

Date: FEB 01 2016

From: Deputy Secretary (001)

Subj: Fiscal Year 2018-2022 Planning and Programming Guidance (VAIQ #7657603)

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

1. The purpose of this memorandum is to issue the fiscal year (FY) 2018 – 2022 Department Planning and Programming Guidance.
2. A vital part of the MyVA transformation involves establishing and improving Department management systems in order to move to a true requirements-driven, multi-year resource allocation process. To this end, VA has adopted a requirements-based planning, programming and budgeting process known as Managing for Results (MFR). This process allows us to connect our forecasting of Veterans' needs (requirements) to our strategy and resource planning (budget), in order to optimize our services to Veterans.
3. In the past, VA developed a budget based on an incremental approach to adjust funding from the previous year, and the Department has struggled to integrate a long range planning and programming process with its budget requests. The recent transfer of the Office of Programming Analysis and Evaluation (PAE) from the Office of Policy and Planning (OPP) to the Office of Management (OM) is a critical step towards synchronizing the programming and budgeting functions in a way not previously achieved.
4. OPP is taking lead in this MFR cycle on the establishment of Mission Requirements for each of the programs in the revised VA program list. OM will lead in linking those Mission Requirements to Resource Requirement projections for FY 2018-2022. In April, the Administrations and Staff Offices will present their five-year program resource plans for approval or modification. The final result of the programming process will be the multi-year investment decisions articulated in the Deputy Secretary's Program Memorandum, which will inform VA's FY 2018 budget formulation guidance.
5. If you have any questions regarding the Planning Guidance, please contact Dave Orso, Director, Office of Integrated Enterprise Planning, OPP, at (202) 632-7303 or david.orso@va.gov. If you have any questions regarding the Programming Guidance, please contact Kathy Singleton, OM Executive Director for Operations at (202) 461-5113 or kathy.singleton@va.gov.



Sloan D. Gibson

Attachments



Department of Veterans Affairs

VA Annual Planning Guidance

FY 2018-2022

December 2015

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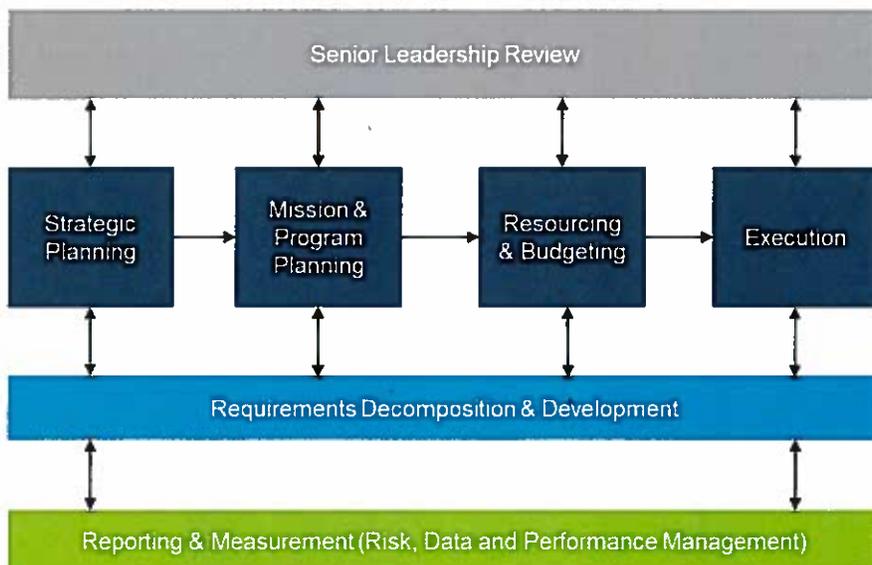
1 Introduction

Secretary McDonald recently observed that, “what we are doing right now, is that in every one of our operations...we provide a different experience, and everything we do is disconnected... Our budget is disconnected from our strategies. We have to pull all of this together into an integrated whole, otherwise we won’t succeed” (See [SECVA Video](#)). To address this challenge a coherent, requirements-based Managing for Results (MFR) process is being introduced. MFR represents the to-be VA Strategic Operating Model. MFR links existing requirements development and resource allocation sub-processes and will enable creation and sustainment of a Veteran-centric enterprise. MFR facilitates transparency and accountability between program outcomes and strategic objectives.

As stated in the May 18, 2015 Memo, VA Programming Process (see Appendix A), VA is taking a fundamentally different approach to building a defensible budget. This begins with the identification of what we are trying to achieve, our Mission Requirements, described in terms of Veteran outcomes and performance standards. To that end, the planning phase of the FY2018-2022 cycle will focus on the establishment of baseline of Mission Requirements and standards for each VA Program and the identification of Mission Requirement gaps.

The establishment of discrete performance standards and identification and mission gaps for each VA Program will enable VA Program and Initiative planning and risk mitigation strategy development. The resulting information and analysis will be presented during the FY18 resource allocation decision cycle. The objective of this effort is the establishment of a data-driven, performance-based methodology for budget and resource allocation (see figure 1).

Figure 1 Managing for Results Framework

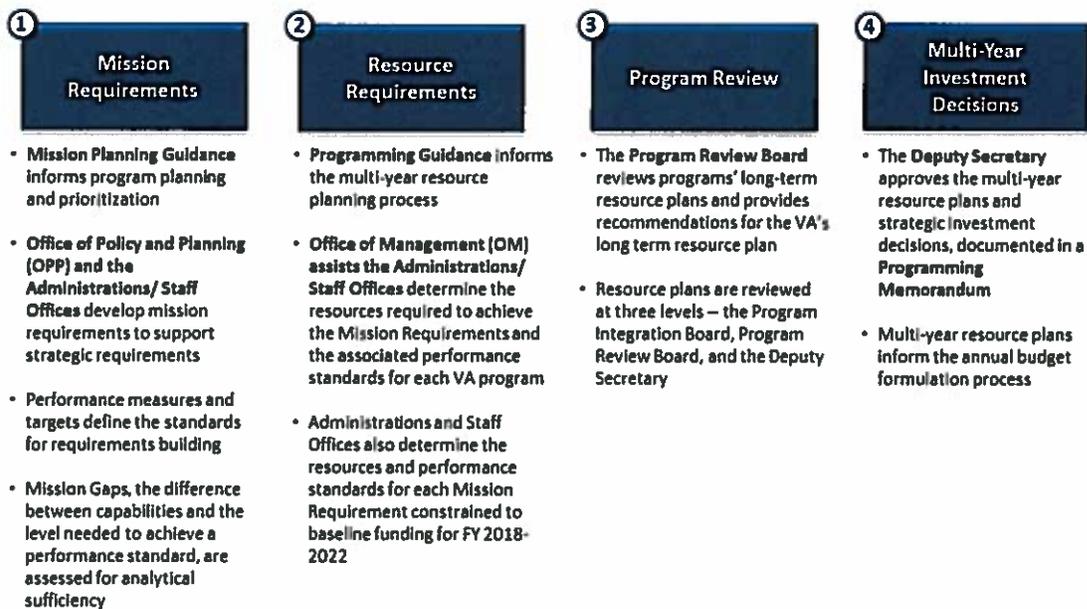


The Department's Programming process is the forcing function that provides us with the disciplined framework to develop, assess, and prioritize our multi-year requirements from the Veteran's perspective in order to effectively achieve our mission.

Deputy Secretary Sloan D. Gibson – VA Programming Process Memorandum, May 18, 2015

Figure 2, below, illustrates the four steps in VA's multi-year resource allocation process that begins with the issuance of this Annual Planning Guidance and the Programming Guidance and concludes with the approval of the Programming Memorandum (PM) that informs the annual budget formulation process.

Figure 2 VA's Multi-year Resource Allocation Process



2 Deliverables and Timeline

Using the Mission Requirements Assessment Template (Appendix B), all Administrations and Staff Offices will submit Mission Requirement(s) and Mission Requirement Gap(s) for each VA Program they manage to Office of Policy and Planning, David Orso, (david.orso@va.gov) by February 19, 2016.

The Office of Enterprise Requirements and Risk Management will compile and prepare the Administrations' and Staff Offices' Mission Requirement submissions for Senior Leader consideration and prioritization.

Table 1 Deliverable Timeline

| Target Completion Date | Office Lead | Action |
|---------------------------|-------------|---|
| February, 2016 | OPP | Publish the FY 2018-2022 Planning Guidance |
| February, 2016 | OM | Publish the FY 2018-2022 Programming Guidance |
| February, 2016 | OM | PAE conducts FY 2018-2022 Programming seminars with action officers |
| February 19, 2016 | OPP | Administrations and Staff Offices submit Mission Requirements deliverables to OPP |
| February 29, 2016 | OM | Administrations and Staff Offices submit Programming deliverables to PAE |
| February - March 2016 | OPP | OPP compiles and assesses Planning deliverables |
| February - March 2016 | OM | PAE compiles and assesses Programming deliverables |
| March 14-18, 2016 | OM | Staff Offices conduct Program Briefing Review with CFO |
| March 21-25, 2016 | OM | Staff Office Program Briefings to Chief of Staff |
| March 28-31, 2016 | OM | Administrations conduct Program Briefing Review with CFO |
| April 1-7, 2016 | OM | DEPSEC briefing on FY 2018-2022 program resource plans |
| April 8, 2016 | OM | DEPSEC approves Programming Memorandum (PM) |
| April 11, 2016 | OPP | Assignment / Designation of Initiative Decision Authorities and Program Managers |
| Late April/Early May 2016 | OM | FY2018 Budget Call Memo Issued [Exact Date TBD] |
| Early June 2016 | OM | Budget Exhibits/Deliverables Due to Office of Budget (OB) [Exact Date TBD] |
| NLT September 2017 | OPP | FY18 Initiative Plans Approved |
| October 1, 2018 | OPP | FY18 Initiative Execution Begins |

3 Establishing Mission Requirements

The basic definition of the word requirement is “a need or necessity, a thing demanded or obligatory”. The purpose of requirements management is to ensure that an organization defines, documents, verifies, and meets the needs and expectations of its customers and internal and external stakeholders.

