

**Department of Veterans Affairs Organizational Changes Policy**

- 1. REASON FOR ISSUE.** To update the Department of Veterans Affairs (VA) policy on organizational changes.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES.** This directive sets forth policy, roles, and responsibilities for organizational changes.
- 3. RESPONSIBLE OFFICE.** Deputy Assistant Secretary for Policy (008A), Office of Policy and Planning (008).
- 4. RESCISSION.** MP-1, Part I, Chapter 7.

**CERTIFIED BY:**

/s/  
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**BY DIRECTION OF THE SECRETARY  
OF VETERANS AFFAIRS:**

/s/  
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Office of Policy and Planning

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## Department of Veterans Affairs Organizational Changes Policy

**1. PURPOSE.** This directive establishes VA's updated policy on all organizational changes and applies to all organizational units in the Department.

### 2. DEFINITIONS.

**a. Administration.** A generic term used to identify one of the three major VA operational elements:

- (1) Veterans Health Administration (VHA);
- (2) Veterans Benefits Administration (VBA); and
- (3) National Cemetery Administration (NCA).

When VHA, VBA, and NCA are referred to as a group, the term "Administrations" may be used.

**b. Department.** A generic reference to the entire Department of Veterans Affairs, which includes VA Central Office and all field facilities.

**c. Functional Organization Manual.** The authoritative source for all information relating to the VA organizational structure providing stakeholders with a single reference that describes what gets done, by whom, for whom and under what authorities in the VA.

**d. Organizational Change.** An organizational change is any VA-initiated change to an organizational unit. An organizational change may also be referred to as a restructuring, realignment, and organizational modification. An organizational change includes, but is not limited to:

- (1) Establishment, abolishment, transfer or consolidation of an organizational unit.
- (2) Change in the name of an organizational unit.
- (3) Addition, modification, abolishment, or transfer of a function to, from, or within an organizational unit.

**e. Organizational Unit.** Per Office of Personnel Management (OPM) guidance, this term refers to any component, subdivision, or group of employees that is directed by a supervisory position. A supervisor is an employee that accomplishes work through the direction of subordinate employees.

**f. Staff Office.** A generic term used to identify one of the offices included under VA Central Office. This does not refer to VA Administrations (i.e., VHA, VBA, NCA) nor does it refer to medical facilities, regional offices, or cemeteries.

### 3. POLICY.

**a. General.** VA is a complex organization with diverse and unique organizational units spread across the nation. It is VA's policy to utilize structures that provide efficient and effective means for accomplishing assigned functions within the bound of available resources. The primary objective of any organizational change should be enhanced effectiveness and productivity. Constraints such as budget limitations, legal and regulatory requirements, and personnel impacts must be factored into the consideration of proposed organizational changes.

**b. Definition and Scope.** An organizational change is any VA-initiated change to an organizational unit. An organizational change may also be referred to as a restructuring, realignment, and organizational modification. An organizational change includes, but is not limited to:

- (1) Establishment, abolishment, transfer or consolidation of an organizational unit.
- (2) Change in the name of an organizational unit.
- (3) Addition, modification, abolishment, or transfer of a function to, from, or within an organizational unit.

This directive encompasses VA's policy concerning all such organizational changes to the Department.

**c. Authority for Approving Organizational Changes.** The Secretary will approve all changes that require submission of a plan, justification, or notification to Congress, pursuant to 38 USC 510 and applicable appropriations laws. As set forth in 38 USC 510, certain organizational changes occurring at Central Office and in the field trigger requirements to notify and/or report to Congress prior to implementing such organizational changes. See Appendix A for 38 USC 510 requirements. The Office of General Counsel (OGC), Office of Management (OM), and Office of Congressional and Legislative Affairs (OCLA) will provide guidance on those organizational changes triggering such congressional notifications and reports. All other organizational changes that do not require approval by the Secretary may be approved by Under Secretaries, Assistant Secretaries, and Other Key Officials through internal policies and procedures.

**d. Administration and Staff Office Policies and/or Procedures.** Under Secretaries, Assistant Secretaries, and Other Key Officials must develop and implement internal policies and/or procedures for addressing all organizational changes. These policies and/or procedures must include requirements for approval, consultations, documentation, communication, and implementation.

**e. Consultations.** All VA organizations proposing an organizational change must ensure that all potential matters, issues, and concerns related to organizational changes are considered and addressed. Such matters as personnel impacts and budget constraints should be addressed early in the process. Authorities approving

organizational changes are responsible for determining if the scope or impact of a proposed change requires evaluation from relevant offices within the Department. If so determined, this is achieved through consultation as outlined in the checklist located in Appendix B.

**f. Documentation of Changes.** Under Secretaries, Assistant Secretaries, and Other Key Officials are responsible for documenting all organizational changes which they approve. Additionally, applicable changes must be provided to the Office of Policy and Planning (OPP) as updates to the Functional Organization Manual (FOM).

