

FY 2021 BUDGET SUBMISSION



*“ To care for him who shall have borne the battle,
and for his widow, and his orphan....”*

Budget in Brief

February 2020

Overview

The 2021 Budget and 2022 Advance Appropriations (AA) requests for the Department of Veterans Affairs (VA) fulfill the President's promise to America's Veterans, their families, and survivors.

The total 2021 request for VA is \$243.3 billion (with medical collections), a 10.2 percent increase above 2020. This includes a discretionary budget request of \$109.5 billion (with medical care collections). The 2021 mandatory funding request totals \$133.8 billion (an increase of \$9.1 billion or 7.2 percent above 2020). The 2021 request will support 404,835 Full-time Equivalent (FTE) staff.

The 2022 Medical Care Advance Appropriations request includes a discretionary funding request of \$98.9 billion (with medical care collections). The 2022 mandatory funding request is \$145.3 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities).

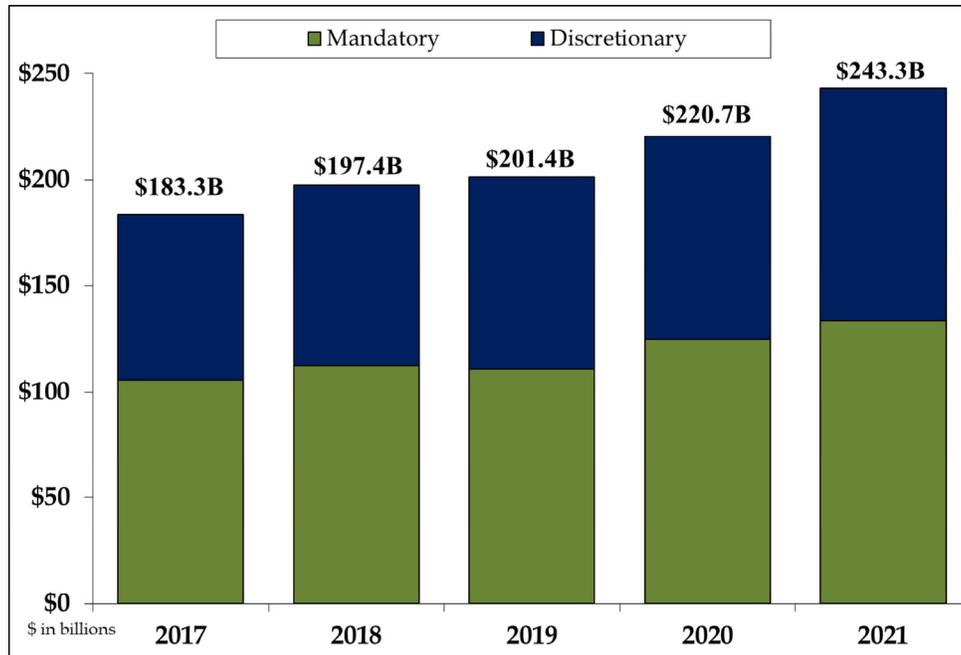
The request will provide the necessary resources to meet VA's obligation to provide timely, quality health care, services, and benefits to Veterans. It supports VA's operation of the largest integrated health care system in the country, delivering health care to over 9.3 million enrolled Veterans. The 2021 request will also provide for:

- 7.2 million patients treated by VA, an increase of 1.0 percent above 2020;
- Modernization of VA's electronic health record system to improve quality of care;
- 126.5 million outpatient visits, an increase of 2.2 percent above 2020;
- Disability compensation benefits for over 5.7 million Veterans and Survivors;
- Pension benefits for nearly 393,000 Veterans and Survivors;
- Strengthening VA's infrastructure through \$1.4 billion in Major Construction and \$400 million in Minor Construction for priority infrastructure projects;
- Education assistance programs serving nearly 950,000 trainees;
- Vocational rehabilitation and employment benefits for over 131,000 Veterans;
- A home mortgage program with a portfolio of nearly 3.7 million active loans;
- The largest and highest performing national cemetery system projected to inter an estimated 137,000 Veterans and eligible family members in 2021.

As of September 30, 2019, there were an estimated 19 million Veterans living in the United States (U.S.) and its territories and other locations. The resources requested in this budget will allow VA to deliver on the Nation's promise to Veterans through investments in personnel, efficient business practices, and technology. VA will continue to work with Federal, state, and local partners, including Veterans Service Organizations (VSOs).

The first chart below shows the VA budget for the period from 2017-2021, highlighting the split between discretionary and mandatory funding. Since 2017, the budget has increased by \$60 billion, or 33 percent.

VA Appropriations



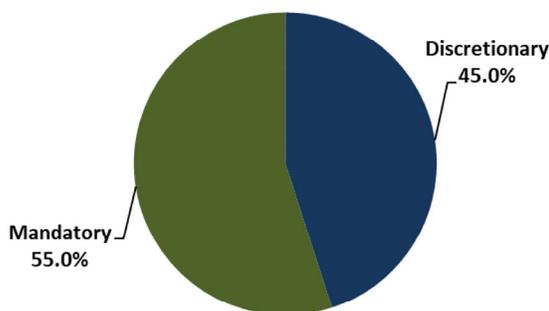
Appropriations History

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mandatory	66.4	65.5	74.8	102.4	95.1	92.5	105.5	112.3	110.9	124.7	133.8
Discretionary	56.3	58.5	61.4	63.4	65.1	70.9	74.3	81.6	86.6	92.0	105.0
Medical Collections (MCCF)	2.8	2.8	2.9	3.1	3.2	3.5	3.5	3.5	3.9	3.9	4.5
Total VA	125.5	126.8	139.1	168.9	163.5	166.9	183.3	197.4	201.4	220.6	243.3

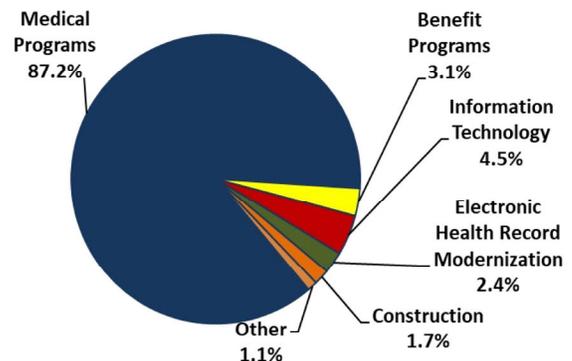
Mandatory amounts include \$15 billion provided by the Veterans Choice Act in 2014, \$2.1 billion in 2017 and \$7.3 billion in 2018. Totals may not add due to rounding.

2021 Discretionary and Mandatory Appropriations and Discretionary Funding Uses

2021 Discetionary/Mandatory Funding



2021 Discretionary Funding



Appropriations, Collections and DoD Transfers, 2019-2021

(\$s in millions)	2019	2020	2021	Change 2020 vs 2021	
	Enacted	Enacted	Request	\$	%
Medical Services	49,911	51,061	56,655	5,594	11.0%
Medical Community Care*	9,385	15,280	18,512	3,232	21.2%
Medical Support & Compliance	7,028	7,328	8,214	886	12.1%
Medical Facilities (Includes NRM)	6,807	6,142	6,583	441	7.2%
Subtotal Medical Care Appropriations	73,131	79,811	89,965	10,154	12.7%
Medical Collections (MCCF)	3,915	3,912	4,528	616	15.7%
Subtotal Medical Care with MCCF	77,047	83,723	94,493	10,770	12.9%
Medical Research	779	750	787	37	4.9%
Electronic Health Record Modernization	1,107	1,443	2,627	1,184	82.1%
Information Technology	4,103	4,372	4,912	540	12.4%
Veterans Benefits Administration	2,956	3,125	3,207	82	2.6%
Board of Veterans Appeals	175	174	198	24	13.8%
National Cemetery Administration	316	328	360	32	9.8%
General Administration	356	356	413	57	16.0%
Construction-Major	2,177	1,235	1,373	138	11.2%
Construction - Minor	800	399	400	1	0.3%
Grants for State Extended Care Facilities	150	90	90	-	0.0%
Grants for Veterans Cemeteries	45	45	45	-	0.0%
Inspector General	192	210	228	18	8.6%
Loan Administration Funds	202	202	206	4	2.0%
DoD Transfers for Joint Accounts**	128	126	152	26	20.6%
Choice Transfer to Community Care 2020	-	(615)	-	615	-100.0%
Subtotal Discretionary without MCCF	86,617	92,050	104,963	12,913	14.0%
Subtotal Discretionary Funding with MCCF	90,532	95,962	109,491	13,529	14.1%
Mandatory Funding	110,915	124,724	133,766	9,042	7.2%
Total VA (Disc & Mand) without MCCF	197,532	216,774	238,729	21,955	10.1%
Total VA (Disc & Mand) with MCCF	201,447	220,686	243,257	22,571	10.2%

* The Further Consolidated Appropriations Act, 2020 (Public Law 116-94) rescinded \$504.9 million in prior year unobligated balances and authorized a mandatory balance transfer of \$615 million from the Veterans Choice Fund to the discretionary Medical Community Care account.

