors present. These are the strategic imperatives, which define what VA must be in the next 10-15 years to successfully deliver on its mission, regardless of what the future might bring: Be a trusted partner; Be recognized for providing a quality experience; and Be a proactive and agile institution. As part of the QSPP, these imperatives will be continually reviewed for their long-term validity.

Be a Trusted Partner

Know and Understand Our Clients and Our Business

This imperative highlights VA's need to learn and understand the needs and expectations of those we serve, and to have the knowledge, information, and insight to understand why some Veterans choose not to utilize VA services. VA's workforce must be versed in the benefits, services, and resources that are available to VA's clients.

Diversify the Way We Connect with Our Clients

VA must expand the ways in which we connect and provide access as there are five generations of clients utilizing VA services. This can only be done through the coordinated delivery of benefits and services in a manner that satisfies the changing needs and expectations of our clients. It is critical that our clients be aware of the benefits, services, and resources that are available to them and understand how to access them at any time or any place.

Do What We Do Best and Partner for the Rest

With the current economic situation and the potential for constrained budgets, VA must identify those services that only VA can provide, is the expert in, or does best. VA must continue to focus our expertise on these activities. The Department should assess its strengths and develop plans to partner with external organizations that have complementary strengths, or are known for being centers of excellence.

Be Recognized for Providing a Quality Experience

Organize and Run Our Business to Deliver Seamless, Integrated Support

When viewed from VA's clients' perspective, VA support must be holistic, coordinated, and uninterrupted. To achieve this, VA must rethink how it operates as a Department. This means no longer focusing on capabilities for an individual service, but rather, focusing on cross-cutting enterprise-wide capabilities that integrate services and functional interdependencies. These enterprise-wide capabilities enable VA to provide complete services to a Veteran at any point and time in a more integrated fashion.

Integrate with DoD and Other Federal Agencies to Engage Veterans

In order for VA to have a life-long engagement with our clients, VA must engage with future Veterans at the earliest possible point – when Servicemembers take the oath of allegiance upon entering the military. VA has a special relationship with DoD and because of this relationship, VA must have close coordination with them.

Empower Independence Through Support

Military service provides Servicemembers with tremendous skills and experience but often imposes equally significant challenges on them as they transition to civilian life. VA must assist Veterans in their reintegration into civilian society by maximizing those skills that they learned while in the service; and VA must mitigate any injury, illness, or other service-related disadvantage that might have occurred from military service. VA's primary goal must be to empower Veterans to be independent and self-sustaining.

Be a Proactive and Agile Institution

Make VA a Place Where People Want to Serve

In order to maintain being a world class organization, VA must attract, recruit, and retain talented and motivated individuals who want to serve Veterans and the Department. These are the individuals that understand that our core values of integrity, commitment, advocacy, respect, and excellence are imperative to meeting VA's obligations to all of its clients. This needs to be done through the way that VA is able to recruit, hire, train, and provide incentives to its workforce. Additionally, VA must address the rapidly diversifying demographics of our workforce by understanding and addressing the different needs and career expectations.

Be Forward-Leaning and Reward Innovation

Innovation is the key to staying relevant and successful in a time when change is occurring so rapidly. VA needs to cultivate the development of a culture where policies and procedures support a creative, pro-active workforce that has avenues and forums to be involved and engaged, expressing ideas and providing valuable inputs on how to improve service to Veterans or maximize efficiencies in the Department. There needs to be a system of rewards and a safe environment for intelligent risk-taking by VA workforce members at all levels, for exploration which encourages employees and managers to explore and grow, a system that rewards the creativity and innovation required for breakthrough performance.

Become Flexible and Scalable

There is uncertainty in the United States economy, as well as future military operations. This uncertainty makes it important that the Department is organized in a manner that allows VA to be nimble and responsive to change. This will enable VA to develop solutions, responses, and options to shifting conditions in an uncertain fiscal or political environment. Our policies, processes, and approaches must allow VA to expand and contract rapidly, with minimal disruption to our business, benefits, services, and resources.

4. Conclusion

VA's PPBE process is the mechanism for meeting VA's strategic goals while staying within fiscal constraints set by the Office of Management and Budget and Congress. While VA continues to develop its PPBE processes, this Planning Guidance Memorandum establishes strategic direction for the development of VA's Future Years Veterans Plan and VA's FY 2016-2017 budgets.