



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 26, 2005

**H.R. 4061
Department of Veterans Affairs Information Technology
Management Improvement Act of 2005**

*As ordered reported by the House Committee on Veterans' Affairs
on October 20, 2005*

H.R. 4061 would direct the Secretary of the Department of Veterans Affairs (VA) to ensure that the department's Chief Information Officer (CIO) has the authority to control the policy and procedures related to information technology (IT) throughout the department. The bill would direct the Secretary, acting through the CIO, to develop and implement a process for the selection and oversight of IT systems within VA, and to develop a strategic plan for IT systems that includes an integrated enterprise architecture. Finally, the bill would specify that funds appropriated to the department for IT be obligated according to plans and processes established by the CIO and would direct the Secretary of VA to submit periodic progress reports to the Congress on the implementation of the requirements set forth in this legislation.

VA currently has a decentralized system of IT development and management. Each of the three organizations within VA—the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA)—develops and manages its own IT functions, with much of the development and maintenance occurring at the local or regional levels. According to VA, the department recently decided to change its IT system so that the CIO will gain control over much of the IT budget and other resources but VHA, VBA, and NCA will still control software development and management. VA indicates it has yet to determine the costs associated with implementing this new model.

H.R. 4061 would require VA to adopt a more centralized approach that would give the CIO authority over almost all IT-related functions. Based on information provided by VA, CBO expects it would likely cost several hundred million dollars to implement either model of IT

management within the department. However, because VA has not yet determined exactly how it would implement its planned new approach to IT management, or what it would cost, CBO has no basis for estimating whether the centralized approach required under the bill would be more or less costly to implement than VA's current plans.

H.R. 4061 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Michelle S. Patterson. This estimate was approved by Robert Sunshine, Assistant Director for Budget Analysis.