** Does not include transfers from Medical Care appropriations for Joint Accounts.

VA Staffing

The 2021 request supports a total of 404,835 FTE, or 14,866 FTE above the 2020 estimated level to expand access to health care and improve benefits delivery. This includes clinical and hospital staff in the Veterans Health Administration (VHA), including physicians, nurses, and scheduling clerks. These dedicated employees come to work for America's Veterans and have a close connection with Veterans – over 33 percent are Veterans themselves. The 2021 request assumes a 1 percent pay raise.

Full-Time Equivalent Employees By Administration and Office

	2019	2020	2021	2020 v 2021 Change	
	Enacted	Enacted	Request	#	%
Medical Care*	327,594	337,908	352,093	14,185	4.2%
DoD-VA Health Care Sharing Incentive Fund	7	22	22	0	0.0%
Joint DoD/VA Demonstration Fund	2,108	2,172	2,172	0	0.0%
Medical Research	3,248	3,275	3,275	0	0.0%
Canteen Service	3,285	3,285	3,285	0	0.0%
Subtotal Veterans Health Administration FTE	336,242	346,662	360,847	14,185	4.1%
National Cemetery Administration	1,947	2,008	2,085	77	3.8%
Information Technology	7,469	7,890	7,885	-5	-0.1%
Electronic Health Record Modernization	24	152	256	104	68.4%
Veterans Benefits Administration	23,147	24,590	24,717	127	0.5%
General Administration	2,524	3,060	3,403	343	11.2%
Board of Veterans Appeals	1,077	1,190	1,161	-29	-2.4%
Inspector General	908	1,020	1,048	28	2.7%
Franchise Fund	1,473	2,282	2,318	36	1.6%
Supply Fund	1,002	1,115	1,115	0	0.0%
Total FTE	375,813	389,969	404,835	14,866	3.8%

* Medical Care includes Sec. 801 Veterans Choice Act. The FTE in the 2021 President's Budget Appendix differ from the chart above by 56 FTE in 2020 and 100 FTE in 2021 for Medical Care due to a data entry error.

Secretarial Priorities

The 2021 request is focused on implementing the Secretary's top priorities for the VA: 1) Customer Service, 2) Implementing the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (MISSION) Act; 3) Electronic Health Record Modernization (EHRM), and 4) Business Transformation.

Customer Service / Customer Experience

Secretary Robert Wilkie's top priority and prime directive is customer service. It is the responsibility of all VA employees to provide an excellent customer experience (CX) to Veterans, Servicemembers, their families, caregivers, and survivors when we deliver care, benefits, and memorial services.

The results and impact of VA emphasis on customer service and customer experience are showing. In 2016, VA deployed the first quarterly VA-Wide Trust Survey to measure the customer experience VA-Wide. Trust measured by this survey has increased by 17 percentage points, from

55 percent in 2016 to 72 percent in 2019. When asked specifically about VA health care, 88 percent of Veterans responded they now trust the VA health care they receive. In a recent Veterans of Foreign Wars survey, nearly 75 percent of respondents reported improvements at their local VA, and more than 90 percent said they would recommend VA care to other Veterans.

Implementing the MISSION Act

The 2021 request fully supports continued implementation of the MISSION Act. The MISSION Act is fundamentally transforming VA healthcare by giving Veterans greater access to health care in VA facilities and the community, expanding benefits for caregivers, and improving VA's ability to recruit and retain the best medical providers.

More than 5,000 Veterans per week are using new Urgent Care benefits through the 6,400 local urgent care providers that have partnered with VA. The urgent care network covers 90 percent of all Veterans. Success with MISSION had tremendously positive second and third order effects. VA is delivering more care overall than ever before. In 2019, VA completed more than 59.9 million internal appointments – a record high and about 1.7 million more than the year before.

The 2021 request also expands support to caregivers of Veterans, as made possible through the MISSION Act. VA will continue its efforts to expand the Program of Comprehensive Assistance for Family Caregivers to eligible Veterans of all eras, focusing on engaging families and caregivers in Veterans' health care decisions. Veteran families and caregivers are a pivotal partner for VA and should receive the VA support and services they need to take care of our Nation's Veterans.

The 2021 request also strengthens the VA ability to recruit and retain the quality health care professionals Veterans deserve. The MISSION Act contains numerous provisions to augment recruitment of trainees from their health professions education programs. It establishes additional health professions scholarship program allocations geared to medical and dental students, increases the ceiling on Education Debt Reduction Payments (loan repayments) for VA staff, establishes an entirely new specialty loan repayment program geared to Graduate Medical Education residents while still in their residency programs, and increases caps for recruitment, retention and relocation payments. The 2021 request is focused on engaging in a fiercely competitive clinical recruitment market so VA can effectively recruit and retain a quality workforce.

Electronic Health Record Modernization (EHRM)

The third priority is replacing the aging electronic health record (EHR) system. The request includes \$2.6 billion (an increase of \$1.2 billion or 82 percent from 2020) to continue VA's EHRM effort to create and implement a single longitudinal electronic health record from active duty to Veteran status, and to ensure interoperability with the Department of Defense (DoD).

This request would fund acquisition, maintenance, testing, evaluation, deployment, enhancement, operation, sustainment, and program management necessary for the EHRM initiative. Specifically it will allow VA to complete deployment in Veterans Integrated Service Network (VISN) 21 and continue deployment in VISN 22 and most of VISN 7; continue the accelerated deployment of the

Cerner scheduling component to all locations by 2024, with sites in VISN 10 receiving deployment in 2021; upgrade IT infrastructure to prepare sites receiving full deployment and site receiving accelerated scheduling component deployment with sufficient time to allow for necessary testing; and provide expert oversight of the entire scope of the project, including the Cerner contract, as well as ensuring that VA's infrastructure is ready for the system's deployment.

Transforming our Business Systems

Business transformation will move VA beyond compartmentalization of the past and empower our employees serving Veterans to provide world-class customer service.

Financial Management Business Transformation

The request includes total funding of \$221 million to replace the aging financial system architecture through the Financial Management Business Transformation (FMBT) program. FMBT will provide a modern integrated financial and acquisition management system which will increase the transparency, accuracy, timeliness, and reliability of financial information, resulting in improved fiscal accountability to tax payers and increased opportunity to improve care and services to Veterans.

Supply Chain Modernization

The 2021 request includes \$236 million for supply chain modernization, \$124 million within VHA and \$112 million in the Office of Information Technology (OIT). VA is embarking on a supply chain transformation program designed to build a lean, efficient supply chain that provides timely access to meaningful data focused on patient and financial outcomes. This modernization effort will address people, training, processes, data and automated systems.

Working with DoD, VA will transition to the DoD's logistic and supply chain system, LogiCole, formerly Defense Medical Logistics Standard Support (DMLSS), on an enterprise-wide basis to replace VA's existing logistics and supply chain solution. VA's current system faces numerous challenges and is not equipped to address the complexity of decision-making and integration required across functions, such as acquisition, logistics and construction. The LogiCole solution will ensure that the right products are delivered to the right places at the right time, while providing the best value to the government and taxpayers. Within the VHA 2021 funding request identified for the logistics system enhancement initiative, \$84 million is dedicated to LogiCole/DMLSS, providing a total of \$196 million for LogiCole/DMLSS including the \$112 million from OIT.

VA is piloting the modernized supply chain system at James A. Lovell Federal Health Care Center in North Chicago, and the initial EHR sites in Spokane and Seattle, Washington to analyze VA enterprise-wide application.

Achieving Results

Over the past eighteen months, VA has achieved significant progress on some of the most transformational initiatives in the history of the agency. In addition to the successful implementation of the MISSION Act, VA is demonstrating success across the entire enterprise to provide high quality care and service to all Veterans.

