# Department of Veterans Affairs

## *FY 2011 President's Budget*

*February 1, 2010*

# *VA's Budget Supports President's Vision*

- VA's budget request for 2011 supports transformation of VA into a 21st Century organization.

- Resources are focused on three concerns important to Veterans:

  - Easier access to benefits and services
  - Reducing the disability claims backlog
  - Eliminating Veteran homelessness

# *Highlights of Budget Request*

- Budget clearly reflects President's commitment to Veterans

- Second year of large budget increases in VA's discretionary budget -- almost 20% since 2009
  - Total discretionary increase of 7.6% from 2010
  - Unprecedented increase of 27% in 2011 for VBA
  - Medical care accounts up 8.5% in 2011

- Budget continues priorities established by the President and Secretary
  - VBA benefits and claims processing
    - Compensation for new Agent Orange presumptive conditions of $15.8 billion in entitlements fully funded in 2010 and 2011
    - VBA discretionary budget increases by $460 million and 4,048 permanent FTE to address increasing applications and Agent Orange workload spike
  - Secures timely, sufficient, and predictable funding for health care through 2012 with advance appropriations for VA medical care

# *Highlights of Budget Request (cont.)*

- Homelessness
  - Additional funding of $294 million provided to fully fund the 2011 VA portion of the interagency effort plan to eliminate homelessness
- Access
  - Telehealth funding increases by $42 million in VHA to improve quality and access
  - Expanded and enhanced health care facilities at 39 locations
  - New burial access policy implemented, which includes lowering the population threshold for establishing new national cemeteries
- Management
  - $23.6 million included as part of the President's initiative for improving contracting and acquisition practices.
  - $21.6 for strengthening management infrastructure in areas such as financial management, facilities planning, and human resources
  - Enhanced-Use lease authority proposed for a 10-year extension
  - Construction management strengthened through an increase in resident engineers

# Discretionary/Entitlements

**2011 President's Budget**
**$125.0 Billion**
*(includes collections)*

# 2011 Budget
($ in millions)

| | 2009 [1] Actual | 2010 Current Estimate | 2011 Presidents Budget | $ Change 2010 V. 2011 | % Change 2010 V. 2011 |
|---|---|---|---|---|---|
| Medical Services [2] | 30,780 | 34,723 | 37,136 | 2,414 | 7% |
| Medical Support & Compliance | 4,406 | 4,930 | 5,307 | 377 | 8% |
| Medical Facilities | 5,029 | 4,859 | 5,740 | 881 | 18% |
| Subtotal Medical Care Appropriations | 40,214 | 44,512 | 48,183 | 3,672 | 8% |
| Collections | 2,767 | 3,026 | 3,355 | 329 | 11% |
| Total, Medical Care with Collections | 42,981 | 47,538 | 51,538 | 4,001 | 8.42% |
| Medical Research | 510 | 581 | 590 | 9 | 2% |
| VBA | 1,461 | 1,689 | 2,149 | 460 | 27% |
| General Administration | 336 | 398 | 463 | 66 | 17% |
| Total, General Operating Expenses | 1,797 | 2,087 | 2,612 | 525 | 25% |
| NCA | 230 | 250 | 251 | 1 | 0% |
| Construction-Major and Minor | 1,665 | 1,897 | 1,619 | -278 | -15% |
| Grants for State Extended Care Facilities | 175 | 100 | 85 | -15 | -15% |
| Grants for State Cemeteries | 42 | 46 | 46 | 0 | 0% |
| Information Technology | 2,748 | 3,307 | 3,307 | 0 | 0% |
| Inspector General | 88 | 109 | 109 | 0 | 0% |
| Loan Administration Funds | 158 | 166 | 165 | -1 | -1% |
| Filipino Veterans Equity Comp. Fund | 198 | 0 | 0 | 0 | 0% |
| Subtotal Discretionary without MCCF | 47,825 | 53,054 | 56,966 | 3,912 | 7% |
| Total Discretionary Funding | 50,592 | 56,080 | 60,321 | 4,241 | 8% |
| Total Mandatory Funding | 47,093 | 57,954 | 64,683 | 6,729 | 12% |
| Total VA | 97,685 | 114,035 | 125,004 | 10,970 | 10% |
| 2010 Agent Orange Supplemental | … | 13,377 | … | 0 | 0% |

[1] FY 2009 Excludes Discretionary funding of $1,408.2B and $700M in Mandatory Funding from Economic Recovery Act
[2] 2009 and 2010 includes contributions from DoD to the VA/DoD joint sharing fund