**g. Secretary Approval Process.** For those organizational changes requiring the Secretary's approval, guidance regarding specific information that should be documented and submitted to the Secretary can be found in Appendices C and D.

**h. Implementation of Changes.** After an organizational change has been approved, additional actions should be taken to properly implement the change. Specific actions that may be taken can be found in Appendix E.

#### **4. RESPONSIBILITIES.**

**a. Under Secretaries, Assistant Secretaries, and Other Key Officials.** Under Secretaries, Assistant Secretaries, and Other Key Officials, or their designee(s), will:

- (1) Develop internal policies and/or procedures for all organizational changes.
- (2) Ensure that their organizations are aware of and comply with this directive.
- (3) Ensure their organizations provide timely advice and guidance on proposed changes, when solicited by proposing organizations.
- (4) Document all organizational changes that are approved.
- (5) Submit all applicable changes to OPP as updates to the FOM.

**b. Office of Policy and Planning (OPP).** OPP will:

- (1) Provide advice and guidance on complying with this directive.
- (2) Review and update this directive, as necessary, every five (5) years.
- (3) Coordinate updates to the FOM.

#### **5. REFERENCES.**

- a.** 38 U.S.C. Chapter 3, Department of Veterans Affairs

- b.** VA Directive 0211, Functional Organization Manual Management
- c.** VA Directive 5001, System of VA Human Resources Management Directives and Handbooks, General Introduction and Administration
- d.** VA Handbook 5001, System of VA Human Resources Management Directives and Handbooks, General Introduction and Administration
- e.** VA Directive 5003, Position Classification, Job Grading, and Position Management
- f.** VA Handbook 5003, Position Classification, Job Grading, and Position Management
- g.** VA Directive 5005, Staffing
- h.** VA Handbook 5005, Staffing
- i.** 38 U.S.C. 510, Authority to Reorganize Offices
- j.** Memorandum on Fiscal Year (FY) 2014 Senior Executive Performance Management Guidelines – Responsibilities of Senior Executives, Rating Officials, and Reviewing Officials, dated February 21, 2014

**38 USC 510**  
**Authority to Reorganize**

(a) Except to the extent inconsistent with law, the Secretary may—

(1) consolidate, eliminate, abolish, or redistribute the functions of the Administrations, offices, facilities, or activities in the Department;

(2) create new Administrations, offices, facilities, or activities in the Department;  
and

(3) fix the functions of any such Administration, office, facility, or activity and the duties and powers of their respective executive heads.

(b) The Secretary may not in any fiscal year implement an administrative reorganization described in subsection (c) unless the Secretary first submits to the appropriate committees of the Congress a report containing a detailed plan and justification for the administrative reorganization. No action to carry out such reorganization may be taken after the submission of such report until the end of a 45-day period following the date of the submission of the report, not less than 30 days of which shall be days during which Congress shall have been in continuous session. For purposes of the preceding sentence, continuity of a session of Congress is broken only by adjournment sine die, and there shall be excluded from the computation of any period of continuity of session any day during which either House of Congress is not in session during an adjournment of more than three days to a day certain.

(c) An administrative reorganization described in this subsection is an administrative reorganization of a covered field office or facility that involves a reduction during any fiscal year in the number of full-time equivalent employees with permanent duty stations at such office or facility—

(1) by 15 percent or more; or

(2) by a percent which, when added to the percent reduction made in the number of such employees with permanent duty stations at such office or facility during the preceding fiscal year, is 25 percent or more.

(d)(1) Not less than 30 days before the date on which the implementation of any administrative reorganization described in paragraph (2) of a unit in the Central Office is to begin, the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a notification regarding the reorganization.

(2) Paragraph (1) applies to an administrative reorganization of any unit of the Central Office that is the duty station for 30 or more employees if the reorganization involves a reduction in any fiscal year in the number of full-time equivalent employees with permanent duty station in such unit by 50 percent or more.

(e) For purposes of this section, the term “administrative reorganization” does not include a consolidation or redistribution of functions at a covered field office or facility, or between components of the Veterans Benefits Administration and the Veterans Health Administration at a Department medical and regional office center, if after the consolidation or redistribution the same number of full-time equivalent employees continues to perform the affected functions at that field office, facility, or center.

(f) For purposes of this section:

(1) The term “covered field office or facility” means a Department office or facility outside the Central Office that is the permanent duty station for 25 or more employees or that is a free-standing outpatient clinic.

(2) The term “detailed plan and justification” means, with respect to an administrative reorganization, a written report that, at a minimum, includes the following:

(A) Specification of the number of employees by which each covered office or facility affected is to be reduced, the responsibilities of those employees, and the means by which the reduction is to be accomplished.

(B) Identification of any existing or planned office or facility at which the number of employees is to be increased and specification of the number and responsibilities of the additional employees at each such office or facility.