VA is also expanding other venues of care by expanding the use of telehealth technology to diagnose and treat Veterans remotely, connecting them with health care providers electronically. In 2019, VA exceeded 2.6 million telehealth visits to more than 900,000 Veterans, more than double the number of visits in 2018.

VA is also tackling some of our most pressing social issues, like opioid use disorder, homelessness, and suicide. President Trump's 2018 Initiative to Stop Opioids Abuse and Reduce Drug Supply and Demand directly contributed to a 19 percent reduction in the number of patients receiving opioids. Overall, there has been a 32 percent decline since 2017.

VA has also achieved impressive results in fighting Veteran homelessness by partnering with local governments, companies, and other stakeholders. In 2018, the total number of Veterans experiencing homelessness decreased 5.4 percent, and in 2019, that number dropped another 2.1 percent. In the last two fiscal years, VA has helped 124,900 Veterans and their families by providing housing or preventing them from becoming homeless. The success of these partnerships has led to 78 communities and three states effectively ending Veteran homelessness.

These are but a sample of VA's recent successes; much important work remains. The following pages outline VA's 2021 request by appropriation account.

Veterans Health Administration

Medical Care

Appropriations and Collections

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request	2022 Request
Medical Services*	49,911,165	51,061,165	56,655,483	58,897,219
Medical Community Care**	9,384,704	15,279,799	18,511,979	20,148,244
Medical Support & Compliance	7,028,156	7,327,956	8,214,191	8,403,117
Medical Facilities*/***	6,807,468	6,141,880	6,583,265	6,734,680
Subtotal Medical Care Appropriations	73,131,493	79,810,800	89,964,918	94,183,260
Medical Care Collections Fund (MCCF)	3,915,045	3,912,170	4,527,950	4,686,118
Total Medical Care with MCCF	77,046,538	83,722,970	94,492,868	98,869,378

* Public Law (P.L.) 116-94 rescinded \$350 million in Medical Service and \$10 million in Medical Facilities in 2020 from prior year unobligated balances. Net of those rescissions is displayed.

** P.L. 116-94 authorized a mandatory balance transfer of \$615 million from the Veterans Choice Fund to the discretionary Medical Community Care account

***2019 includes \$3 million in supplemental appropriations from P.L. 116-20.

FTE

	2019 Enacted	2020 Enacted	2021 Request	2022 Request
Medical Services	247,917	255,093	265,156	272,947
Medical Community Care	0	0	0	0
Medical Support & Compliance	54,502	56,853	60,219	61,002
Medical Facilities	25,134	25,922	26,709	26,709
Subtotal Discretionary Medical Care FTE	327,553	337,868	352,084	360,658
Mandatory Medical Care FTE	41	40	9	9
Total Medical Care FTE	327,594	337,908	352,093	360,667

* Medical Care includes Sec. 801 Veterans Choice Act. The FTE in the 2021 President's Budget Appendix differ from the chart above by 56 FTE in 2020 and 100 FTE in 2021 for Medical Care.

The 2021 request provides \$94.5 billion in discretionary funding for medical care for 2021, including \$4.5 billion in collections and \$2.3 billion in additional funding above the enacted advance appropriation provided in the 2020 appropriations bill for 2021 (the "second bite"). The 2021 request is \$10.8 billion (12.9 percent) above the 2020 enacted level (with collections). In 2021, VA will expand Veteran access to medical care by increasing medical and clinical staff and continuing improvements to its facilities.

The 2021 request will support 352,093 medical care FTE, an increase of 14,185 (4.2 percent) above 2020. Implementation of MISSION Act authorities will increase VA's ability to recruit and retain the best medical providers by expanding existing loan repayment and clinical scholarship programs and created several new programs focused on medical school students and recent graduates. In addition, VA is implementing initiatives to enhance VA's workforce, such as the expanded utilization of peer specialists and medical scribes.

Change from 2021 Advance Appropriation (AA) and 2021 Revised Request (RR)

The 2021 request for VA health care services is \$2.4 billion higher than the enacted 2021 advance appropriation level.

(\$ in 000s)	2021 Advance Approp. (AA)	2021 Revised Request (RR)	+/- 2021 AA 2021 RR (2021 Second Bite)	2022 Advance Approp. (AA)	+/- 2022 AA 2021 RR
Medical Services	\$56,158,015	\$56,655,483	\$497,468	\$58,897,219	\$2,241,736
Medical Community Care	\$17,131,179	\$18,511,979	\$1,380,800	\$20,148,244	\$1,636,265
Medical Support & Compliance	\$7,914,191	\$8,214,191	\$300,000	\$8,403,117	\$188,926
Medical Facilities	\$6,433,265	\$6,583,265	\$150,000	\$6,734,680	\$151,415
Subtotal Appropriation	\$87,636,650	\$89,964,918	\$2,328,268	\$94,183,260	\$4,218,342
Collections	\$4,527,950	\$4,527,950	\$0	\$4,686,118	\$158,168
Total Appropriation & Collections	\$92,164,600	\$94,492,868	\$2,328,268	\$98,869,378	\$4,376,510

This increase is largely driven by revised actuarial trends based on the most recent data. The key drivers of these changes compared to the enacted Advance Appropriation level include:

- Medical Services (+\$497 million): Supports the implementation of the Precision Oncology initiative, increases staff and funding for pain management and suicide prevention efforts, and enables VA Medical Centers to purchase necessary medical equipment.
- Medical Community Care (+\$1.4 billion): Supports updated community care projections based on 2019 actuals and network contract modifications.
- Medical Support & Compliance (+\$300 million): Allows VA Medical Centers to enhance logistical efficiency, implement the High Reliability Organization (HRO) initiative, and support VHA’s ongoing transformation efforts while concurrently meeting overall increased demand for care.
- Medical Facilities (+\$150 million): Allows VA Medical Centers to make necessary infrastructure improvements to ensure compatibility for EHRM requirements.

Modeling Health Care Needs

VA uses actuarial models to support formulation of the majority of the VA health care budget, to conduct strategic and capital planning, and to assess the impact of potential policy changes in a dynamic health care environment. The Enrollee Health Care Projection Model (EHCPM) supports approximately 90 percent of the VA medical care budget. The EHCPM, developed in 1998, is a sophisticated health care demand projection model that uses actuarial methods and approaches to project Veteran demand for VA health care. These approaches are consistent with the actuarial methods employed by the Nation’s insurers and public providers, such as Medicare and Medicaid. It has been extensively validated by the Office of Management and Budget (OMB), the General Accountability Office (GAO), and others. It accounts for the unique characteristics of VA’s Veteran population and VA health care system, as well as environmental factors that impact Veteran enrollment and use of VA health care services. The EHCPM projects enrollment, utilization, and expenditures in more 130 categories of health care services for 20 years into the future.

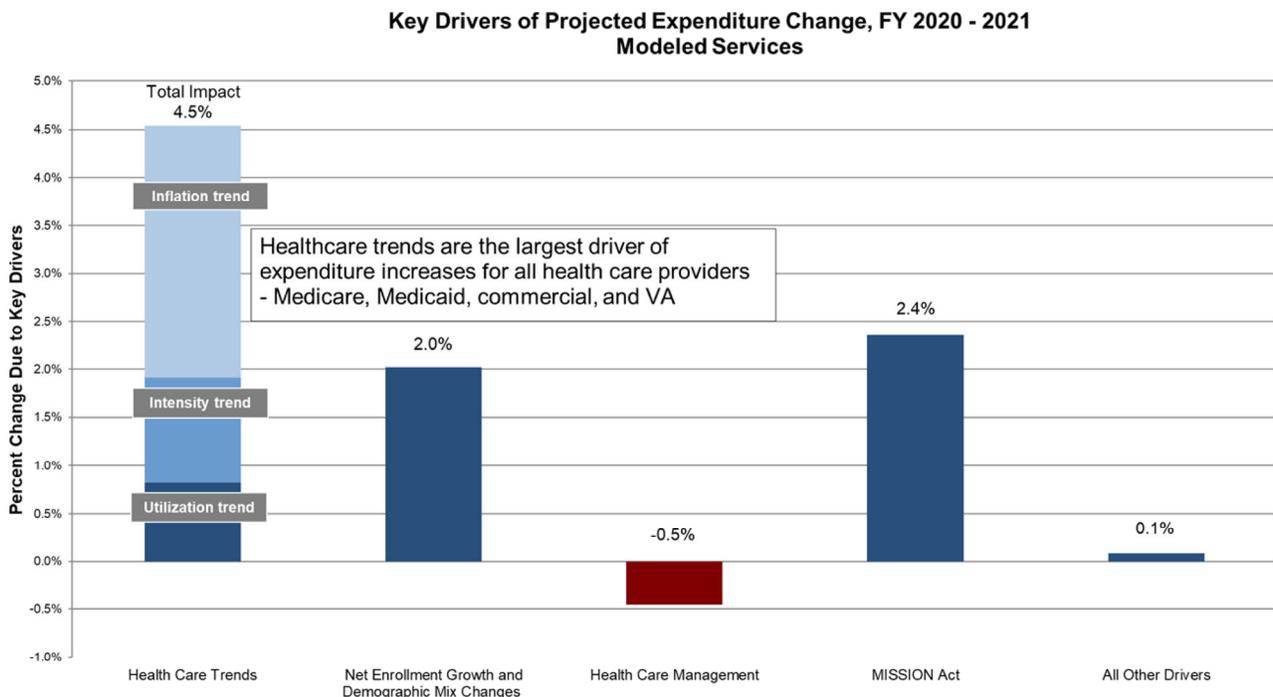
Historically, growth in expenditure requirements to provide care to enrolled Veterans has been primarily driven by health care trends, largely medical inflation. Health care trends are key drivers of annual cost increases for all health care providers – Medicare, Medicaid, commercial providers, and the VA health care system.