# Total FTE

| | FY 2009 | FY 2010 | FY 2011 | Change 2010-2011 | Percent Change |
|---|---|---|---|---|---|
| Medical Services | 172,338 | 178,581 | 179,555 | 974 | 1% |
| Medical Support & Compliance | 39,851 | 41,082 | 41,391 | 309 | 1% |
| Medical Facilities | 23,430 | 23,899 | 23,899 | 0 | 0% |
| VA/DoD | 126 | 127 | 131 | 4 | 3% |
| Medical Research | 3,226 | 3,345 | 3,345 | 0 | 0% |
| Canteen | 3,170 | 3,175 | 3,180 | 5 | 0% |
| National Cemetery Administration | 1,622 | 1,672 | 1,686 | 14 | 1% |
| Information Technology | 6,710 | 7,580 | 7,580 | 0 | 0% |
| Construction | 12 | 19 | 19 | 0 | 0% |
| Veterans Benefit Administration [1] | 16,665 | 17,200 | 21,248 | 4,048 | 24% |
| General Administration | 2,591 | 3,037 | 3,297 | 260 | 9% |
| Inspector General | 509 | 576 | 576 | 0 | 0% |
| Supply Fund | 504 | 832 | 921 | 89 | 11% |
| Franchise Fund | 769 | 893 | 905 | 12 | 1% |
| **Total FTE** | **271,523** | **282,018** | **287,733** | **5,715** | **2%** |

[1] Excludes FTE funded from ARRA--458 FTE in 2009 and 2,297 FTE in 2010

# Medical Care Budget Authority

*($ in billions)*

| | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|
| Collections | $2.767 | $3.026 | $3.355 | $3.679 |
| Appropriations | $40.195 | $44.497 | $48.183 | $50.611 |

# Selected Key Programs

*(Obligations in millions)*

| | 2009 Actual | 2010 Estimate | 2011 Estimate | 2012 Estimate | Change 2010-2011 | Percent Change | Change 2011-2012 | Percent Change |
|---|---|---|---|---|---|---|---|---|
| Mental Health | $4,446 | $4,825 | $5,235 | $5,576 | $410 | 9% | $340 | 6% |
| OEF/OIF | $1,466 | $1,978 | $2,575 | $3,255 | $597 | 30% | $680 | 26% |
| Prosthetics | $1,638 | $1,850 | $1,998 | $2,179 | $148 | 8% | $181 | 9% |
| Spinal Cord Injury | $456 | $497 | $538 | $564 | $41 | 8% | $27 | 5% |
| Rural Health Initiatives [1] | $27 | $440 | $250 | $250 | -$190 | -43% | $0 | 0% |
| Traumatic Brain Injury | $204 | $232 | $261 | $288 | $29 | 13% | $27 | 10% |
| Women Veterans | $180 | $199 | $218 | $243 | $19 | 9% | $25 | 12% |
| Readjustment Counseling | $154 | $172 | $179 | $187 | $7 | 4% | $8 | 4% |
| Long-Term Care | $5,183 | $5,976 | $6,835 | $7,557 | $859 | 14% | $722 | 11% |

[1] Reflects carryover of $190 million in 2010 from the $250 million appropriated in 2009 for the rural health initiative.

# *Change in Medical System Users*

| | 2009 Actual | 2010 Estimate | 2011 Estimate | 2012 Estimate | Change 2010-2011 | Percent Change | Change 2011-2012 | Percent Change |
|---|---|---|---|---|---|---|---|---|
| Priority 1-6 | 3,874,957 | 3,895,130 | 3,989,871 | 4,074,126 | 94,741 | 2.4% | 84,255 | 2.1% |
| Priority 7-8 | 1,346,626 | 1,497,766 | 1,560,447 | 1,620,845 | 62,681 | 4.2% | 60,398 | 3.9% |
| Subtotal Veterans | 5,221,583 | 5,392,896 | 5,550,318 | 5,694,971 | 157,422 | 2.9% | 144,653 | 2.6% |
| CHAMPVA / Non-Veterans | 523,110 | 533,406 | 544,888 | 553,592 | 11,482 | 2.2% | 8,704 | 1.6% |
| **Total Unique Patients** | **5,744,693** | **5,926,302** | **6,095,206** | **6,248,563** | 168,904 | 2.9% | 153,357 | 2.5% |
| OEF/OIF (Incl. Above) | 332,945 | 382,487 | 439,271 | 496,055 | 56,784 | 14.8% | 56,784 | 12.9% |

# *Medical and Prosthetic Research Total Resources*

*($ in millions)*

| | 2009 | 2010 | 2011 |
|---|---|---|---|
| Other Grants | $195 | $195 | $195 |
| Federal Grants | $515 | $515 | $515 |
| Appropriation | $510 | $581 | $590 |

Note: Additional resources are included in medical care to support research

# Veterans Benefits Administration Budget Authority

*($ in millions)*

| | 2009 | 2010 | 2011 |
|---|---|---|---|
| Housing & Other Credit | $118 | $125 | $137 |
| General Operating Expenses | $1,461 | $1,689 | $2,149 |