Every VA Program (see Appendix C) was established to satisfy a need. It could be a Veteran service or benefit described in statute, or an enabler to support the delivery of a Veteran service or benefit. Establishing Mission Requirements for a VA Program is a matter of writing down the need(s) in such a way that it describes the level of performance to be accomplished within a timeframe, expressed as a tangible, measurable objective, or as a quantitative standard, value or rate. This enables a requirement to be objectively verified, and the means of verification is clearly understood. See Appendix B for generic examples of mission requirements.

VA’s Strategic Requirements (Appendix D) document, at a high level, all of the operations and capabilities of VA. Defining Mission Requirements begins with identifying which VA Strategic Requirements the VA Program is satisfying. Traceability is then established from the required strategic outcomes to the various programs that are established to deliver those outcomes.

A Mission Requirement is defined as the outcome or output that a VA program is required to achieve to satisfy all or part of a strategic requirement. The scope of a VA Program is then clearly defined by the set of Mission Requirements it is responsible for satisfying. The sum of all of the Mission Requirements describes the operations and capabilities of the VA.

4 Mission Requirements Assessment

A Mission Requirements gap is the difference between the existing capability (current performance) and the desired performance. Desired performance could be meeting the current stated performance, or anticipating a future need based on planned and projected changes. See Appendix D, Strategic Context 2022 for guidance on VA’s future context.

To identify gaps, VA Program leaders will assess their VA Program’s performance against their current and future ability to meet their Mission Requirements.

In this construct, gaps are not expressed in dollars or FTE, but in relation to discretely defined performance standards. Mission Requirement Gaps are categorized as:

- The VA Program is not meeting the current standard(s)
- A change in performance standard (driven by either an internal decision or external source)
- A projected inability to sustain the standard (due to projected increased demand, decreasing resources, etc)
- A new mission requirement is being added to the VA Program (internal or external source)

At the Mission Requirement assessment stage, specific solutions for closing gaps are not identified. Much additional analysis will be required to fully document the business case and conduct an analysis of alternatives. At this stage, there is a choice of three generalized recommendations for closing a Mission Requirement gap:

- Change the standard. If the standard is not externally driven, an option is to reset the standard to match the current performance, and no further efforts are required.
- Launch a new initiative to attain the standard.
- Leverage an existing initiative to address the gap.

5 Requirements Development and Execution

5.1 VA Programs and VA Initiatives

Within the MFR framework, a VA Program is defined as “An organized set of activities and resources that VA Administrations and Staff Offices have identified to fulfill their Mission Requirements”. A VA Program is an ongoing effort to operate and maintain the activities that deliver the capabilities defined by their Mission Requirements. The current list of VA Programs is at Appendix C. Changes to the VA Program list will be considered during the VA Program List validation in December 2015.

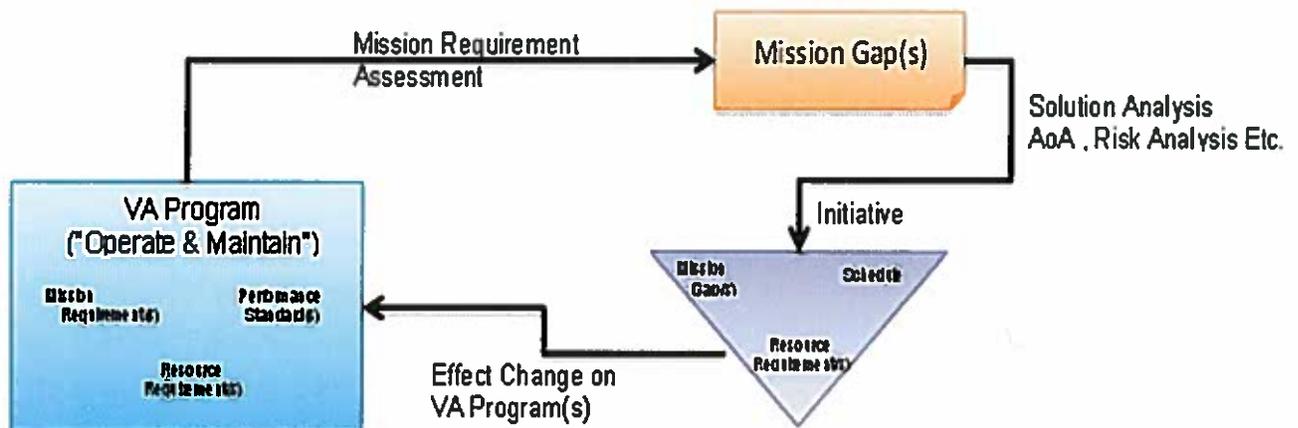
VA Program leaders assess their VA Program’s performance against their current and future ability to meet their Mission Requirements. Gaps are identified, analyzed, and ways to close the gap are identified through the development of business cases and analysis of alternatives. If the activities proposed to close the gaps are significant enough (time, resources, acquisitions, scope, etc.), an Initiative may be established to effect the changes necessary to close the gap. Where a VA Program is an ongoing effort, a VA Initiative is time-bound and defined by the Mission Gaps it is established to close. Initiatives that impact more than one VA Program are designated as Enterprise Initiatives.

To effectively manage these Initiatives, the VA Chief Acquisition Officer will introduce a Program Management Framework, to guide the development, execution and oversight of VA Initiatives. Supplemental Planning Guidance will be issued by OALC/OEI in Q1FY16 and will

consist of implementation guidance for the requirements-based Program Management Framework.

The relationship between VA Programs and VA Initiatives is depicted in Figure 2.

Figure 2: Program and Initiative Framework



5.2 VA Program and Initiative Reviews

The Office of Strategy and Policy will compile and prepare the Administrations' and Staff Offices' Mission Requirement submissions for Senior Leader consideration and prioritization.

To enable the effective allocation of resources to satisfy Veteran-centric objectives, VA will use a three-tiered review process:

1. **Cross-functional Integration:** Preliminary review of key VA programs and their associated Mission Requirements to ensure cross-functional integration. Identification of potential synergies and integration opportunities.
2. **Mission Requirements Board:** Led by OPP/OEI. Review all Mission Requirements and Gaps to:
 - a) ensure adequate cross-functional integration and justification of the Mission Requirements;
 - b) endorse and/or modify the categorization of Mission Gaps for recommendation to the VA Senior Leaders; and
3. **DEPSEC:** Based on the MRB recommendations, approve VA Programs and new initiatives to inform 2018 budget formulation.

6 Assistance

The Office of Integrated Enterprise Planning will provide support and assistance in the development of Mission Requirements and Mission Gaps. Additionally, various support services are available to assist VA Program leaders. The VA Acquisition Academy provides professional training and certification programs, as well as program management workshops. The VA Program Management Center of Excellence (PMCOE) contains program planning artifact templates, and best practices and lessons learned repositories. Additionally, requests for technical subject matter expertise can be submitted to the Office of Strategy and Policy.

7 Conclusion

The continued maturation of a Requirements-based process through the development of MFR will enable investment decisions to satisfy the needs of Veterans and their beneficiaries. Our efforts to better articulate VA's Mission Requirements across the Department, based on desired outcomes and performance standards, will build a more defensible budget in 2018.

For questions on the Planning Guidance, please contact Mr. Dave Orso, Director, Office of Integrated Enterprise Planning, Office of Policy and Planning, at 202-632-7303, david.orso@va.gov.

Appendix A: VA Programming Process Memo

Memorandum

**Department of
Veterans Affairs**

Date: MAY 18 2015
From: Deputy Secretary (001)
Subj: VA Programming Process
To: Under Secretaries, Assistant Secretaries, and Other Key Officials

1. The purpose of this memorandum is to convey the urgent need to articulate VA's mission and resource requirements, based on performance standards, in order to have a defensible budget and optimize our services to all Veterans. We must better understand the downstream impact of decisions made today and build a more defensible budget in a resource constrained environment.
2. As stressed in the 2017 Internal Budget Guidance, we must take a fundamentally different approach to identifying resource requirements. In the past, VA developed a budget based on an arbitrary total, and managed to that total. This approach has not served Veterans well – requirements are not identified; known requirements are not fully resourced; and resources are not clearly linked to achieving a goal that ensures a high quality Veteran experience. From now on, each organization must present a budget that fully identifies requirements, is explicit about how the requested resources will meet those requirements, and quantifies the Veteran-centered standard that will be achieved with the resources requested.
3. The Department's Programming process is the forcing function that provides us with the disciplined framework to develop, assess, and prioritize our multi-year requirements from the Veteran's perspective in order to effectively achieve our mission. We must continue to mature this process, both at the enterprise and at the sub-enterprise levels, to better serve our Veterans.
4. We must use the momentum of the 2017-2021 Programming effort and the 2017 budget process to develop integrated, evidence-based requirements, synchronized with support services, such as facilities, staffing, and IT to account for interdependencies and ensure a holistic view of required resources. Before requesting additional resources, we must first look for efficiencies and trade-offs within our base, as well as non-resource alternative solutions.
5. I am charging the Office of Policy and Planning to lead the enterprise-wide requirements development process with complete participation and support from the Administrations and Staff Offices. I expect everybody's full cooperation.
6. I expect the VA Requirements Board, co-chaired by the Office of Policy and Planning and the Office of Management, to ensure cross-functional integration across the enterprise and make recommendations to me and the Secretary on prioritized long-term investment decisions.
7. If you have any questions, please contact Subhi Mehdi, Executive Director, Office of Corporate Analysis and Evaluation at (202) 461-5752 or subhi.mehdi@va.gov.