VA’s enrollee population consists largely of older males, which is typically the segment of the population with the highest health care costs. Even after accounting for the age and gender mix of the enrollee population, the VA enrollee population is significantly more morbid (sicker) than the general population in the U.S., and this higher morbidity further increases VA’s cost of providing care. The average morbidity of the VA enrollee population is estimated to be approximately 31 percent higher than that of the general U.S. population.

The 2019 EHCPM incorporated the projected impact of the MISSION Act, including changes to eligibility to receive care in the community based on geographic access standards, grandfathered Choice enrollees, urgent care benefits, and emergency room pre-authorization. The MISSION Act policies are driving increases in services available in both VA facilities and the community, particularly the use of outpatient primary and specialty care and inpatient care.

Figure A quantifies the key drivers of the projected increase in expenditure requirements for 2021 for all modeled services.

Figure A



2019 VA EHCPM Budget Scenario BBA8 Note: The projections do not include requirements for several activities / programs that are not projected by the VA EHCPM, including administration cost for the Community Care Network contract, non-recurring maintenance, readjustment counseling, state-based long term services and supports programs, and some components of the Homeless program. Impacts for the MISSION wait time standards, standards for timeliness or quality, and organ and bone marrow transplant policies are provided as national estimates and have not been incorporated in the 2019 EHCPM.

Veteran Patient Workload

The 2021 request provides for 7.2 million patients, a 1.1 percent increase above 2020, and will fund an estimated 126 million outpatient visits, an increase of 2.2 percent above 2020. VA administers its comprehensive medical benefits package through a patient enrollment system. VA's goal is to ensure its patients receive the finest quality health care, regardless of the treatment program or the location. The 2021 request will provide Veterans with the assurance that comprehensive health care services will be available when and where they are needed during the Veteran's enrollment period.

	2019 Enacted	2020 Enacted	2021 Request	2022 Request
Number of Patients	7,035,796	7,117,118	7,191,936	7,259,716
Number of Veterans Enrolled in VA Health Care	9,237,638	9,281,963	9,315,153	9,340,991
Number of Inpatient -Treated	919,875	928,552	936,639	944,514
Number of Outpatient Visits	120,171,000	123,821,000	126,492,000	128,704,000

Medical Care Facilities

VHA operates approximately 5,665 owned buildings on 16,390 acres of land, and 1,663 leases, encompassing 16.4 million square feet of space in its portfolio. The 2021 request supports the operation and maintenance of these VA hospitals, community-based outpatient clinics (CBOCs), community living centers, domiciliary facilities, and Vet Centers, and the health care corporate offices.

	2019 Enacted	2020 Enacted	2021 Request	2022 Request
VA Hospitals	148	148	148	148
Community Living Centers	134	135	135	135
Mental Health Residential Rehabilitation Treatment Programs (MH RRTP)	114	116	122	122
VA Medical Center-Based Outpatient Care	170	170	170	170
Health Care Centers	11	11	13	13
Community-Based Outpatient Clinics	755	765	777	777
Other Outpatient Service Sites	322	324	325	325
Dialysis Centers	73	73	73	73
Community Resources and Referral Centers	31	32	32	32
Vet Centers	300	300	300	300
Mobile Vet Centers	80	80	80	80

Medical Care Areas of Focus

The following table provides obligations in key areas of VA care. Summary explanatory descriptions of these major programs are also provided.

Veteran Medical Care: Key Focus Areas Obligations

(\$s in millions)	2019 Enacted	2020 Enacted	2021 Request	2022 Request
Mental Health	\$8,949	\$9,575	\$10,258	\$10,880
<i>Suicide Prevention (non-add)</i>	\$207	\$237	\$313	\$353
Homeless Programs	\$1,750	\$1,807	\$1,889	\$1,936
Telehealth	\$1,017	\$1,059	\$1,330	\$1,378
Caregiver Support Program	\$432	\$710	\$1,195	\$1,540
Women Veterans (Gender-Specific Care)	\$533	\$573	\$626	\$680
Opioid Treatment Program	\$394	\$425	\$504	\$662
Rural Health Initiative	\$273	\$300	\$270	\$270
Precision Oncology	\$0	\$0	\$75	\$15

Mental Health

The budget requests \$10.2 billion for Veterans' mental health services, an increase of \$683 million (7.1 percent) above 2020. This request includes \$313 million for suicide prevention programs, an increase of \$76 million (32 percent) above 2020. Mental health services available to Veterans range from treatment of a variety of common mental health conditions in primary care to more intensive interventions in specialty mental health programs for more severe and persisting mental health conditions. Veteran demand for VHA mental health care continues to grow, with approximately 1.8 million Veterans (29 percent of all VHA users) receiving mental health services in a VHA specialty mental health setting in 2019. VA dedicates all the resources necessary to provide care for Veterans with a broad range of conditions such as depression, anxiety, Post-Traumatic Stress Disorder (PTSD), and psychosis. VA provides services through several means, such as: mental health professionals embedded in Patient Aligned Care Teams (PACTs) to help in the assessment of patients along with primary care doctors and medical staff; intensive recovery-oriented individual and group treatments; and inpatient care for the most serious cases of suicidal or homicidal patients or patients with acute psychosis.

Mental Health Highlights

Hiring: In 2019, the Mental Health Hiring Initiative completed hiring of over 1,000 additional mental health providers.

Appointments: Between 2016 and 2019, same-day warm hand-offs between the Primary Care Provider and a Primary Care – Mental Health Integration (PC-MHI) provider increased from about 33 percent to about 52 percent of PC-MHI appointments; this represents more than 110,000 same-day primary care encounters in 2019.

Suicide Prevention

VA is requesting \$313 million for suicide prevention programs in 2021. This represents a \$76 million (32 percent) increase above 2020. VA's Suicide Prevention Program is based on a public health approach that focuses efforts on utilizing universal, selective, and indicated strategies coupled with access to high quality mental health services and supplemented by programs that address the risks for suicide, all with goal of intervening before a Veteran reaches a point of crisis.

Suicide prevention contains the Veteran Crisis Line, Suicide Coordinators, and the cost of other national efforts to improve awareness of the risk of suicide and improve the care to those Veterans. Suicide prevention treatment in non-mental health settings are services documented for care for patients at risk of suicide that does not take place in a traditional mental health setting. For example, care for patients at risk of suicide who present at emergency rooms or may be managed in another setting like primary care.

The 2021 request also supports the continued development and implementation of the President's Roadmap to Empower Veterans and End a National Tragedy of Suicide, or PREVENTS, as directed by Executive Order 13861. The PREVENTS Task Force, co-chaired by the VA Secretary, continues to coordinate suicide prevention efforts across Federal agencies, prioritize research activities, and strengthen coordination across the public and private sectors. The request includes \$53.4 million to support the activities of the PREVENTS initiative, including a sweeping national public health campaign to prevent suicide among Veterans and, with them, the nation. The PREVENTS Task Force will increase the government's return on investment by leveraging partnerships with private and community organizations to amplify messages and activities. PREVENTS will further expand its reach through planning and implementation grants executed by other participant Federal agencies.

