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Highlights

Highlights of [GAO-03-326](#), a report to the Honorable John D. Rockefeller IV, U.S. Senate

Why GAO Did This Study

The Department of Veterans Affairs (VA) has changed from a hospital-based system to primary reliance on outpatient care. As a result, VA expects that the number of unneeded buildings will increase. Veterans' needs could be better served if VA finds ways to minimize resources devoted to these buildings. VA must have an effective process to find alternate uses or dispose of unneeded property. In August 2002, VA completed a pilot test for realigning its health care system in the Great Lakes network. The pilot identified 30 buildings that are no longer needed to provide health care to veterans. VA is currently studying how to realign assets in its 20 remaining networks. GAO was asked to review VA's management of unneeded buildings in its Great Lakes network.

What GAO Recommends

GAO recommends that the Secretary of Veterans Affairs conduct a pilot test in the Great Lakes network of its newly developed model for managing vacant buildings and make modifications, if needed, to ensure that it will provide an effective decision-making tool that could be used in the remaining networks. VA concurred with this recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-03-326.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Cynthia A. Bascetta at (202) 512-7101.

VA HEALTH CARE

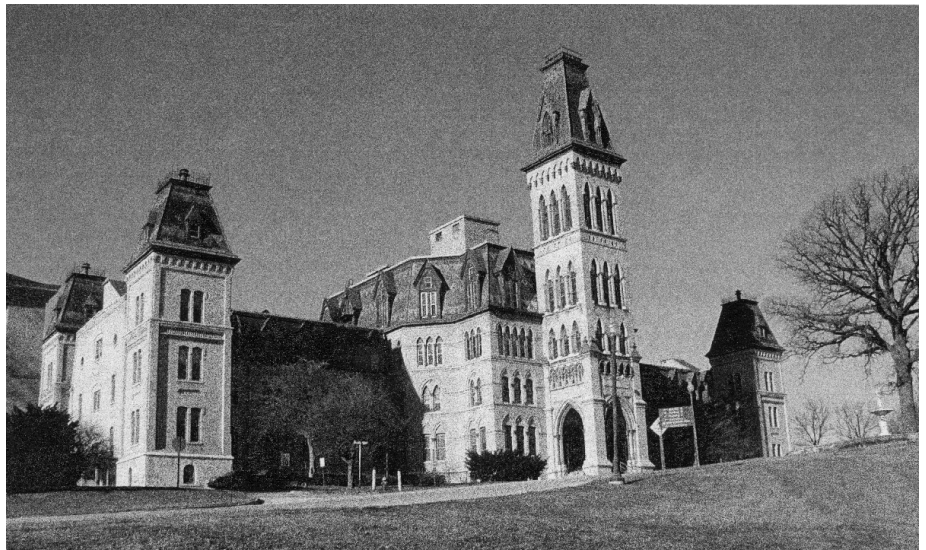
Improved Planning Needed for Management of Excess Real Property

What GAO Found

The Great Lakes network has developed or implemented alternative use or disposal plans for 21 of the 30 unneeded, vacant buildings. VA has leased 10 of the buildings to the Chicago Medical School and is negotiating a lease for 3 buildings with Catholic Charities of Chicago. Four buildings were demolished, and 4 buildings will be demolished in order to construct new facilities or to expand an existing cemetery.

The network identified three obstacles that hinder alternative use or planning for the remaining buildings:

- VA has been unable to find organizations interested in using the vacant, unneeded buildings due primarily to their location or physical condition.
- VA may spend more to demolish buildings than it would spend to maintain the buildings as is.
- VA is reluctant to transfer disposal responsibility for the buildings to the General Services Administration, primarily because (1) VA would incur costs for environmental and other requirements that could exceed potential savings through avoidance of routine maintenance costs, and (2) any proceeds may only be used for the construction of VA nursing homes.



Source: VA.

Vacant building at the health care facility in Milwaukee, Wis., for which the Great Lakes network has no alternate use or disposal plan.