# Veterans Benefits Administration
## (Employment)

| | FY 2009 | FY 2010 | FY 2011 | Change [1] 2010-2011 | Percent Change |
|---|---|---|---|---|---|
| VBA Total [1] | 16,665 | 17,200 | 21,248 | 4,048 | 24% |
| Comp & Pensions | 12,786 | 13,049 | 16,968 | 3,919 | 30% |
| Education | 1,372 | 1,576 | 1,698 | 122 | 8% |
| Voc Rehab | 1,273 | 1,295 | 1,286 | -9 | -1% |
| Housing and other Credit | 886 | 894 | 933 | 39 | 4% |
| Insurance | 348 | 386 | 363 | -23 | -6% |

[1] Excludes FTE funded from ARRA--458 FTE in 2009 and 2,297 FTE in 2010

# National Cemetery Administration
## Budget Authority
*($ in millions)*

| | 2009 | 2010 | 2011 |
|---|---|---|---|
| Appropriation | $230 | $250 | $251 |

# *Information Technology Budget Authority*

*($ in millions)*

| | 2009 | 2010 | 2011 |
|---|---|---|---|
| Pay & Admin. | $762 | $939 | $966 |
| Projects | $1,986 | $2,368 | $2,341 |

# Capital Programs
## Total Resources

*($ in millions)*

| | 2009 | 2010 | 2011 |
|---|---|---|---|
| Cemetery Grants | $42 | $46 | $46 |
| Extended Care Grants | $175 | $100 | $85 |
| Minor Construction | $742 | $703 | $468 |
| Major Construction | $923 | $1,194 | $1,151 |

# Major Construction Projects 2011 Request

| Location | Description | Estimate ($ in 000s) |
|---|---|---|
| ***VHA*** | | |
| Denver, CO | New Medical Facility | $450,700 |
| New Orleans, LA | New Medical Facility | 310,000 |
| Palo Alto, CA | Polytruama/Ambulatory Care | 30,000 |
| Omaha, NE | Replacement Facility (Design) | 56,000 |
| Alameda Point, CA | Outpatient Clinic and Columbarium (Design) | 17,332 |
| ***Total VHA*** | | ***$864,032*** |
| ***NCA*** | | |
| Los Angeles, CA - National Cemetery | Columbarium Expansion | $27,600 |
| Tahoma, WA - National Cemetery | Gravesite Expansion & Cemetery Improvements-Phase 2 | 25,800 |
| Indiantown Gap, PA - National Cemetery | Gravesite Expansion & Cemetery Improvement- Phase 4 | 23,500 |
| NCA Land Acquisition Fund | Various Stations | 10,000 |
| ***Total NCA*** | | ***$86,900*** |
| ***Line Items*** | | |
| Advance Planning Fund | Various VHA, NCA, Staff Office Locations | $115,750 |
| Resident Engineer Line Item (includes 140 FTE) | Proposal to strengthen project management | 23,964 |
| Other Line Items | Includes asbestos and hazardous waste disposal, etc. | 60,390 |
| ***Total Line Items*** | | ***200,104*** |
| **Total Request** | | **$1,151,036** |

# Department of Veterans Affairs

## *FY 2011 Supplemental Slides*

*February 1, 2010*

# *Major Performance Outcomes for FY 2011*

- Complete 99% of primary care appointments within 30 days of the desired date
- Increase the number of completed compensation and pension claims from 977 thousand in 2009 to more than 1.2 million in 2011 (a 24% increase)
- Improve the timeliness of processing original claims for education benefits from 26 days in 2009 to 19 days in 2011
- Provide 90.5% of Veterans with a burial option in a national or state Veterans cemetery within 75 miles of their residence

# Critical 2011 Performance Goals

| Performance Goals | 2009 Actual | 2010 Target | 2011 Target | 2012 Target | Strategic Target |
|---|---|---|---|---|---|
| **Health Care** | | | | | |
| Percentage of Appointments Completed Within 30 Days of Desired Date: | | | | | |
| *Primary Care Appointments* | 99% | 98% | 99% | 99% | 99% |
| *Specialty Care Appointments* | 98% | 95% | 96% | 97% | 99% |
| Clinical Practice Guidelines Index | 91% | 86% | 88% | 90% | 90% |
| Prevention Index | 89% | 89% | 90% | 91% | 90% |
| **Benefits Processing** | | | | | |
| Average Completion Times (days) | | | | | |
| *Disability Compensation & Pension Claims* | 161 | 165 | 190 | N/A | 125 |
| *Education Claims (Original)* | 26 | 24 | 19 | N/A | 10 |
| **Burial Benefits** | | | | | |
| Percent of Veterans Served by a Burial Option Within 75 Miles of Their Residence | 87.4% | 87.8% | 90.5% | N/A | 94.0% |
| Percent of Graves in National Cemeteries Marked Within 60 Days of Interment | 95% | 95% | 95% | N/A | 95% |