Homeless Programs

VA requests approximately \$1.9 billion for homeless programs, \$82 million above 2020. The 2021 request includes an increase of \$30 million for case management for the U.S. Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) program. VA is committed to the objective of ending Veteran homelessness and pursues that objective in close collaboration with our Federal agency partners, leading national organizations, and State and local government agencies, and with VSOs and other nonprofit partners in communities across the country.

This program continues to successfully provide services to help Veterans experiencing homelessness secure housing, address psychosocial factors contributing to homelessness, train for jobs, and support the children of Veterans who are experiencing homelessness. In 2019 through the nationwide VA Homeless programs, over 5,900 VA staff served a vulnerable Veteran population of over 253,000 unique Veterans, who were, on average age 54 years old. This included over 39,000 Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) Veterans and over 35,000 women Veterans.

Significant progress has been made to prevent and end Veteran homelessness. The number of Veterans experiencing homelessness in the United States has declined by nearly half since 2010. The U.S. Department of Housing and Urban Development (HUD) Point-in-Time (PIT) Count estimates that on a single night in January 2019, 37,085 Veterans were experiencing homelessness, which is 2.1 percent fewer compared to 37,878 reported in January 2018.

Since 2010, more than 800,000 Veterans and their family members have been permanently housed, rapidly rehoused, or prevented from falling into homelessness through HUD's targeted housing vouchers and VA's homelessness programs. In addition to the national snapshot provided by the 2019 PIT Count, as of December 4, 2019, 81 communities — which includes three states — have effectively ended Veteran homelessness, based on criteria established by VA, HUD, and the U.S. Interagency Council on Homelessness (USICH).

In 2020 and 2021, VA will maximize the use of existing and additional vouchers, evaluate options for targeting HUD-VASH vouchers to additional populations, and promote strategies to increase the stock of affordable housing.

Telehealth Program

The budget requests \$1.3 billion for the total Telehealth program, an increase of \$271 million above the 2020 level. VA is continuing to expand this program because of its ability to leverage our VA providers, provide better services to our Veterans, and help address challenges to deliver of care in the rural communities.

Over five million Veterans were registered to use the patient portal in 2019. In that same period, more than 900,000 Veterans received telehealth services and 44 percent of these Veterans lived in rural areas. Telehealth services are available at 900 VA sites of care and include more than fifty specialties such as mental health care, primary care and rehabilitation services.

Telehealth services are increasing Veteran access to care. The use of telehealth services in 2019 increased more than 14 percent over 2018. Telehealth services are increasing the capacity of the health care system to serve Veterans. The recently established Clinical Resource Hub program provides primary care, mental health care, and specialty care to support underserved locations. As an example of the program's early success, in 2019 the Tele-mental Health Hub served 257 spoke sites provided over 174,000 visits to over 39,000 Veterans. Healthcare delivered via video is also expanding services beyond the VA "bricks and mortar" locations. In 2019, over 99,000 Veterans had a video healthcare session at home or at another offsite location. This represents a 246 percent growth over the prior year.

Caregiver Support Program

The 2021 Budget requests approximately \$1.2 billion for the Caregiver Support Program (CSP), a \$485 million (68 percent) increase over the 2020 level, to support caregiver expansion that is projected to take place in summer 2020.

Funding requirements for the CSP are driven by an increase in the eligible Veteran population. Currently, only Veterans injured on or after September 11, 2001 are eligible for this program. The 2021 request supports the expansion of this program under the MISSION Act to include eligible pre-9/11 era Veterans seriously injured in the line of duty.

Through this program, VHA provides support to those individuals who act as caregivers for Veterans. There are several support and service options for the caregiver. For example, the Caregiver Support Line, is available to respond to inquiries about caregiver services, as well as serve as a resource and referral center for caregivers. Eligible caregivers are also supported with monthly stipend travel expenses (including lodging and per diem while accompanying Veterans undergoing care), access to health care insurance (if the caregiver is not already entitled to care or services under a health care plan), mental health services, caregiver training, and temporary respite care for the Veteran to alleviate the emotional fatigue associated with being a caregiver.

Women Veterans

The budget requests \$626 million for gender-specific women Veterans' health care, an increase of \$53 million (9 percent) above 2020. The number of women Veterans using VHA services has increased from 423,642 in 2014 to 545,670 in 2019. Women are now the fastest growing cohort within the Veteran community. The percent of women Veterans is projected to increase to about 16 percent of the total Veteran population in 2040 from 6 percent in 2000.

The needs of a growing number of women Veterans mean that VA must provide more gender-specific primary care services, expand access to gynecology, and continue to identify and serve the health care needs for a unique Veteran population.

To address the growing number of women Veterans who are eligible for health care, VA is strategically enhancing services and access for women Veterans by investing \$50 million in a women's health initiative in 2021. The Budget will also continue to support a full-time Women Veterans Program Manager at every VHA health care system who is tasked with advocating for the health care needs of women Veterans. VHA has also made a commitment to train mental health providers to address women Veterans' complex and unique needs, including gender-related suicide risks. Key initiatives include the Women's Mental Health Mini-Residency (WMH MR) and national Reproductive Mental Health/Psychiatry consultation initiatives. To date, the WMH MR has been held three times and attended by over 450 VA providers. The mini-residency is required training for all Women's Mental Health Champions, who serve as a local contact for women Veterans' mental health. The net effects of the WMH MR include the development of national infrastructure of Women's Mental Health Champions, and dissemination of gender-sensitive treatment practices via facility-level Action Plans.

Opioid Treatment Program

The request for Opioid Prevention and Treatment program is \$504 million, \$79 million above 2020. The purpose of the Opioid Safety Initiative (OSI) is to ensure pain management is addressed thoughtfully, compassionately, and safely to make the opioid use visible at all levels in the organization. Based on comparisons of national data beginning in 2012 (beginning in July 2012) to 2019 (ending in September 2019), many aspects of the OSI continue to show positive results. For example, despite an increase of 284,974 Veterans that have utilized VA outpatient pharmacy services (a 7.2 percent increase), 264,636 fewer Veterans were on long-term opioids (a 60 percent reduction) and 100,598 fewer Veterans received opioid and benzodiazepine medications together (an 82 percent reduction). During that time frame, there has been an increase in the percentage of Veterans on opioid therapy who have had at least one urine drug screen completed in the past year from 37 percent to 91 percent (a 54 percent increase). The average dose of selected opioids has continued to decline as 45,060 fewer patients were receiving daily doses greater than or equal to 100 milligrams of morphine equivalent (a 76 percent reduction), demonstrating that prescribing and consumption behaviors are changing.

Rural Health

The budget requests \$270 million for rural health projects. VA is committed to improving the care and access for Veterans in geographically rural areas. Projects funded through the VHA Office of Rural Health (ORH) include home-based primary care, training, and education of medical residents in rural clinical setting, equipment for rural Community Based Outpatient Clinics (CBOCs), transportation of rural Veterans, and home-based therapies. Through these and other rural health initiatives, ORH has addressed the unique needs of over three million enrolled Veterans living in rural and highly rural areas, which make up approximately 33 percent of all Veteran enrollees. During 2019, ORH funded 54 rural initiatives that provided care at VHA sites of care in all 50 states. ORH programs filled gaps in care, used technology to bring care closer to the Veteran, and delivered care directly into rural Veterans' homes.

Precision Oncology

The 2021 request includes \$75 million to support VHA's precision oncology initiative, which aims to improve the lives of Veterans with cancer by ensuring that no matter where they live, they have access to cutting-edge cancer therapy using Precision Medicine, Telehealth, and a Learning Healthcare system that integrates research with clinical care. Precision oncology is an evolution from one-size-fits-all cancer care. We are learning that we can increase treatment success and decrease side-effects by picking the treatment based upon characteristics of the patient and of the cancer. It primarily focuses on mutations in the patient's and cancer's DNA, respectively.

***Veterans Health Administration
Medical and Prosthetic Research***

Appropriation and Other Resources

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
Medical and Prosthetic Research Appropriation	\$779,000	\$750,000	\$787,000
Medical Care Support	\$618,264	\$647,700	\$668,950
Federal and Non-Federal Sources	\$528,404	\$540,000	\$540,000
Reimbursements	\$35,427	\$55,000	\$55,000
Total Resources	\$1,961,095	\$1,992,700	\$2,050,950

* Public Law (P.L.) 116-94 rescinded \$50 million in 2020 from prior year unobligated balances. Net of those rescissions is displayed.

