



THE AMERICAN LEGION LEGISLATIVE POINT PAPER

FISCAL YEAR 2013 VA BUDGET

On February 13, President Obama released his request for the fiscal year (FY) 2013 federal budget, which begins on October 1, 2012, including the Department of Veterans Affairs (VA). The President's overall VA budget request would provide \$140.3 billion, \$8.1 billion above the FY 2012 budget. This request includes a 4.5 percent increase in discretionary funding (which goes primarily for VA health care) and a 16.2 percent increase in benefits funding. The majority of these discretionary funds are provided through the advance appropriations process, the landmark piece of legislation The American Legion helped enact into law last Congress. This represents a 10.5 percent increase over FY 2012 funding. The budget request also provides \$65.6 billion for mandatory VA programs, including benefits for veterans and their beneficiaries.

On February 13, the President Obama released the FY 2013 federal budget, including VA.

There are several major areas of emphasis in this budget that are of interest to The American Legion:

Medical Care-\$52.7 billion for medical care, including:

- \$403 million for gender-specific health care of women veterans;
- \$6.2 billion for mental health, a 5.3 percent increase, for increased outreach and screenings, expansion of technologies for self-assessment and symptom management of post-traumatic stress disorder, and programs that reduce the stigmas of mental health;
- \$7.2 billion for long-term care;
- \$583 million for medical research, with emphasis on traumatic brain injury, suicide prevention, PTSD, and genomic medicine;
- \$792 million to support activation of health care facilities, including new hospitals in New Orleans, Las Vegas, Denver, and Orlando;
- \$396.6 million for Major Construction to continue construction of new medical facilities in Seattle, Dallas, St. Louis, and Palo Alto, CA.
- The advance appropriations request for medical care is \$54.5 billion for FY 2014, which begins Oct. 1, 2013.

Veterans Homelessness-\$1.4 billion for homelessness programs; some specific efforts are \$21 million to provide 200 coordinators to help homeless veterans with disability claims, housing problems, job and vocational opportunities, and problems with the courts, and \$300 million to provide grants and technical assistance to community non-profits to maintain veterans and their families in their current housing or to get them into housing, and grants and per diem payments to community-based organizations offering transitional housing.

National Cemeteries-\$258 million for operation and maintenance; including \$58 million for land acquisition, gravesite expansion, and columbaria projects for initial implementation of a national cemetery presence in eight rural areas; funding for online mapping of gravesite locations (from the Information Technology account); and \$46 million for the construction, expansion, and improvement of state veterans cemeteries and veterans cemeteries on tribal lands.

Information Technology-\$3.3 billion to include implementing the integrated Electronic Health Record with Department of Defense, and national implementation of processing disability claims for VA regional offices for a digital and near paperless environment using the Veterans Benefits Management System.

The chart below indicates VA's medical care accounts with FY 2013 VA discretionary funding, the President's proposed FY 2014 advance appropriations for the medical care accounts, and The American Legion's proposed appropriations as presented to Congress last September by National Commander Wong.

VA MEDICAL DISCRETIONARY PROGRAMS

	Final FY 2013 Advance Appropriations P.L. 112-74	President's FY 2014 VA Advance Appropriations	American Legion's FY 2014 Request
Medical Services	\$41.3 billion	\$41.5 billion	\$44 billion
Medical Support & Compliance	\$5.3 billion	\$5.7 billion	\$5.5 billion
Medical Facilities	\$5.7 billion	\$5.4 billion	\$6 billion
Medical/Prosthetic Research #	\$581million	\$583 million	\$600 million
Total Medical Care	\$52.9 billion	\$53.3 billion	\$56.1 billion

This account is "not" included in the advance appropriations calculations.



The chart below presents funding for non-medical VA programs, showing FY 2012, the President's FY 2013 proposal, and The American Legion's proposal for FY 2013.

	Final FY 2012 Appropriations P.L. 112-74	President's FY 2013 Budget Proposal	American Legion's FY 2013 Budget Request
National Cemetery Administration	\$251 million	\$258 million	\$260 million
General Operating Expenses – VBA	\$2.0 billion	\$2.2 billion	\$2.2 billion
Information Technology	\$3.1 billion	\$3.3 billion	\$3.3 billion
Major Construction	\$590 million	\$532 million	\$5.3 billion
Major Construction – NCA	\$38 million	\$10 million	\$100 million
Minor Construction	\$482 million	\$608 million	\$1.2 billion
Minor Construction – NCA	\$42 million	\$58 million	\$100 million
State Veterans Homes Construction Grants	\$85 million	\$85 million	\$85 million
State Veterans Cemetery Grants	\$46 million	\$46 million	\$50 million

VA NON-MEDICAL DISCRETIONARY PROGRAMS

The American Legion testified on February 15 before the House Veterans' Affairs Committee and presented our organization's response to the President's budget request. Our testimony can be found at www.legion.org in the Legislative Action Center under Legion testimony. Our major concern at this hearing was our profound disappointment that VA construction, both major and minor, is woefully underfunded. This failure to provide adequate, safe and up-to-date medical treatment facilities will affect thousands of enrolled veterans. The American Legion will provide its testimony again on the FY 2013 VA budget to the Senate Veterans' Affairs Committee on February 29.

House VA Committee Chairman Jeff Miller (FL) has stated "In the end, it is outcomes that really matter. Veterans don't care about numbers; they want their claims decided faster, their health care taken care of, and their aging facilities upgraded. That is the question we need to focus on in this budget."

Many times in the past, The American Legion has stated that balancing the federal budget on the backs of America's veterans is bad policy. The American Legion will continue to lobby Congress for appropriations that are equitable, sustainable, and timely for the nation's veterans and their dependents. However, The American Legion is also concerned about sequestration and has

voiced its concern to Congress. The House Veterans' Affairs Committee has requested and received legal opinions from lawyers from the



Congressional Research Service (CRS) and the Government Accountability Office (GAO) on the issue of sequestration and both determined that under current law, VA should be ruled "exempt" from any sequestration actions.

If sequestration cuts VA programs, it will have a devastating effect. With a surge of veterans expected to return home in the next two years from operations in Afghanistan and Iraq, VA may not be prepared for the influx of these new veterans, let alone the increased enrollment requests of prior war-era veterans who may also need VA care due to their loss of a job due to the economy or their retirement from a job and, thus, they no longer have employer-provided health care and need to enroll in the VA system. In addition, for years, VA promises of increases in Information Technology and manpower have been made by VA to devote to reducing the outrageous disability compensation claims backlog, yet as of January 2012, more than 800,000 veterans are still awaiting VA decisions, 60% of which are 125 days old – an increase of more than 100 percent over the past three years. If sequestration occurs VA will not be able to reduce this backlog. As Chairman Jeff Miller (FL) said at the VA budget hearing, "In the end, it is outcomes that really matter. Veterans don't care about numbers; they want their claims decided faster, their health care taken care of, and their aging facilities upgraded. That is the question we need to focus on in this budget."

In conclusion, The American Legion is grateful that President Obama's VA budget avoids the draconian cuts that are facing the Pentagon. However, more than 1 million active-duty servicemembers will join the ranks of 22 million civilian veterans over the next five years and there must be a budget that is prepared to recognize the outstanding and honorable service made by these veterans. This budget must meet veteran needs for health care, jobs, housing, and education and The American Legion will continue to strive for such a budget.