# *MCCF Collections*

*($ in millions)*

| | 2009 Actual | 2010 Estimate | 2011 Estimate | 2012 Estimate | Change 2010-2011 | Percent Change | Change 2011-2012 | Percent Change |
|---|---|---|---|---|---|---|---|---|
| First-Party Co-Payments | $892 | $915 | $1,035 | $1,072 | $120 | 13% | $37 | 4% |
| *Pharmacy Co-Payments* | 720 | 730 | 830 | 847 | 100 | 14% | 17 | 2% |
| *Other Co-Payments* | 172 | 185 | 205 | 225 | 20 | 11% | 20 | 10% |
| Third-Party Insurance Collections | 1,843 | 2,051 | 2,260 | 2,548 | 209 | 10% | 288 | 13% |
| All Other collections | 63 | 60 | 60 | 59 | 0 | 0% | -1 | -2% |
| **Total Collections** | **$2,798** | **$3,026** | **$3,355** | **$3,679** | $329 | 11% | $324 | 10% |

# MCCF Historical Funding

# Mandatory Programs

*($ in thousands)*

| Mandatory | FY2009 | FY2010 | FY2011 | *Change 2010-2011* | *Percent Change* |
|---|---|---|---|---|---|
| **Entitlement Programs:** | | | | | |
| Compensation and Pensions | $42,805,909 | $47,923,117 | $53,492,234 | **$5,569,117** | 12% |
| Readjustment Benefits | $4,132,944 | $8,705,358 | $10,440,245 | **$1,734,887** | 20% |
| Insurance | $48,072 | $49,288 | $62,589 | **$13,301** | 27% |
| Housing [1] | $326,981 | $825,504 | $19,078 | **-$806,426** | -98% |
| **Total Appropriation** | **$47,313,906** | **$57,503,267** | **$64,014,146** | **$6,510,879** | 11% |
| Agent Orange (AO) Supplemental | | $13,377,189 | | | |
| **Total Approp + AO** | **$47,313,906** | **$70,880,456** | **$64,014,146** | **-$6,866,310** | -10% |
| ARRA 2009 | $700,000 | | | | |
| **Total Approp + AO + ARRA** | **$48,013,906** | **$70,880,456** | **$64,014,146** | **-$6,866,310** | -10% |
| Legislative Proposals (LP) | | $531,000 | $43,793 | **-$487,207** | |
| **Total Approp + AO + ARRA + LP** | **$48,013,906** | **$71,411,456** | **$64,057,939** | **-$7,353,517** | -10% |
| Other Mandatory Budget Authority (BA) | -$221,062 | $450,937 | $668,611 | **$217,674** | 48% |
| **Total Mandatory BA** | **$47,792,844** | **$71,862,393** | **$64,726,550** | **-$7,135,843** | -10% |

[1] The $800M+ in 2010 Housing mainly reflects Upward Reestimates of prior year loans. Reestimates effecting 2011 will not be done until October 2010.

# Departmental Administration
# FY 2011 Budget Authority Request

*($ in thousands)*

| | 2009 | 2010 | 2011 | $ Change 2010 V. 2011 | % Change 2010 V. 2011 |
|---|---|---|---|---|---|
| Office of the Secretary | $7,146 | $9,270 | $10,808 | $1,538 | 17% |
| Office of Acquisitions, Logistics, & Construction [1] | 45,243 | 50,728 | 79,582 | $28,854 | 57% |
| Board of Veterans Appeals | 68,582 | 73,273 | 75,198 | $1,925 | 3% |
| Office of the General Counsel | 74,343 | 80,778 | 91,049 | $10,271 | 13% |
| Office of Management | 37,546 | 43,956 | 48,557 | $4,601 | 10% |
| Office of Human Resources & Administration | 61,901 | 68,590 | 76,177 | $7,587 | 11% |
| Office of Policy and Planning | 14,602 | 26,015 | 28,783 | $2,768 | 11% |
| Office of Operations, Security and Preparedness | 12,025 | 16,746 | 22,091 | $5,345 | 32% |
| Office of Public & Intergovernmental Affairs | 10,005 | 22,079 | 23,705 | $1,626 | 7% |
| Office of Congressional & Legislative Affairs | 4,379 | 6,065 | 7,247 | $1,182 | 19% |
| **GenAdmin GOE Subtotal** | $335,772 | $397,500 | $463,197 | $65,697 | 17% |
| **Inspector General** | 88,818 | 109,000 | 109,367 | $367 | 0% |

[1] FY 2011 does not include funding for resident engineer program