Sloan D. Gibson

Appendix B: Mission Requirements Examples

| Strategic Requirement(s) | Mission Requirement | Performance Standard & Current Performance | Mission Requirement Gap | Recommendation |
|---|--------------------------------------|--|--|---|
| Delight every customer by providing fresh, fast, made-to-order sandwiches | Produce Sandwiches | <u>Standard:</u> Produce 90% of sandwiches in under 2 minutes <u>Current Performance:</u> Producing 50% in under 2 minutes | Not meeting standard. | Change standard to average competitor time of 3 min. Launch new initiative to attain the standard Leverage existing <insert name here> initiative to address the gap. |
| Ensure Income Security for Citizens | Provide monetary benefit to citizens | <u>Standard:</u> Adjudication of 5.5M in FY20 <u>Current Performance:</u> Completing 5M claims per year. | Change in performance standard (driven by an external source) Gap in current capacity of 500K | Change benefits policy Launch new initiative to attain the standard Leverage existing <insert name here> initiative to address the gap. |
| Help people find the right tires for their vehicle. | Sell tires | <u>Standard:</u> Sell 5K tires per month. Corporate HQ projects rising consumer demand (8K tires per month by FY20) <u>Current Performance:</u> 5K tires sold per month; | Projected inability to sustain the standard – Corporate HQ projects rising demand, to 8K tires per month by FY20. Increase tire sales capacity from 5K to 8K per month by FY20. | Do not increase capacity to meet projected demand Launch new initiative: Leverage sister franchise initiative to improve the customer experience |
| Delight every customer by providing fresh, fast, made-to-order | Produce Sandwiches | 1.a. <u>Standard:</u> Produce 90% of sandwiches in under 2 minutes. | 1. Not meeting standard. | Change the requirement – establish current sales receipt level as the standard |

| | | | | |
|---|------------------------------------|---|--|---|
| <p>sandwiches and soup</p> | <p>Produce Soup</p> | <p>1.b. <u>Current Performance</u>: Producing 50% of sandwiches in under 2 minutes</p> <p>2.a. <u>Standard</u>: Serve 90% of ordered soup in under 2 minutes.</p> <p>2.b. <u>Current Performance</u>: Soup is currently not served. 3 out of 6 competitors serve soup</p> | <p>-Decrease sandwich preparation time by 80%</p> <p>2. A new mission requirement is being added (internal source).</p> <p>-Develop soup production capability and capacity to serve 90% of bowls of soup in under 2 minutes</p> | <p>Launch new initiative(s)</p> <p>Purchase competitor that is meeting the standard</p> |
| <p>Increase customer satisfaction</p> <p>Provide thoughtful and rigorous design and building planning</p> | <p>Produce Architectural Plans</p> | <p><u>Standard</u>: Deliver 100% of architectural plans on/before date promised to the customer</p> <p><u>Current Performance</u>: Delivered 90% of architectural plans on/before date promised to the customer.</p> | <p>The Program/Organization is not meeting the current standard(s)</p> <p>Not meeting projected/estimated timeline</p> | <p>Establish new method of projecting production time estimates</p> <p>Launch new initiative</p> <p>Leverage existing <insert name here> initiative to address the gap.</p> |

Appendix C: VA Program List

| Org. | # | Program | |
|----------------|---------------------|--|---|
| SSE | 1 | Support Services Excellence | |
| VHA | 1 | Health Care Services | |
| | 2 | Long-Term Services and Supports | |
| | 3 | Homeless Veterans Programs | |
| | 4 | Care in the Community | |
| | 5 | Veterans Choice Act | |
| | 6 | Other Health Care programs (CHAMPVA, Spina Bifida, Foreign Medical Program, Children of Women Vietnam Veterans, Indian Health Services, Camp Lejeune, Readjustment Counseling, etc.) | |
| | 7 | Caregivers Program | |
| | 8 | Facility Leasing | |
| | 9 | Medical and Prosthetic Research | |
| | 10 | Non-Recurring Maintenance | |
| | 11 | Major Construction | |
| | 12 | Minor Construction | |
| OIT | DME | 1 | Development Modernization Enhancement (DME) |
| | | 2 | Marginal Sustainment |
| | Ops. & Maint. | 3 | Regular Infrastructure Upgrades |
| | | 4 | Critical Infrastructure |
| | | 5 | Activations |
| | | 6 | Information Security/CRISP |
| | | 7 | VACAA Sustainment |
| | | 8 | Mandatory Sustainment |
| | Staffing and Admin. | 9 | VACAA Staffing |
| | | 10 | Support Services |
| | | 11 | Staffing |
| NCA | 1 | Operations and Maintenance | |
| | 2 | Major Construction | |
| | 3 | Minor Construction | |
| | 4 | Grants for construction of Veterans Cemeteries | |
| | 5 | Facilities Operation Fund | |
| | 6 | National Cemetery Gift Fund | |
| | 7 | Burial Benefits (From the C&P appropriation which includes Headstones & Markers, Graveliners & Outer Burial Receptacles (OBR) Reimbursements, and Casket & Urn) | |
| VBA | 1 | Disability Compensation Benefits (Mandatory) | |
| | 2 | Pensions, Dependency and Indemnity Compensation, Burial and Fiduciary Benefits (Mandatory) | |
| | 3 | Education Benefits (Mandatory) | |
| | 4 | Vocational Rehabilitation and Employment (Mandatory) | |
| | 5 | Housing Program (Mandatory) | |
| | 6 | Insurance Benefits (Mandatory) | |
| | 7 | General Operating Expenses (Discretionary) | |
| | 8 | Major Construction | |
| | 9 | Minor Construction | |
| VBA/BVA | 1 | Appeals | |
| General Admin. | 1 | Office of the Secretary | |
| | 2 | Office of General Counsel | |
| | 3 | Office of Management | |
| | 4 | Office of Human Resources and Administration | |
| | 5 | Office of Policy and Planning | |
| | 6 | Office of Operations Security and Preparedness | |
| | 7 | Office of Public and Intragovernmental Affairs | |
| | 8 | Office of Congressional and Legislative Affairs | |
| | 9 | Office of Acquisitions, Logistics and Construction | |
| | 10 | Veterans Experience | |
| | 11 | Major Construction | |
| | 12 | Minor Construction | |
| Total | 53 | | |

Appendix D: Strategic Context – VA 2022

The [VA 2014-2020 Strategic Plan](#) clearly identifies the Department’s long-term objectives and the strategic requirements necessary for satisfying those objectives. Although this planning cycle extends beyond the time horizon of the current strategic plan, the stated objectives of the VA 2014-2020 Strategic Plan remain valid.

In 2014, the VA leadership team established a vision for excellence in serving our Nation’s Veterans, and announced a new strategy for the Department called MyVA. MyVA implements the Department’s strategic plan’s goals by putting Veterans’ interests first, and delivering excellent customer service. Through this focus, by 2018, VA will have established itself as the standard-bearer for customer-service, employee engagement, and employee satisfaction for all government agencies.

The MyVA guiding principles provide an enduring approach for both near-term improvements and longer-term progress. They should be factored into all planning activities. Table 1 lists the five MyVA Guiding Principles and shows their alignment to the 2014-2020 VA Strategic Plan.

TABLE 1: VA STRATEGIC GOALS/OBJECTIVES ALIGNED TO MYVA GUIDING PRINCIPLES

| VA Strategic Objective | MyVA Guiding Principles |
|---|---|
| VA Strategic Objective 1.2: Increase customer satisfaction through improvements in benefits and services delivery, policies, procedures, and interfaces. | Guiding Principle 1: Consider change through the lens of the Veteran to enhance effectiveness and efficiency from his or her perspective. |
| VA Strategic Objective 2.2: Enhance VA’s partnerships with Federal, State, Private Sector, Academic Affiliates, Veteran Service Organizations, and Non-Profit organizations. | Guiding Principle 2: Optimize VA’s unique competencies in healthcare, benefits delivery, and memorial affairs, while enhancing external partnerships to support service delivery where VA is less well postured to directly deliver service. |
| VA Strategic Objective 3.3: Build a flexible and scalable infrastructure through improved organizational design and enhanced capital planning. | <p>Guiding Principle 3: Integrate operations to improve service delivery and realize efficiencies.</p> <p>Guiding Principle 4: Recognize the central role of VA employees in identifying challenges, crafting solutions, and ultimately delivering world-class services to Veterans.</p> <p>Guiding Principle 5: Focus on the future in terms of Veteran needs and demographics.</p> |

In alignment with Guiding Principle 5, focusing on the future, FY 2018-2022 Mission Requirement analysis must take into consideration Secretary McDonald’s vision for VA and specific efforts that are planned to be accomplished by FY 2018. Additionally, VA’s Quadrennial Strategic Planning Process (QSPP) early activities towards development of VA’s FY 2018-2024 Strategic Plan have begun to describe the future VA may face 10 to 20 years from today and those trends and implications that need to be taken into consideration in the FY 2018-FY 2024 planning horizon.