FTE

	2019 Enacted	2020 Enacted	2021 Request
Total FTE	3,248	3,275	3,275

The 2021 request for the Medical and Prosthetic Research appropriation is \$787 million, an increase of \$37 million, or 5 percent, from 2020. This will support approximately 2,200 research projects, more than 1,600 investigators, and allow VA to partner with approximately 200 medical schools and other academic institutions in 2021. When all sources of funding are combined, 2021 funding will be about \$2.0 billion. VA’s research efforts also enhanced by reimbursable authority and private/federal grants awarded to VA investigators. These other federal and non-federal resources, including the National Institute of Health (NIH), DoD, and Centers for Disease Control and Prevention (CDC), are estimated at \$540 million. VA Medical Care also provides support for VA research by maintaining infrastructure, support dollars for clinical salaries for time assigned to research, and other administrative and facility services.

Funding Distribution

VA Research supports its priorities through the funding distribution shown in the table below.

Program (\$s in 000s)	2019 Actual	2020 Enacted	2021 Request
Research Administration	77,720	91,660	90,170
Biomedical Laboratory R&D	214,573	190,990	209,237
Rehabilitation R&D	106,423	105,025	105,524
Health Services R&D	110,099	118,033	124,593
Cooperative Studies Program	86,254	88,030	89,587
Clinical Science R&D	73,292	73,359	84,904
Million Veteran Program	83,640	82,904	82,984
MVP/DOE Big Data Science Initiative	27,000	-	-
Total	779,000	750,000	787,000

2019 appropriation funded a one-time VA and the Department of Energy (DOE) Big Data Science Initiative through 2023.

Strategic Priorities

The 2021 Research strategic priorities are as follows:

Increase Veterans' access to high-quality clinical trials

Increasing Veterans' access to clinical trials gives Veterans more options to receive promising new treatments in a highly regulated environment, while also enabling them to continue to serve the nation and help their fellow Veterans through voluntary participation in health care research. For example, VA is currently carrying out a trial comparing the two-leading evidence-based psychotherapies for PTSD. Augmenting the tangible benefits of clinical trials, is the sense of hope Veterans are offered when their conditions are beyond what routine clinical care can offer.

Increase the substantial real-world impact of VA research

VA makes a significant investment in basic science, rehabilitation, clinical, and health services research to advance the development of new discoveries. VA in turn ensures that these discoveries are translated to real-world clinical applications ready routine clinical practice. This goal is also a core component of the VA Office of Research and Development (ORD) response to the Foundations for Evidence-based Policymaking Act (Evidence Act, Public Law 115-435), notably through the development of an ORD learning agenda, and through technical assistance to other VHA program offices on evidence-building activities and evaluation plans.

Put VA data to work for Veterans (formerly “Transform VA data into a national resource”)

VA has among the richest health datasets in the world, including those associated with the Million Veteran Program (MVP). These datasets hold information that will benefit both Veterans and the nation. To accelerate the rate of these discoveries, VA is taking the steps necessary to ensure that research with a translational trajectory will be conducted at larger scale.

Research 2021 Cross-Cutting Clinical Priorities

VA's cross-cutting clinical priorities for the 2021 request are:

Suicide prevention

Research will identify which factors increase the risk of suicide, and ORD is planning studies to prevent suicide by directly addressing an individual's suicide risk profile. Resources will build new tools to manage risk factors; identify more effective prevention strategies; and better ensure the successful transition of Veterans into the VA health care system, especially as they transition from active-duty military status to civilian life.

Opioids

Chronic pain is more prevalent in the Veteran population than in the non-Veteran U.S. population. It is often accompanied by co-existing mental health conditions, putting Veterans at risk for harms from opioid medication. VA Research supports the generation of knowledge to improve the prevention, diagnosis, and treatment of Opioid Use Disorder (OUD), as well as the development and testing of innovative approaches for chronic pain management for Veterans, guided by the requirements of the Comprehensive Addiction and Recovery Act (CARA), the President's

Commission on Combating Drug Addiction and the Opioid Crisis, President Donald J. Trump's Initiative to Stop Opioids Abuse and Reduce Drug Supply and Demand, and VHA's Opioid Safety Initiative.

Post-traumatic stress disorder (PTSD)

VA Research has led the way in developing effective psychotherapies for PTSD and in exploring other approaches such as medications, behavioral interventions, and devices in clinical trials. VA also has a strong track record of facilitating the implementation of research findings in this area directly into clinical practice. VA will work to better understand the underlying biology of PTSD, to advance new treatments, and to refine diagnostic approaches to make health care for PTSD more effective.

Traumatic brain injury (TBI)

ORD will continue to investigate cutting-edge diagnostics and treatments to improve brain health and quality of life for Veterans who have sustained a TBI. More than 120,000 Veterans who use VA for their health care have been diagnosed with at least one TBI. Key efforts will include continued funding of the Translational Research Center for TBI and Stress Disorders (TRACTS), and the VA/DoD Chronic Effects of Neurotrauma Consortium.

Gulf War Illness

ORD's Gulf War Program is congressionally mandated. It is overseen by the Federal Advisory Committee (FACA)-Research Advisory Committee (RAC) on Gulf War Veterans' Illnesses. The goal of this program is to improve the health of ill Gulf War Veterans. Peer-reviewed scientific projects funded by ORD are helping researchers understand the biological mechanisms of Gulf War illness, identify biomarkers, and develop and employ effective treatments.

Electronic Health Record Modernization

Appropriations

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
EHR Contract	575,000	1,003,500	1,191,000
Infrastructure Support	412,000	327,900	1,181,000
Program Management	120,000	168,600	255,000
Appropriations, Subtotal	1,107,000	1,500,000	2,627,000
PL 116-94 Rescission as of Dec 20, 2019	-	(57,485)	-
Budget Authority	1,107,000	1,442,515	2,627,000
PL 116-94 Anticipated Rescission	-	(12,515)	-
Anticipated Budget Authority	1,107,000	1,430,000	2,627,000

Note: FY 2020 Current Estimate reflects scoring of rescission of \$57.485 million required by P.L. 116-94, Further Consolidated Appropriations Act, 2020, Division F, Title II, section 253. VA will rescind an additional \$12.515 million to fulfill the full requirement of \$70 million from P.L. 116-94 as it becomes available.

FTE

	2019 Enacted	2020 Enacted	2021 Request
Total FTE	24	152	256

In 2021, VA is requesting \$2.6 billion to continue implementing Electronic Health Record Modernization (EHRM). The health and safety of our Veterans is one of our highest national priorities. VA is committed to providing a seamless network of care for all Veterans, which includes access to a comprehensive electronic health record system. These funds will be used to implement, prepare, develop, interface, manage, roll out, and maintain Veterans' electronic health records. Specifically it will allow VA to complete deployment in VISN 21 and continue deployment in VISN 22 and most of VISN 7; to accelerate deployment of the Cerner scheduling component to all locations by 2024, with sites in VISN 10 receiving deployment in 2021; upgrade IT infrastructure to prepare sites receiving full deployment and site receiving accelerated scheduling component deployment with sufficient time to allow for necessary testing; and provide expert oversight of the entire scope of the project, including the Cerner contract, as well as ensuring that VA's infrastructure is ready for the system's deployment.

The VA established the Office of Electronic Health Record Modernization (OEHRM) to ensure successful preparation, deployment and continued operation of the new EHR solution; and the health information technology tools dependent upon it. OEHRM's priority is to ensure that the VA judiciously balances speed of implementation with risk to cost, schedule, and performance objectives to ensure optimal care of Veterans.

The 2021 request is separated into three subaccounts:

Electronic Health Record Modernization

The request includes estimated cost for activities required to plan for and deploy the Cerner Millennium solution such as site activation, change management, training, data migration, data normalization, data hosting, interoperability, workflow development, testing, sustainment, help desk support, licenses, data analytics, and innovations. The new EHR system will help simplify health care delivery for both patients and clinical providers. Medical providers will have instant and seamless access to a Veterans' full-service health records and history. VA will compile data from service members' records to guarantee it is available to be accessed years later by DoD, VA and private sector doctors, providing clinicians with a full picture of a Veterans' medical history. This will deliver faster, smarter connections between military service and health outcomes. Through national and local workflow design processes, VA partnered with DoD and commercial vendors, and is working to strengthen and improve health care for all Veterans and active duty service members, and to improve the productivity and user experience for VA system users.