(C) A description of the changes in the functions carried out at any existing office or facility and the functions to be assigned to an office or facility not in existence on the date that the plan and justification are submitted pursuant to subsection (b).

(D) An explanation of the reasons for the determination that the reorganization is appropriate and advisable in terms of the statutory missions and long-term goals of the Department.

(E) A description of the effects that the reorganization may have on the provision of benefits and services to veterans and dependents of veterans (including the provision of benefits and services through offices and facilities of the Department not directly affected by the reorganization).

(F) Estimates of the costs of the reorganization and of the cost impact of the reorganization, together with analyses supporting those estimates.

**Consultation Matters Checklist**

The following is a checklist detailing matters on which to consult with specific offices:

<u>No.</u>	<u>Matter</u>	<u>Date Completed</u>
<b>Office of Human Resources and Administration (OHRA)</b>		
1	Personnel impact; staffing requirements, promotions, transfers; effect on average grade and employment ceiling of units involved and salary costs or savings; potential for adverse impact (downgrade, separation, reduction in force, etc.), if any, on current employees; impact upon bargaining unit employees and Title 38 employees; labor and union issues.	
2	Mission and functions requirements.	
3	Leasing and space issues in DC metropolitan area.	
4	Changes to information systems, including organizational codes (each organization must have codes for all offices and sub-offices).	
<b>Office of Policy and Planning (OPP)</b>		
5	Updates to the Functional Organization Manual (FOM).	
6	Compliance with this directive.	
7	Requirements for SECVA approval.	
<b>Office of General Counsel (OGC)</b>		
8	Legal or regulatory (rulemaking and notice) requirements.	
9	Congressional notification and reporting requirements, including those mandated under 38 USC 510.	
<b>Office of Management (OM)</b>		
10	Budget and funding issues.	
11	Congressional notification and reporting requirements, including those required under any applicable appropriations laws.	
12	Changes to information systems, including accounting codes.	
13	Required performance measures tied to external reporting requirements (to OMB, Congress, and/or public), internal management reviews, and Senior Executive Service (SES) measures.	
<b>Office of Information Technology (OIT)</b>		
14	Information technology needs and concerns.	
15	Changes to information systems.	
<b>Office of Congressional and Legislative Affairs (OCLA)</b>		
16	Congressional notification and reporting requirements.	
<b>Office of Operations, Security and Preparedness (OSP)</b>		
17	Changes to Personnel Security (background investigations and security clearances), HSPD-12 requirements (for PACS/LACS), and physical security concerns.	

**GUIDANCE ON INFORMATION FOR EDM  
FOR APPROVAL BY SECRETARY**

For those organizational changes requiring the Secretary's approval, organizations should consolidate the following information into an executive decision memorandum (EDM).

- (1) Brief description of the proposed organizational change.
- (2) Circumstances which make the organizational change desirable or necessary and any benefits to be obtained.
- (3) Impact the proposed change will have on other organizations within the Department.
- (4) Any sensitive issues that the proposed change will raise.
- (5) Impact on space, equipment, budget and expenses such as travel, office relocation and personnel transfers.
- (6) Personnel impact; staffing requirements, promotions, transfers; effect on average grade and employment ceiling of units involved and salary costs or savings; potential for adverse impact (downgrade, separation, reduction in force, etc.), if any, on current employees; impact upon bargaining unit employees and Title 38 employees; labor and union issues.
- (7) Identification of changes to information systems, including accounting and organizational codes.
- (8) Whether the proposed change will require the Department to notify or provide Congress with a detailed plan and justification for the change, pursuant to law.
- (9) Whether proposed rulemaking is necessary.

**GUIDANCE ON INFORMATION FOR SLIDE DECK  
FOR PRESENTATION TO SECRETARY**

For those changes requiring the Secretary's approval, organizations should develop a slide deck with the following information for presentation to the Secretary as a companion piece to the EDM mentioned in Attachment C.

- (1) Brief description and summary of the proposed organizational change.
- (2) Justification for the proposed change.
- (3) Anticipated impacts, including personnel, budgetary, and resource of the proposed change.
- (4) Any issues of concern.
- (5) Completed consultations.
- (6) Any congressional reporting and notification requirements.
- (7) Any necessary proposed rulemaking.
- (8) Next steps and recommendations.

### GUIDANCE ON IMPLEMENTATION

The following is a list of potential actions that may need to be completed after an organizational change has been approved. This serves as guidance, and is not intended to be a mandatory or exhaustive list of those actions that must occur, as each organizational change will vary.

- Update relevant policies, procedures, forms, and other documents.
- Update internal and external VA websites to reflect the change.
- Provide updates to the functional organization manual (FOM).
- Develop and implement communications plan.
- Draft, finalize, and deliver any required Congressional notification/report.
- Draft, finalize, deliver, and publish any required proposed and/or final rules.
- Contact any necessary offices within the Department to implement change.