At the end of 2015, VA achieved the short-term targets associated with the 2014-2015 Agency Priority Goals of: Eliminating the Disability Claims Backlog; improving Veteran Access to Benefits and Services; and Ending Veteran Homelessness. As these are enduring areas of importance, the

Department will continue to appropriately resource the programmatic efforts put in place for these priority goals beyond 2015. It is further expected that there will be a continuing effort to improve upon the gains made over the past two years, even though these areas of importance will no longer be identified as Agency Priority Goals. For planning purposes, achievement of VA's 2016-2017 Agency Priority Goals: Improve Veteran Experience; Improve Employee Engagement; Improve Access to Care; and, Improve Access to Benefits, should be assumed.

By FY 2018, VA will have established a VA-wide customer-service organization to ensure top-level customer service to Veterans, led by a Chief Veterans Experience Officer reporting directly to the Secretary¹. A national network of MyVA Communities will be in place to coordinate better service delivery with local, state, community, and volunteer partners. VA will have established a vital network of collaborative relationships across the federal government, with state and local governments, and with both non-profit and for profit organizations. VA will also have made great progress in the realignment of VA internal business processes into a shared services model – organizations across VA will have begun leveraging common support services. VA's knowledge management system will be well established as a key organizational change enabler and will house a wealth of lessons learned. VA will have also moved from a stovepiped data environment to one of the most digitized, data-integrated departments in government. Finally, VA's culture of continuous improvement will be supported and sustained by employee competencies in Lean, Six Sigma, and Workout. Each of the achievements will have enabled and resulted in significant organizational efficiencies, reduced costs, and increased employee morale and productivity.

Initial results from the future trend analysis phase of VA's QSPP has identified changing Veteran demographics, and a continuing shift to customization/individualism as key trends that need to be taken into consideration in the FY 2018-FY 2024 planning horizon.

As our Veteran population ages, service-connected issues will become more chronic and more acute. In 1975, there were two million Veterans over the age of 65. In 2015, there are 9.9 million, the majority of whom served in the Vietnam era. By 2022, the over 65 cohort will have begun to decline in number, to an estimated 9.2 million Veterans, and will decline to 8.3 million in 2030 and 6.7 million by 2040 (see Figure 1).

While the Vietnam era population is declining, the Gulf War era population will be increasing over time. Service-connected issues for those returning from the wars in Iraq and Afghanistan are more complex than in prior eras. A detailed table of Veteran population demographic trends over time, to include gender and race/ethnicity data can be found on page D-X.

¹ Refer to the [MyVA Integrated Plan \(MIP\)](#) dated 29 July 2015 for full details on what will be accomplished by 2018.

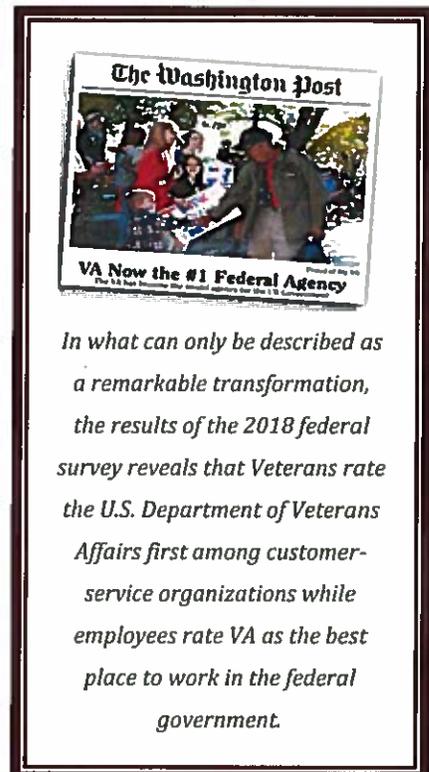
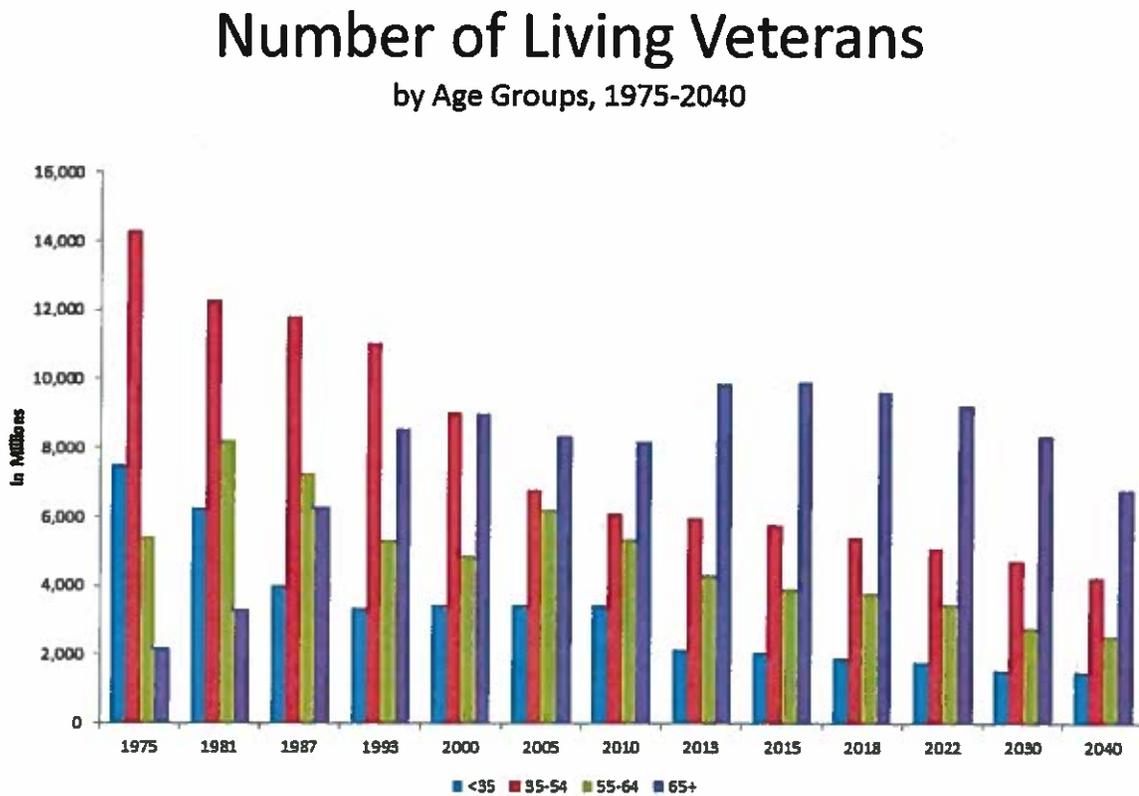


FIGURE 1: CHANGES IN VETERAN DEMOGRAPHICS



Source: National Center for Veterans Analysis and Statistics

Society writ large will have continued to move toward increasing individualism. Individuals will continue to determine more and more how and where they will live, work, and play; and, will demand delivery of goods, services, and benefits tailored to their life circumstances and individual desires. The increasing rate of innovation, the primacy of applied technology to all aspects of human endeavor, as well as the affordability of technology are trends that support the notion of individual empowerment and choice but also create security challenges and privacy concerns. Juxtaposed to an age of an increasingly customer driven marketplace, is the volatility of a world defined by decreasing resources necessary to sustain human quality of life; changing human power structures as the lines between government, commercial entities, non-governmental organizations and even high influence individuals impact societal organization and the rule of law. Likewise, a more mobile and interspersed global population will test the current norms of “family” and “community” potentially further complicating “typical” bureaucratic approaches to determining eligible beneficiaries of Federal services and benefits. Concurrent with a future environment driven by “individual preference” are the necessary characteristics of “nimbleness” and “efficiency” that

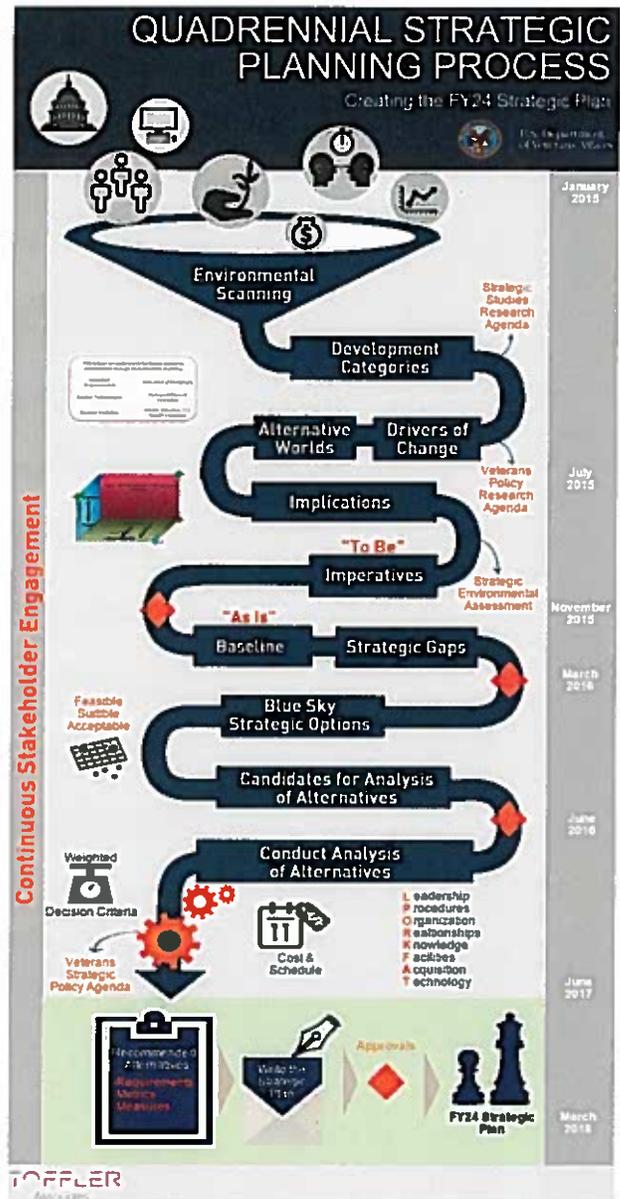
organizations more than ever must endeavor to emulate if they are to successfully operate in the future and to meet customer expectations. ²

Integration with VA's Quadrennial Strategic Planning Process

This planning cycle bridges the period between the VA 2014-2022 Strategic Plan and the Department's QSPP cycle that culminates in February 2018 with the issuance of VA's FY 2018-2024 strategic plan.