Infrastructure Support

The request includes estimated infrastructure support costs such as modifications to legacy systems, interfaces, wired and wireless networks at VA medical centers and their associated sites. Infrastructure Readiness is a critical component of the success of EHRM efforts. Components of VA, namely the Office of Information and Technology (OIT), VHA, and OEHRM, have been working communally to improve VA's current IT infrastructure to a point of efficiency that supports VA's new EHR solution and positions VA to effectively deploy the solution across the enterprise.

Program Management

The request includes estimated cost of program management, including government and contract personnel, administrative, and overhead expenses. OEHRM will ensure successful execution, oversight, active coordination, and proactive management of the program. Providing oversight of all activities related to and in support of EHRM; OEHRM will ensure contractors perform to the cost, schedule, and performance objectives, and the corresponding management of associated project risks while guaranteeing that VA infrastructure is ready for the system's deployment. OEHRM employs highly trained government and contractor personnel to provide this expert oversight in a myriad of professional disciplines including: program management, clinical, technical, engineering and architecture, information assurance (IA), security, testing, acquisition, contracting, data migration, communication, independent validation and verification (IV&V), training, change management, and governance. The executive director of OEHRM provides leadership, processes, tools, techniques, and all other support required for simultaneous project management, functional management, and technical management of the combined component projects.

Veterans Benefits Administration

Appropriations

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request	2022 Request
Compensation and Pensions	98,762,828	110,457,083	121,060,897	130,227,650
Readjustment Benefits	11,832,175	14,065,282	12,578,965	14,946,618
Insurance Benefits	109,090	128,960	131,372	136,950
Post-Vietnam Era Veterans Education Account	0	0	0	NA
Veterans Housing Program*	217,843	78,454	0	NA
Vocational Rehabilitation Loan Program*	15	3	0	NA
Native American Veterans Housing Loan Program	2,070	1,149	0	NA
Subtotal, Mandatory**	110,923,851	124,730,648	133,771,269	145,311,600
General Operating Expenses	2,956,316	3,125,000	3,207,000	NA
Veterans Housing Program - Admin	200,612	200,377	204,400	NA
Vocational Rehabilitation Loan Program - Subsidy	418	460	458	NA
Native American Veterans Housing Loan Program*	1,163	1,186	1,163	NA
Subtotal, Discretionary	3,158,504	3,327,023	3,413,021	NA
Total, Mandatory and Discretionary	114,082,355	128,057,672	137,184,290	145,311,636

* 2019 and 2020 include upward re-estimates. The 2021 request does not include any re-estimates, which are calculated at the end of the fiscal year.

** Does not include trust funds, proprietary receipts, or intragovernmental transactions.

FTE

	2019 Enacted	2020 Enacted	2021 Request
Total FTE	23,147	24,590	24,717

VA requests \$3.2 billion for VBA General Operating Expenses (GOE), which is \$82.0 million above 2020 and will support 24,717 FTE. The 2021 request reflects a sustained commitment to delivering benefits and exceptional service to Veterans, their dependents, and Survivors.

VBA continues to serve millions of Veterans across multiple benefit programs. The following chart shows the historical and projected growth across VBA’s primary lines of business.

Number of Beneficiaries

	2019 Actual	2020 Estimate	2021 Estimate
Compensation Beneficiaries	5,281,662	5,532,616	5,724,260
Pensions Beneficiaries	433,863	404,306	392,508
Education Program Trainees	909,242	938,943	949,244
Vocational Rehabilitation and Employment Beneficiaries	122,244	128,082	131,334
New Housing Loans	661,353	669,116	550,726
Insured Persons	5,668,418	5,837,711	5,802,451

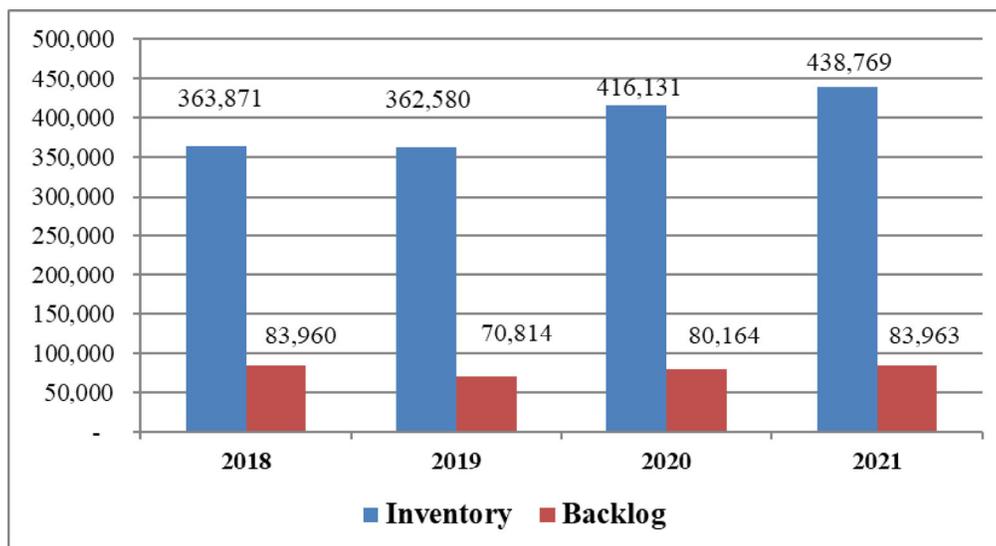
Disability Compensation Claims Backlog and Appeals Reform

In 2021, VBA is projected to complete 1.4 million disability rating claims, and the number of claims pending longer than 125 days will remain between 70,000 and 100,000 claims. This level may change in the future as the volume of claims receipts increases or decreases.

Projected Compensation Workload and FTE Requirements

	2019 Actual	2020 Estimate	2021 Estimate
Compensation Direct Labor FTE	14,558	15,309	15,021
Rating Receipts Compensation Claims	1,316,928	1,409,292	1,447,358
Rating Production Compensation Claims	1,322,139	1,360,290	1,420,084
Year-End Inventory Compensation Claims	332,884	381,886	409,160

C&P Rating Claims Inventory and Backlog (End of Year)



In 2021, VBA will reduce its pending inventory of appeals to 38,000, with zero Notice of Disagreements, as a result, 400 FTE will be incrementally reallocated to other priority areas such as an expanded transition program, enhanced outreach efforts, and increased program growth to maintain the VR&E Counselor to Veteran ratio of 1:125 at the regional office level. VBA will continue to update stakeholders of its current progress with quarterly reports to Congress.

Compensation & Pension Appeals Workload

	2019 Actual	2020 Estimate	2021 Estimate
Notice of Disagreement Receipts	111,981	12,500	0
Appeals Resolution by VBA	95,143	112,000	* 63,584
Certification of Substantive Appeals by the Board**	67,341	77,096	***25,000
Pending Inventory	237,657	63,584	* 38,443

*Resolutions will be remands only 2021

** Certifications include both original certifications as well as remands returned to the Board for final decision

*** Certifications will be recertifications only in 2021 (Based on the percentage of remands to the Board and recertifications)

Payments to Veterans and Beneficiaries

The amount of benefits payments has increased annually, and 2021 is expected to follow this trend. This is a result of the success of faster claims adjudication as well as legislation expanding Veterans' benefits.

Veterans Benefits: Claims Payments

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
Compensation	96,343,569	106,988,263	115,761,451
Pensions	4,910,031	4,845,297	4,944,460
Education Benefits	11,989,870	12,989,330	13,282,691
Vocational Rehabilitation and Employment	1,387,614	1,447,288	1,542,002
Total	114,631,084	126,270,178	135,530,604

Fiduciary Services

VA conducts a field examination prior to initial appointment of a fiduciary, which includes any subsequent new fiduciary. In 2021, VBA will maintain 1,335 FTE in the field to meet the program's oversight responsibilities to avoid delays in the initial appointment of fiduciaries and the scheduling of follow-up field examinations. In 2021, VBA will provide 3.9 percent more field exams with the steady state staffing level.

