



DEPARTMENT OF VETERANS AFFAIRS

Funding Highlights:

- Provides \$61.85 billion, a 10.6 percent increase over 2010 to meet increased demand.
- Prioritizes the specialized care needed by veterans with post-traumatic stress, traumatic brain injury, and other psychological and cognitive health needs.
- Provides advance appropriations for VA's Medical Care in 2013, which requires a multi-year budgeting approach to effectively manage medical care resources across multiple fiscal years.
- Dramatically expands benefits and medical care for veterans' caregivers.
- Increases the historic funding level for the Administration's ongoing efforts to combat veteran homelessness.
- Improves VA responsiveness and efficiency by beginning the implementation of a new paperless system that will provide faster and more accurate benefits claims processing and improve veterans' access to benefits information.
- Reduces spending for construction to focus resources on providing timely, high-quality care and benefits to veterans.

For their dedicated service defending the United States, veterans receive an array of benefits and services. The President's Budget simplifies access to these benefits; ensures that we are meeting the needs of the contemporary veteran population; and invests in the continued modernization of the Department of Veterans Affairs (VA) to meet the 21st Century challenges.

The President's Budget maintains the Administration's commitment to our Nation's veter-

ans and provides \$61.85 billion in discretionary funding (including \$953 million in a contingency fund to address potential costs due to changes in economic conditions), a 10.6 percent increase from 2010. This increase will continue to drive improvements in efficiency and responsiveness in the VA—transforming the Department to better serve veterans and their families at a time when much is being asked of our men and women in uniform.

Adapts and Innovates for

Changing Needs

Prioritizes Specialized Care for Veterans with Psychological and Cognitive Health Needs. The President's Budget includes \$6 billion to enhance the VA's ability to provide the best possible specialized care for post-traumatic stress, traumatic brain injury, and other mental health needs. The Budget makes possible collaborative programs between the Department of Defense and VA that target psychological health, research new evidence-based approaches, and increase outreach to veterans. Those programs will increase our ability to care for the psychological and cognitive conditions that will continue to impact our veteran population for many years to come.

Effectively Utilizes Estimated Savings and Multi-Year Funding to Manage VA Medical Care. The Administration proposes \$52.5 billion in advance appropriations for the VA medical care program in 2013, which enables timely and predictable funding for VA's medical care to prevent our Nation's veterans from being adversely affected by budget delays. Advance appropriations require a multi-year approach to budget planning whereby one year builds off the previous year. For example, estimated savings from management improvements in 2011 and 2012 will be carried forward into the following years to reduce the new appropriations needed in 2012 and 2013. Without the carryover of those resources from 2011 and 2012—currently estimated at \$1.1 billion—VA would need a higher level of appropriations in 2012 and 2013.

Expands Benefits for Veteran's Caregivers. The President's Budget provides \$208 million

for the implementation of the Caregivers and Veterans Omnibus Health Services Act of 2010. The new caregiver benefits and services include training adapted to the veterans' individual care needs, a direct stipend payment, and health care and mental health services. These benefits will enhance the standard of care provided to veterans who need ongoing care through the retention of better trained and more qualified caregivers.

Combats Veteran Homelessness. The President's Budget invests \$939 million to continue the expansion of VA services for homeless and at-risk veterans. These funds will combat veteran homelessness through collaborative partnerships with local governments, non-profit organizations, and the Department of Housing and Urban Development, the Department of Justice, and the Department of Labor.

Reduces Costs and Improves Efficiency

Begins Implementation of a New Paperless Claims System and Other Initiatives to Boost Efficiency and Responsiveness. The President's Budget provides \$183 million for the implementation of a new paperless claims processing system. These funds will allow the VA to move away from its reliance on paper records, thereby improving the speed and efficiency of claims processing while simultaneously enhancing the security of veterans' personal information. Furthermore, the President's Budget reduces spending for construction to focus resources on providing timely, high-quality care and benefits to veterans.

Department of Veterans Affairs

(In millions of dollars)

| | Actual 2010 | Estimate | |
|---|----------------|----------|---------|
| | | 2011 | 2012 |
| Spending | | | |
| Discretionary Budget Authority: | | | |
| Medical Care..... | 44,546 | | 50,851 |
| <i>Medical Collections (non-add)</i> | 2,839 | | 3,078 |
| <i>Total Medical Care including collections (non-add)</i> | 47,385 | | 53,929 |
| Medical Care and Prosthetics Research..... | 581 | | 509 |
| Information Technology..... | 3,307 | | 3,161 |
| Construction..... | 1,980 | | 1,271 |
| Veterans Benefits Administration..... | 1,689 | | 2,019 |
| General Administration..... | 398 | | 448 |
| Housing and Other Credit..... | 166 | | 156 |
| National Cemetery Administration..... | 250 | | 251 |
| Filipino Veterans Equity Compensation Fund..... | 63 | | — |
| Office of Inspector General..... | 109 | | 109 |
| Total, Discretionary budget authority..... | 53,089 | 56,967 | 58,775 |
| <i>Memorandum:</i> | | | |
| <i>American Recovery and Reinvestment Act rescission</i> | -11 | — | — |
| Total, Discretionary outlays..... | 50,751 | 56,574 | 58,764 |
| Mandatory Outlays: | | | |
| Disability Compensation and Pensions: | | | |
| Existing law..... | 47,901 | 71,604 | 53,349 |
| Legislative proposal..... | — | — | 23 |
| Education Benefits..... | 7,374 | 9,782 | 9,924 |
| Vocational Rehabilitation and Employment..... | 760 | 820 | 841 |
| Housing (credit): | | | |
| Existing law..... | 405 | 1,135 | 295 |
| Legislative proposal..... | — | — | -86 |
| Insurance..... | 52 | 83 | 100 |
| All other..... | 1,038 | 1,139 | 1,122 |
| Total, Mandatory outlays..... | 57,530 | 84,563 | 65,568 |
| Total, Outlays..... | 108,281 | 141,137 | 124,332 |

Department of Veterans Affairs—Continued

(In millions of dollars)

| | Actual 2010 | Estimate | |
|--|----------------|----------|--------|
| | | 2011 | 2012 |
| Credit activity | | | |
| Direct Loan Disbursements: | | | |
| Vendee and Acquired Loans..... | 251 | 1,082 | 1,236 |
| All other programs..... | 17 | 22 | 13 |
| Total, Direct loan disbursements | 268 | 1,104 | 1,249 |
| | | | |
| Guaranteed Loan Commitments: | | | |
| Veterans Home Loans | 63,140 | 68,407 | 57,575 |