Integration of QSPP analyses is integral to the Department's ongoing efforts to interrelate and cascade subsequent Departmental plans from the Strategic Planning efforts conducted at the enterprise level. The outcomes of the QSPP represent the overarching Departmental long-range outcomes that will be achieved by FY 2024 and, therefore, require a unity of effort towards identifying and describing the VA's long-range goals and objectives. To ensure the equities of all stakeholders and their Veteran-centric objectives are considered during the QSPP, Department planners are strongly encouraged to:

- Fully participate in the QSPP;
- Adopt the terminology presented within the IPPG to ensure a common lexicon and definitions across VA;
- Develop long-range plans that cascade from the VA Strategic Plan, and include the Office of Policy and Planning (OPP) and other Department planners in long-range planning processes; and
- Ensure the time horizon for long-range plans are aligned to the VA Strategic Plan timeframe: FY 2018 – 2024.



² [FY15 VA Strategic Environmental Assessment, Part I](#)

| | | 2010 | 2020 | 2030 | 2040 | % Change (2010 to 2040) |
|---|------------------------------------|------------|------------|------------|------------|----------------------------|
| Total Veteran Population | | 23,031,892 | 19,604,276 | 16,776,896 | 14,462,805 | -37.2% |
| Period of service¹ | <i>WWII¹</i> | 2,120,409 | 289,953 | 6,998 | 100 | -100.0% |
| | <i>Korean Conflict²</i> | 2,531,471 | 989,383 | 118,921 | 2,742 | -99.9% |
| | <i>Vietnam Era³</i> | 7,695,836 | 6,049,166 | 3,734,662 | 1,292,854 | -83.2% |
| | <i>Gulf War⁴</i> | 5,599,420 | 7,935,460 | 8,451,138 | 7,996,459 | 42.8% |
| Period of service as a percent of total Veteran population⁵ | <i>WWII¹</i> | 9.2% | 1.5% | 0.0% | 0.0% | |
| | <i>Korean Conflict²</i> | 11.0% | 5.0% | 0.7% | 0.0% | |
| | <i>Vietnam Era³</i> | 33.4% | 30.9% | 22.3% | 8.9% | |
| | <i>Gulf War⁴</i> | 24.3% | 40.5% | 50.4% | 55.3% | |
| Race/Ethnicity | <i>White</i> | 18,305,837 | 14,736,198 | 11,841,647 | 9,549,132 | -47.8% |
| | <i>Black</i> | 2,603,956 | 2,618,613 | 2,547,840 | 2,388,461 | -8.3% |
| | <i>Hispanic</i> | 1,343,105 | 1,448,494 | 1,557,605 | 1,655,098 | 23.2% |
| | <i>All other races</i> | 778,994 | 800,971 | 829,804 | 870,114 | 11.7% |
| Race/Ethnicity as a percent of total Veteran population | <i>White</i> | 79.5% | 75.2% | 70.6% | 66.0% | |
| | <i>Black</i> | 11.3% | 13.4% | 15.2% | 16.5% | |
| | <i>Hispanic</i> | 5.8% | 7.4% | 9.3% | 11.4% | |
| | <i>All other races</i> | 3.4% | 4.1% | 4.9% | 6.0% | |
| Gender | <i>Male</i> | 20,827,101 | 17,174,975 | 14,230,421 | 11,906,640 | -42.8% |
| | <i>Female</i> | 2,204,790 | 2,429,301 | 2,546,476 | 2,556,166 | 15.9% |
| Gender as a percent of total Veteran population | <i>Male</i> | 90.4% | 87.6% | 84.8% | 82.3% | |
| | <i>Female</i> | 9.6% | 12.4% | 15.2% | 17.7% | |
| Age segments | <i>18-29</i> | 1,029,841 | 738,077 | 704,633 | 726,137 | -29.5% |
| | <i>30-49</i> | 5,457,818 | 4,669,894 | 4,129,257 | 3,538,118 | -35.2% |
| | <i>50-64</i> | 7,330,160 | 5,323,003 | 4,327,866 | 3,859,162 | -47.4% |
| | <i>65+</i> | 9,214,073 | 8,873,302 | 7,615,141 | 6,339,388 | -31.2% |
| Age segment as a percent of total Veteran population | <i>18-29</i> | 4.5% | 3.8% | 4.2% | 5.0% | |
| | <i>30-49</i> | 23.7% | 23.8% | 24.6% | 24.5% | |
| | <i>50-64</i> | 31.8% | 27.2% | 25.8% | 26.7% | |
| | <i>65+</i> | 40.0% | 45.3% | 45.4% | 43.8% | |
| Female Age segments | <i>18-29</i> | 215,027 | 150,666 | 128,503 | 144,320 | -29.5% |
| | <i>30-49</i> | 1,122,427 | 949,822 | 727,007 | 594,542 | -47.0% |
| | <i>50-64</i> | 563,691 | 896,603 | 913,479 | 716,471 | 27.1% |
| | <i>65+</i> | 303,645 | 432,209 | 777,487 | 1,100,833 | 262.5% |
| Female Age segment as a percent of total Veteran population | <i>18-29</i> | 0.9% | 0.8% | 0.8% | 1.0% | |
| | <i>30-49</i> | 4.9% | 4.8% | 4.3% | 4.1% | |
| | <i>50-64</i> | 2.4% | 4.6% | 5.4% | 5.0% | |
| | <i>65+</i> | 1.3% | 2.2% | 4.6% | 7.6% | |
| Male Age segments | <i>18-29</i> | 814,814 | 587,411 | 576,130 | 581,817 | -29.5% |
| | <i>30-49</i> | 4,335,391 | 3,720,071 | 3,402,251 | 2,943,576 | -32.1% |
| | <i>50-64</i> | 6,766,469 | 4,426,399 | 3,414,386 | 3,142,692 | -53.6% |
| | <i>65+</i> | 8,910,428 | 8,441,093 | 6,837,654 | 5,238,555 | -41.2% |
| Male Age segment as a percent of total Veteran population | <i>18-29</i> | 3.5% | 3.0% | 3.4% | 4.0% | |
| | <i>30-49</i> | 18.8% | 19.0% | 20.3% | 20.4% | |
| | <i>50-64</i> | 29.4% | 22.6% | 20.4% | 21.7% | |
| | <i>65+</i> | 38.7% | 43.1% | 40.8% | 36.2% | |

¹World War II: December 7, 1941, through December 31, 1946, inclusive. If the veteran was in service on December 31, 1946, continuous service before July 26, 1947, is considered World War II service.

²Korean conflict: June 27, 1950, through January 31, 1955, inclusive.

³Vietnam era: The period beginning on February 28, 1961, and ending on May 7, 1975, inclusive, in the case of a veteran who served in the

⁴Gulf War: August 2, 1990, through date to be prescribed by Presidential proclamation or law (includes OEF/OIF/OND).

⁵Figures represented in this category may reflect overlap in service periods (i.e. a Veteran may have served in Korean Conflict and Vietnam Era). Intervening peacetimes have been omitted to simplify figures represented.

Source: Department of Veterans Affairs, Office of the Actuary, Veteran Population Projection Model (Vetpop), 2011.

Appendix E: VA Strategic Requirements

Strategic Requirement: The goals and objectives as defined in the VA Strategic Plan or a capability the Department must possess. There are 29 VA strategic requirements: 10 Strategic Objectives described in the VA 2014-2020 Strategic Plan, and 19 capabilities described in the VA Capability Model. A summary of these requirements is included below along with links to the source material.

Strategic Plan Based Strategic Requirements

Source: VA 2014-2020 Strategic Plan : <http://www.va.gov/op3/docs/StrategicPlanning/VA2014-2020strategicPlan.pdf>

| Goal 1 : Empower Veterans to Improve Their Well-Being | |
|---|--|
| Objective 1.1 Improve Veteran Wellness and Economic Security | This objective is directed at improvements in the lives of Veterans. Measures of success must be Veteran outcomes. Examples include: Homelessness, Unemployment rate, educational attainment, wellness |
| Objective 1.2 Increase Customer Satisfaction through improvements in benefits and services delivery policies, procedures and interfaces | This objective is directed at improvements in the delivery of benefits and services that improve the Veterans interaction points with VA (the Veteran experience). The gold standard measure of success for this objective is Veteran satisfaction. Directly measurable improvements in ease of access or resulting from improved coordination and integration across programs and organizations may also be used. |
| Goal 2 : Enhance and Develop Trusted Partnerships | |
| Objective 2.1 Enhance VA's Partnership with DoD | This objective is directed at shrinking the seam between VA and DoD. Measures of success are those in the VA/DoD Joint Strategic Plan. |
| Objective 2.2 Enhance VA's partnerships with Federal, State, private sector, academic affiliates, Veteran Service Organizations, and non-profit organizations | This objective is directed at building a partnership culture, developing strategic level partnerships and improving relationships with existing partners. Maintaining existing partnerships is out of the scope of this objective. Measures of success can include qualitative and quantitative measures such as the (1) extent to which a partnership impacts Veteran outcomes, (2) degree to which it impacts VA's brand, (3) extent to which it mitigates |

| | | |
|--|---|--|
| | | <p>or transfers unnecessary risk from the VA or Veteran, (4) return on investment (time and cost savings to the government) of the partnership, (5) number and type of partnerships aligned with VA's missions, values, goals and capabilities, (6) results from customer satisfaction surveys, focus groups, or field intelligence (information from a Veteran or family member that used services offered by one of VA's partners) about the partnership experience from VA and Veteran stakeholders, and (7) number or percentage of Veterans that used VA services or services offered by VA partners as a direct result of the partnership. This measure could include Veterans that are both eligible for VA services as well as those who are not eligible to use VA services but may have used services offered by one of VA's partners.</p> |
| | <p>Objective 2.3 Amplify awareness of services and benefits available to Veterans through improved communications and outreach</p> | <p>This objective is directed at improvements in communications and outreach through the development and implementation of standard policies and coordination across the Department. Routine communications and outreach activities are out of scope of this objective. Measures of success include surveys of awareness of VA's benefits and services and customer satisfaction with VA's communications and outreach products.</p> |
| <p>Goal 3 : Manage and Improve VA Operations to Deliver Seamless and Integrated Support</p> | | |
| | <p>Objective 3.1 Make VA a place people want to serve</p> | <p>This objective is directed at transforming the way VA manages human capital and building the workforce of tomorrow. Measures of success can include HR process timeliness and quality, satisfaction with HR services, the impact of training/development programs, and employee satisfaction which measure how well VA creates an enabling work environment for employees by providing quality leadership, adequate training, and effective support services.</p> |
| | <p>Objective 3.2 Evolve VA information Technology capabilities to meet emerging customer service/empowerment expectations of both VA customers and employees.</p> | <p>This objective is directed at strategic improvements in delivery of services to Veterans and improvements workforce technology tools. Measures of success may include employee satisfaction with IT (VA All Employee Survey or other surveys), Veteran satisfaction attributable to the implementation of a new technology, information security compliance, or implementation milestones for applicable projects.</p> |
| | <p>Objective 3.3 Build a flexible and scalable</p> | <p>This objective is directed at strategic changes to</p> |

| | | |
|--|---|---|
| | infrastructure through improved organizational design and enhanced capital planning | VA's organizational structure and physical footprint to better serve Veterans of today and tomorrow. Measures of success may include Veteran satisfaction with improved access to and service from VA due to changes in how VA does business internally to include, but not limited to, integration of effort at lowest possible levels, simplified and standardized operations, enhance accountability and employee empowerment. |
| | Objective 3.4 Enhance productivity and improve efficiency of the provision of Veteran benefits and services | This objective is directed at being an effective steward of taxpayer dollars. Measures of success include improvements in efficiency (cost per unit of activity) and productivity (output per time period). |
| | Objective 3.5 Ensure preparedness to provide services and protect people and assets continuously and in time of crisis. | This objective is directed at ensuring the safety and security of Veterans, employees and visitors. Measures of success should reflect compliance with applicable policies. |

Capability Based Strategic Requirements

Source: VA Enterprise Architecture : VA Capability Model http://vaww.ea.oit.va.gov/wp-content/uploads/2014/03/VA_Capability_Model_Full_v3_0_Final.pdf

| Category | Strategic Requirement (Capability) | Description |
|---|---|--|
| Provide Services for Veterans and Eligible Beneficiaries | | |
| | Ensure Income Security for Veterans and Beneficiaries | Activities designed to ensure that Veterans and their eligible beneficiaries are provided with the necessary means – both financial and otherwise – to successfully reintegrate into civilian life as full productive members. This includes all benefit programs that promote these goals. |
| | Provide Health Care for Veterans | Federal programs and activities to ensure and provide for the health and wellbeing of the public. This includes the direct provision of health care services and facilitating access to health care services as well as the monitoring and tracking of public health indicators for the detection of trends and identification of widespread illnesses/diseases. It also includes both earned and unearned health care benefit programs. |
| | Provide Education Benefits for Veterans | Activities that impart knowledge or understanding of a particular subject to the public. Education can take place at a formal school, college, university or other training program. This capability is decomposed into three Functions that include all VA programs that promote the education of the public, including both |

| | | |
|-------------------------------------|---|--|
| | | earned and unearned benefit programs. |
| | Promote Workforce and Economic Development for Veterans | Advancing opportunities for profitable employment, and promoting the creation of Veteran business opportunities. |
| | Provide Memorial Services for Veterans | Honoring the memory of Veterans and eligible beneficiaries through the provision of benefits and service to provide final resting places in national shrines and lasting tributes that commemorate their service to our Nation. |
| | Conduct Disaster Management Activities | Activities required to prepare for, mitigate, respond to, and repair the effects of all disasters, whether natural or manmade. |
| Support Delivery of Services | | |
| | Provide Controls and Oversight | Ensures that the operations and programs of VA and its external business partners comply with applicable laws and regulations and prevent waste, fraud, and abuse. |
| | Conduct Internal Risk Management and Mitigation | Activities relating to the processes of analyzing exposure to risk and determining appropriate countermeasures. |
| | Conduct Congressional and Legislative Affairs | Activities aimed at the development, tracking, and amendment of public laws through the legislative branch of the federal government, advancement of pro-Veteran legislation and maintaining responsive and effective communications with Congress. |
| | Conduct Regulatory Development | Activities associated with developing regulations, policies, and guidance to implement laws. |
| | Conduct Planning, Programming and Budgeting, | Activities of determining strategic direction, identifying and establishing programs and processes, and allocating resources (capital and labor) among those programs and processes. |
| | Conduct Public Affairs | The exchange of information and communication between the VA, citizens and stakeholders in direct support of citizen services, public policy, and/or national interest. |
| | Conduct Revenue Collection | The collection of government income from all sources. |
| Manage Government Resources | | |
| | Conduct Administrative Management | The day-to-day management and maintenance of the internal infrastructure. |
| | Conduct Financial Management | The use of financial information to measure, operate and predict the effectiveness and efficiency of an entity's activities in relation to its objectives. The ability to obtain and use such information is usually characterized by having in place policies, practices, standards, and a system of controls that reliably capture and report activity in a consistent manner. |
| | Conduct Human Resource Management | Activities associated with the recruitment and management of personnel. |

| | | |
|--|--|---|
| | Conduct Information Technology Management | The coordination of information technology resources and systems required to support or provide a service. |
| | Conduct Information Management | The management, oversight and control of enterprise information. |
| | Conduct Supply Chain Management | The purchasing, tracking, and overall management of goods and services. Includes establishing and maintaining Department-wide procurement goals for the utilization of Service-Disabled Veteran owned small businesses, Veteran-owned small businesses, small business concerns, small disadvantaged businesses, women-owned small businesses and historically underutilized businesses in VA contracts and subcontracts. |

Appendix F: Key Terms

Business Case: A compelling argument for a resource request based on well-articulated description of value/return for investment that examines benefits and risks involved with both taking or not taking an action.

Capability: An ability the Department possesses to achieve an outcome.

Initiative: A time-bound organized set of activities and resources to affect a change in operations.

Enterprise Initiative: An initiative that impacts more than one VA program

Managing for Results (MFR): The overarching strategic management framework which is comprised of Planning, Programming, Budgeting, and Execution systems, the Program Management Framework (APMF), and End-to-End Requirements Methodology (EZERM).

Mission Gap: The difference between the existing capability (current performance) of a VA Program and the current or projected Mission Requirements (desired performance). Mission Gaps can be categorized as: a) VA program not meeting current standard(s); b) A change in performance standard, driven by either an internal decision or external source; c) Projected inability to sustain the standard (could be due to projected increased demand, decreasing resources, etc.); and/or d) A new Mission Requirement from either internal or external source

Mission Requirement: The outcome or output that a program is required to achieve to satisfy a strategic requirement.

Performance Standard: Level of performance to be accomplished within a timeframe, expressed as a tangible, measurable objective, or as a quantitative standard, value, or rate.

Program Management Framework (PMF): PMF is a comprehensive framework that leverages program management best practices to enhance VA's ability to acquire business capabilities within cost, schedule, and scope.

Requirements-Based Budget: A budgeting process that involves justifying Resource Requirements based on an analysis and prioritization of goals and objectives without reference to prior budgets.

Resource Requirement: The need or demand for personnel, equipment, facilities, other resources or services, by specified quantities for specific periods of time to meet a Mission Requirement or address a Mission Gap.

Strategic Requirement: The goals and objectives as defined in the [VA Strategic Plan](#) or a capability the Department must possess per the [VA Enterprise Capability Model \(VAECM\)](#).

VA Program: An organized set of activities and resources that VA Administrations and Staff Offices have identified to fulfill their Mission Requirements. The VA Programs are cross-walked to the [VA Strategic Plan](#), the Business Reference Model, the Federal Program Inventory, Budget Accounts, and Program Activity Lines.

Appendix G: Acronyms

| ACRONYM | DESCRIPTION | ACRONYM | DESCRIPTION |
|----------------|--|----------------|--|
| BVA | Board of Veterans Appeals | OPIA | Office of Public and Intergovernmental Affairs |
| CAE | Office of Corporate Analysis and Evaluation | OPP | Office of Policy and Planning |
| CRP | Capabilities Requirements Plan | OSP | Office of Strategic Planning |
| DoD | Department of Defense | OSP | Office of Operations, Security, and Preparedness |
| DEPSECVA | Deputy Secretary Department of Veterans Affairs | OSVA | Office of Secretary Veterans Affairs |
| FTE | Full-time Equivalent | PAR | Performance and Accountability Report |
| FY | Fiscal Year | PB | President's Budget |
| GAO | Government Accounting Office | PIB | Programming Integration Board |
| HRA | Office of Human Resources and Administration | PIT | Programming Integration Team |
| IPT | Integrated Project Team | QSPP | Quadrennial Strategic Planning Process |
| NCA | National Cemetery Administration | R&D | Research and Development (Medical) |
| OALC | Office of Acquisition, Logistics, and Construction | RDMB | Requirements Development and Management Board |
| OCLA | Office of Congressional and Legislative Affairs | ROI | Return on Investment |
| OGC | Office of General Counsel | SCIP | Strategic Capital Investment Planning Process |
| OHRA | Office of Human Resources and Administration | SECVA | Secretary of Veterans Affairs |
| OIG | Office of Inspector General | VA | Department of Veterans Affairs |
| OIT | Office of Information and Technology | VARB | VA Requirements Board |
| OM | Office of Management | VBA | Veterans Benefits Administration |
| OMB | Office of Management and Budget | VHA | Veterans Health Administration |

FY 2018-2022
Internal Programming
Guidance

Department of Veteran Affairs Programming Guidance
FY 2018–2022 Cycle

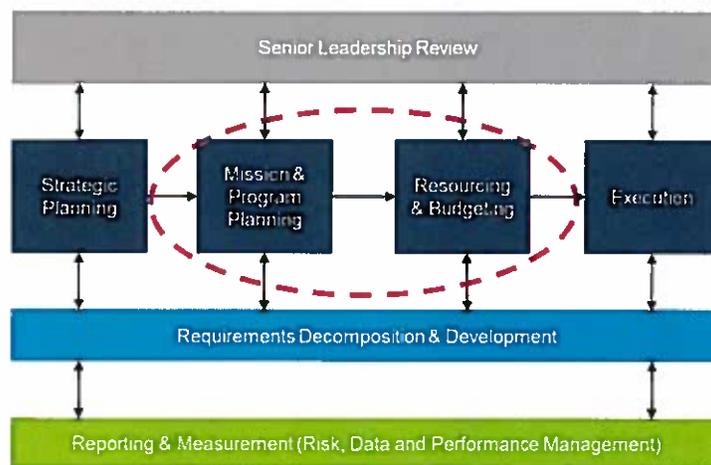
The following information provides VA-wide guidance on overall Programming parameters for the FY 2018–2022 cycle.

VA leadership has stressed that the Department must take a fundamentally different approach to identifying resource requirements. In the past, VA developed a budget based on an incremental approach from the previous year, and the Department has struggled to integrate a long range planning and programming process with its budget requests. This has not served Veterans well. Instead, multi-year resource requirements should be articulated in order to build a defensible budget and optimize services to all Veterans.

The Department's Programming process is the forcing function that provides us with the disciplined framework to develop, assess, and prioritize our multi-year requirements from the Veteran's perspective in order to effectively achieve our mission.

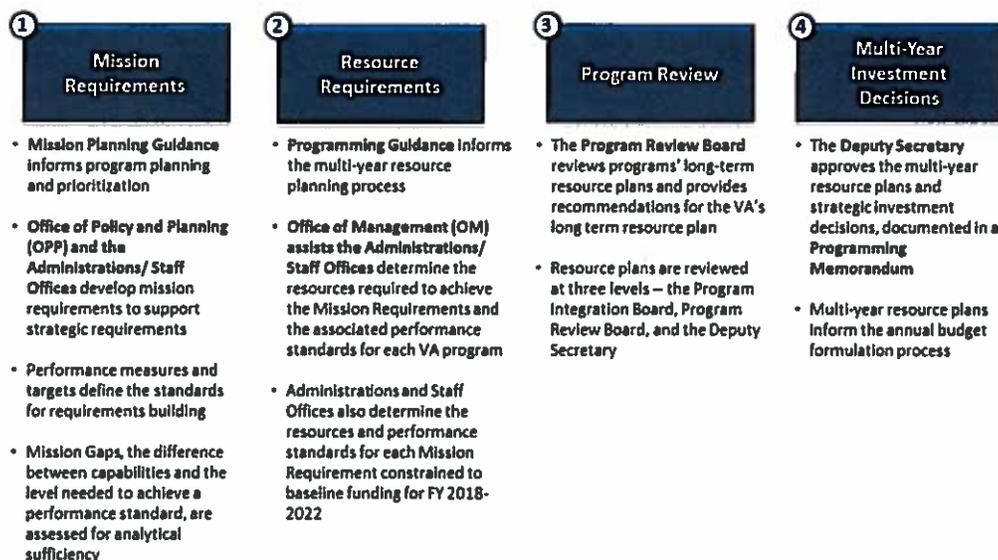
Deputy Secretary Sloan D. Gibson – VA Programming Process Memorandum, May 18, 2015

A vital part of the MyVA transformation involves establishing and improving Department management systems in order to move to a true requirements-driven, multi-year resource allocation process. To this end, VA has adopted a requirements-based planning, programming and budgeting process known as Managing for Results (MFR). This process allows us to connect our forecasting of Veterans' needs (requirements) to our strategy and resource planning (budget), in order to optimize our services to Veterans. The diagram below illustrates the overall MFR framework:



The diagram below breaks out the four steps in VA's multi-year resource allocation process (circled above) that begins with the issuance of Planning Guidance and this Programming

Guidance and concludes with the approval of the Programming Memorandum that informs the annual budget formulation process:



(1) Mission Requirements

The Office of Policy and Planning (OPP) is responsible for coordinating the development of baseline Mission Requirements, Performance Standards for each VA program, as well as identifying Mission Requirement Gaps and the establishment of VA Initiatives to fill those gaps. For more information on Mission Requirements and Initiatives see OPP's FY 2018-2022 VA Planning Guidance.

(2) Resource Requirements

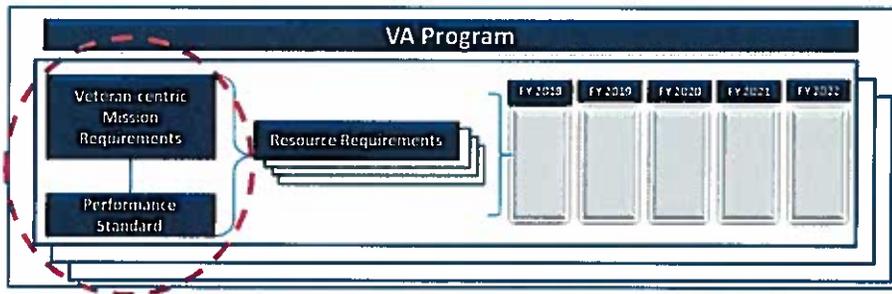
The Office of Management (OM) will assist the Administrations and Staff Offices in determining the resources required to achieve the program Mission Requirements. This VA Programming cycle will capture both discretionary and mandatory funds for each VA Program from all Administrations and Staff Offices. OM has revised the program list (Appendix B) for this Programming cycle to more clearly align with the established VA budget structure presented in the President's Budget submission. Programming decisions will be published in a Programming Memorandum to inform FY 2018 budget formulation guidance.

The primary deliverable for each Administration and Staff Office in the FY 2018–2022 Programming cycle is a Program Briefing articulating the resources needed to support their Veteran-centric Mission Requirements across a five-year time horizon.

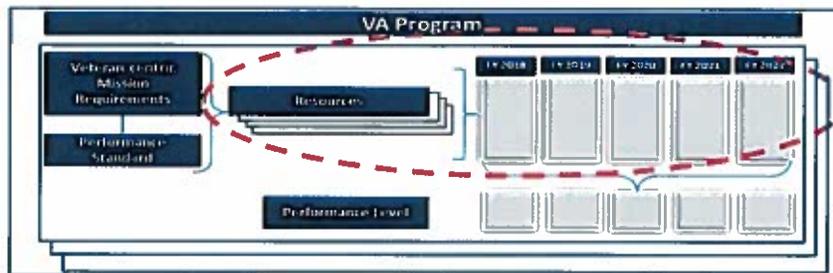
Program Briefings present the long-term resource plans and associated challenges captured in each Capability Requirements Plan (CRP). CRP's link Mission Requirements with Resource Requirements. The Office of Programming, Analysis and Evaluation (PAE) will provide CRP training and will be available to assist organizations throughout the CRP development process.

All Administrations and Staff Offices will submit CRPs for each VA Program listed in Appendix B by **February 29, 2016**. Each CRP will identify three key programming elements:

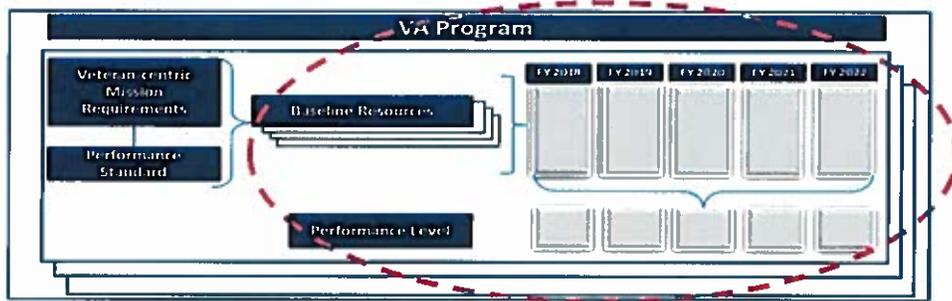
- A. Veteran-centric Mission Requirement(s) and Performance Standards for FY 2018-2022. These Mission Requirements and Performance Standards are developed during the FY 2018-2022 Planning phase led by OPP.
 - a. Mission Requirements are defined as the outcome or output that a program is required to achieve to satisfy a strategic requirement as identified in the VA Strategic Plan.
 - b. Performance Standards are defined as the level of performance to be accomplished within a timeframe, expressed as a tangible, measurable objective, or as a quantitative standard, value, or rate.



- B. The resources required to achieve the Veteran-centric Mission Requirement(s) and Performance Standards identified in section A. For each program, determine the resources needed to achieve the Veteran-centric Performance Standards identified in the previous step. Administrations and Staff Offices will identify all related support service requirements such as information technology, human resources, acquisitions, security, etc. to facilitate cross-functional integration discussion and to ensure a holistic view of each VA program. Staff Offices will not account for support service requirements where centrally provided (i.e. computers by OI&T, or human resource specialist support by OHR&A). However, for a Staff Office major program (such as the Financial Management System modernization within OM), the portion that is supported by the project office will be accounted for by the Staff Office, but hardware and software programming costs will be programmed by OI&T.
 - a. Resource requirements are defined as personnel, equipment, facilities, or services (specified by quantities for specific periods of time) needed to achieve a specified Performance Standard for a Veteran-centric Mission Requirement.



- C. Resources and Performance Standards for Veteran-centric Mission Requirement(s) **constrained** to baseline funding for FY2018–2022. The baseline for FY 2018–2022 is VA’s 2016 President’s Budget submission level. Funding estimates for FY 2018–2022 will be provided by OM to Administrations and Staff Offices. By comparing the Performance Standards at the constrained resource levels with the Veteran-centric Mission Requirement Performance Standard, Administrations and Staff Offices will identify Resource Gaps. Administrations and Staff Offices will identify efficiencies and/or tradeoffs to mitigate Resource Gaps. Submissions must clearly articulate the impact on performance achievement if a Mission Gap is not resourced.
- a. Mission Gaps are defined as the difference between existing capability (current performance) of a VA Program and the current or projected Veteran-centric Mission Requirements (desired performance).



(3) Program Review

PAE will compile the Administrations' and Staff Offices' five-year resourcing plans. PAE will assist with cross-functional integration of interdependent resources and facilitate development of Program Briefings by providing briefing templates and expertise. In March, the Interim Secretary for Management / Interim Chief Financial Officer will chair a Program Review Board with senior leaders from each organization at the Deputy Under Secretary level or higher to review Program Briefings prior to briefing the Deputy Secretary (DEPSEC). In April, Administrations and Staff Offices will present their five-year program resource plans to the DEPSEC for approval or modification.

(4) Multi-Year Investment Decisions

The DEPSEC's Programming decisions will be published in a Programming Memorandum to inform VA's 2018 budget formulation guidance.

Appendix A (Important Dates for Planning and Programming Cycle)

| Target Completion Date | Office Lead | Action |
|---------------------------|-------------|---|
| February, 2016 | OPP | Publish the FY 2018-2022 Planning Guidance |
| February, 2016 | OM | Publish the FY 2018-2022 Programming Guidance |
| February, 2016 | OM | PAE conducts FY 2018-2022 Programming seminars with action officers |
| February 19, 2016 | OPP | Administrations and Staff Offices submit Mission Requirements deliverables to OPP |
| February 29, 2016 | OM | Administrations and Staff Offices submit Programming deliverables to PAE |
| February - March 2016 | OPP | OPP compiles and assesses Planning deliverables |
| February - March 2016 | OM | PAE compiles and assesses Programming deliverables |
| March 14-18, 2016 | OM | Staff Offices conduct Program Briefing Review with CFO |
| March 21-25, 2016 | OM | Staff Office Program Briefings to Chief of Staff |
| March 28-31, 2016 | OM | Administrations conduct Program Briefing Review with CFO |
| April 1-7, 2016 | OM | DEPSEC briefing on FY 2018-2022 program resource plans |
| April 8, 2016 | OM | DEPSEC approves Programming Memorandum (PM) |
| April 11, 2016 | OPP | Assignment / Designation of Initiative Decision Authorities and Program Managers |
| Late April/Early May 2016 | OM | FY2018 Budget Call Memo Issued [Exact Date TBD] |
| Early June 2016 | OM | Budget Exhibits/Deliverables Due to Office of Budget (OB) [Exact Date TBD] |
| NLT September 2017 | OPP | FY18 Initiative Plans Approved |
| October 1, 2018 | OPP | FY18 Initiative Execution Begins |

Appendix B (VA Program List)

| Org. | # | Program | |
|----------------|---------------------|--|---|
| SSE | 1 | Support Services Excellence | |
| VHA | 1 | Health Care Services | |
| | 2 | Long-Term Services and Supports | |
| | 3 | Homeless Veterans Programs | |
| | 4 | Care in the Community | |
| | 5 | Veterans Choice Act | |
| | 6 | Other Health Care programs (CHAMPVA, Spina Bifida, Foreign Medical Program, Children of Women Vietnam Veterans, Indian Health Services, Camp Lejeune, Readjustment Counseling, etc.) | |
| | 7 | Caregivers Program | |
| | 8 | Facility Leasing | |
| | 9 | Medical and Prosthetic Research | |
| | 10 | Non-Recurring Maintenance | |
| | 11 | Major Construction | |
| | 12 | Minor Construction | |
| OIT | DME | 1 | Development Modernization Enhancement (DME) |
| | | 2 | Marginal Sustainment |
| | Ops. & Maint. | 3 | Regular Infrastructure Upgrades |
| | | 4 | Critical Infrastructure |
| | | 5 | Activations |
| | | 6 | Information Security/CRISP |
| | | 7 | VACAA Sustainment |
| | | 8 | Mandatory Sustainment |
| | Staffing and Admin. | 9 | VACAA Staffing |
| | | 10 | Support Services |
| | | 11 | Staffing |
| NCA | 1 | Operations and Maintenance | |
| | 2 | Major Construction | |
| | 3 | Minor Construction | |
| | 4 | Grants for construction of Veterans Cemeteries | |
| | 5 | Facilities Operation Fund | |
| | 6 | National Cemetery Gift Fund | |
| | 7 | Burial Benefits (From the C&P appropriation which includes Headstones & Markers; Graveliners & Outer Burial Receptacles (OBR) Reimbursements, and Casket & Urn) | |
| VBA | 1 | Disability Compensation Benefits (Mandatory) | |
| | 2 | Pensions, Dependency and Indemnity Compensation, Burial and Fiduciary Benefits (Mandatory) | |
| | 3 | Education Benefits (Mandatory) | |
| | 4 | Vocational Rehabilitation and Employment (Mandatory) | |
| | 5 | Housing Program (Mandatory) | |
| | 6 | Insurance Benefits (Mandatory) | |
| | 7 | General Operating Expenses (Discretionary) | |
| | 8 | Major Construction | |
| | 9 | Minor Construction | |
| VBA/BVA | 1 | Appeals* | |
| General Admin. | 1 | Office of the Secretary | |
| | 2 | Office of General Counsel | |
| | 3 | Office of Management | |
| | 4 | Office of Human Resources and Administration | |
| | 5 | Office of Policy and Planning | |
| | 6 | Office of Operations Security and Preparedness | |
| | 7 | Office of Public and Intragovernmental Affairs | |
| | 8 | Office of Congressional and Legislative Affairs | |
| | 9 | Office of Acquisitions, Logistics and Construction | |
| | 10 | Veterans Experience | |
| | 11 | Major Construction | |
| | 12 | Minor Construction | |
| Total | 53 | *Appeals are processed by VBA, VHA, NCA, OGC, and BVA | |

Appendix C (VA Programming Process Memorandum)

Memorandum

Department of
Veterans Affairs

Date: **MAY 18 2015**

From: Deputy Secretary (001)

Subj: VA Programming Process

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

1. The purpose of this memorandum is to convey the urgent need to articulate VA's mission and resource requirements, based on performance standards, in order to have a defensible budget and optimize our services to all Veterans. We must better understand the downstream impact of decisions made today and build a more defensible budget in a resource constrained environment.
2. As stressed in the 2017 Internal Budget Guidance, we must take a fundamentally different approach to identifying resource requirements. In the past, VA developed a budget based on an arbitrary total, and managed to that total. This approach has not served Veterans well – requirements are not identified, known requirements are not fully resourced, and resources are not clearly linked to achieving a goal that ensures a high quality Veteran experience. From now on, each organization must present a budget that fully identifies requirements, is explicit about how the requested resources will meet those requirements, and quantifies the Veteran-centered standard that will be achieved with the resources requested.
3. The Department's Programming process is the forcing function that provides us with the disciplined framework to develop, assess, and prioritize our multi-year requirements from the Veteran's perspective in order to effectively achieve our mission. We must continue to mature this process, both at the enterprise and at the sub-enterprise levels, to better serve our Veterans.
4. We must use the momentum of the 2017-2021 Programming effort and the 2017 budget process to develop integrated, evidence-based requirements, synchronized with support services, such as facilities, staffing, and IT to account for interdependencies and ensure a holistic view of required resources. Before requesting additional resources, we must first look for efficiencies and trade-offs within our base, as well as non-resource alternative solutions.
5. I am charging the Office of Policy and Planning to lead the enterprise-wide requirements development process with complete participation and support from the Administrations and Staff Offices. I expect everybody's full cooperation.
6. I expect the VA Requirements Board, co-chaired by the Office of Policy and Planning and the Office of Management, to ensure cross-functional integration across the enterprise and make recommendations to me and the Secretary on prioritized long-term investment decisions.
7. If you have any questions, please contact Subhi Mehdi, Executive Director, Office of Corporate Analysis and Evaluation at (202) 461-5752 or subhi.mehdi@va.gov.


Sloan D. Gibson