Fiduciary Program Workload Completed and FTE Requirements

	2019 Actual	2020 Estimate	2021 Estimate
Direct Labor FTE	1,213	1,335	1,335
Field Examinations			
Initial Appointment Field Examinations	41,196	55,300	56,959
Follow-up Field Examinations	43,551	47,700	49,131
Follow-up Alternative Field Examinations	12,104	16,000	17,500
Total Field Examinations	96,851	119,000	123,590
<i>Initial Appointments as a Percentage of Total</i>	<i>42.50%</i>	<i>46.50%</i>	<i>49.00%</i>
Accountings	56,561	59,500	58,435

Blue Water Navy (BWN) Act Claims

On June 25, 2019, the President signed the Blue Water Navy Vietnam Veterans Act of 2019, which became effective January 1, 2020. As a result, VA's presumption for herbicide exposure will extend to Veterans who served on ships that navigated within a specified distance of the Republic of Vietnam. The \$137.2 million request for Blue Water Navy will support 691 FTE which includes a dedicated team of experts to prepare and process claims, National Call Center agents to respond to anticipated increases in call volume, and staff to implement and support technology enhancements. Additional non-pay funding will support an immense scanning effort; onboard, train, and equip new employees; and fund robust outreach efforts including communication to the public, outreach to Veterans, and communication with VA employees.

Forever GI Bill

The Harry W. Colmery Veterans Educational Assistance Act of 2017 (Forever GI Bill) enhances the Post-9/11 GI Bill for Servicemembers, Veterans, and dependents. An investment of \$20.5 million will provide for specific and detailed information to obtain sound data on the GI Bill population. Conclusive data representation on how benefits are used will support policies and actions that promote beneficiary retention and graduation. Additional resources will provide for information on income, educational paths that yield the best return on investment as measured by civilian workforce success, disability and homelessness status, non-reliance on public assistance, educational attainment, and student debt and default rates.

National Cemetery Administration

Budget Authority

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
Operations and Maintenance	315,836	328,000	360,000
Construction-Major	117,200	172,000	94,000
Construction - Minor	190,174	80,520	86,030
Grants for Veterans Cemeteries	45,000	45,000	45,000
Subtotal, Discretionary Funds	668,210	625,520	585,030
Facilities Operation Fund (Non-Appropriated)	125	278	278
National Cemetery Gift Fund (Non-Appropriated)	239	1,000	1,000
Mandatory Funds: Compensation and Pension (Headstones & Markers, Graveliners, Burial Receptacles, Caskets & Urns)	131,000	128,339	129,073
Total, Budget Authority	799,574	755,137	715,381

Note: The Further Consolidated Appropriations Act, 2020 (Public Law 116-94) rescinded \$1 million in prior year unobligated balances. 2020 Enacted is net of those rescissions.

FTE

	2019 Enacted	2020 Enacted	2021 Request
Total FTE	1,947	2,008	2,085

VA requests \$360.0 million for National Cemetery Administration (NCA) operations, an increase of \$32.0 million (9.8 percent) over 2020, which will support 2,085 FTE. The 2021 Budget positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following policies consistent with its strategic goals.

- Preserving the Legacy: Ensuring “No Veteran Ever Dies”
- Providing Access and Choosing VA
- Partnering to Serve Veterans

VA honors Veterans and their family members with final resting places in national shrines with lasting tributes that commemorate their service and sacrifice to our Nation. Fulfilling its mission, NCA projects interring over 137,000 Veterans and eligible family members in 2020. The 2021 Budget will provide approximately 383,570 headstones and markers, distribute 633,544 Presidential Memorial Certificates, and expand the Veterans Legacy Program to communities across the country. With this budget, NCA will maintain occupied graves, developed acreage, historic structures, and cemetery infrastructure in a manner befitting national shrines.

NCA Assets in 2021

National Cemeteries	Soldiers' Lots and Memorial Sites
156	33

Veteran and Eligible Family Burials Provided

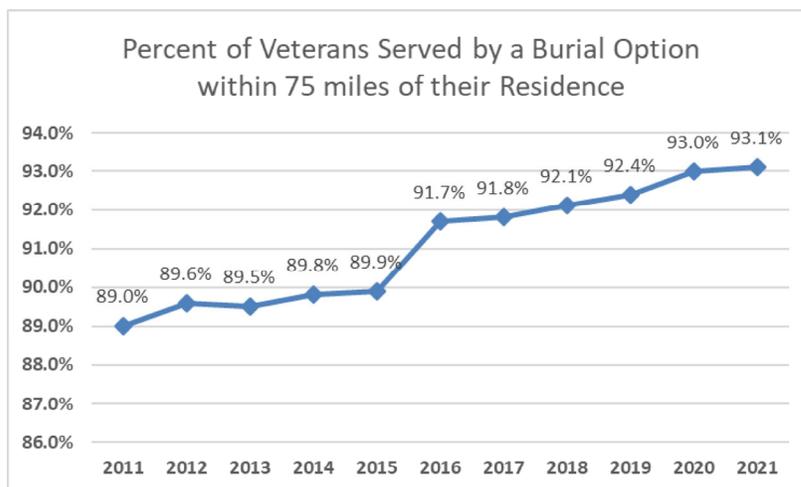
	2019 Actual	2020 Estimate	2021 Estimate
Interments	134,833	137,548	137,601

The 2021 Budget includes an additional \$9.4 million for increased operations and maintenance costs at existing cemeteries, including an additional 46 FTE and non-payroll inflationary increases. NCA expects to maintain more than 4.0 million gravesites in 2021, an increase from nearly 3.8 million in 2019. Over 137,600 interments are anticipated for 2021, an increase of 2.1 percent over the 134,833 in 2019. In addition, the number of developed acres to maintain is expected to increase to over 9,400 acres system-wide with the opening of new cemeteries and gravesite expansion projects underway.

NCA plans to open four new cemeteries in 2021 (the columbaria-only locations in New York, NY; and Indianapolis, IN; and two national cemeteries under the rural initiative in Cheyenne, WY; and Cedar City, UT) that require additional resources. These new cemeteries move NCA closer to providing 95 percent of the Veteran population a burial option within 75 miles of their homes.

NCA also requests \$9.7 million and 7 FTE for initiatives that tie directly to providing access to burial benefits and choosing VA, such as non-recurring maintenance funds to address ongoing FCA issues and to enhance cemetery safety and training operations. Also, \$6 million is requested to preserve National Shrine standards to fulfill VA's commitment to maintain cemeteries as national shrines with lasting tributes that commemorate Veteran's service and sacrifice.

By 2021, NCA anticipates approximately 93.1 percent of Veterans will have access to a burial option in a national, state, or tribal Veterans cemetery within 75 miles of their home. VA expects to increase the percentage of Veterans served in 2021 by developing new national cemeteries, developing additional gravesites at existing national cemeteries and establishing and expanding Veterans cemeteries through grants to states and tribal organizations.



Board of Veterans' Appeals

Appropriations

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
Total Appropriations	174,748	174,000	198,000

Note: The Further Consolidated Appropriations Act, 2020 (Public Law 116-94) rescinded \$8 million in prior year unobligated balances. 2020 Enacted is net of those rescissions.

FTE

	2019 Enacted	2020 Enacted	2021 Request
Total FTE	1,077	1,190	1,161

VA requests \$198 million in budget authority and 1,161 FTE for the Board of Veterans' Appeals (Board) to support its operations. The Board is responsible for making final determinations on behalf of the Secretary for appeals for Veterans' benefits and services that are presented to the Board for appellate review. The Board conducts hearings and issues timely and quality decisions for Veterans and other appellants in compliance with the requirements of the law.

The Veterans Appeals Improvement and Modernization Act of 2017 was enacted on August 23, 2017 (AMA) and was fully implemented on February 19, 2019. In 2019, the Board issued a record number of appeals decisions (95,089) and conducted 22,743 hearings (a 38 percent increase from the prior year). In 2020, the Board is on track to offer approximately 36,000 hearings and hold more than 24,000 hearing.

In 2021, the Board will continue its business transformation as the Department prioritizes the resolution of the pending legacy appeals while simultaneously adjudicating appeals under the AMA. The \$24 million increase in net budget authority will also address pending hearing inventory; improve delivery of and access to Veterans with investment in virtual hearings and VETText; support for Veterans law research, hearing transcriptions and human resources; and fund personnel costs in Board's four main components: Office of the Chairman, Office of Appellate Operations, Office of the Chief Counsel, and Resource Management and Planning.

Office of Information and Technology

Appropriations

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
Development	380,571	427,780	495,546
Sustainment	2,523,209	2,739,597	3,205,216
Pay & Administration	1,199,220	1,204,238	1,211,238
Total Appropriations	4,103,000	4,371,615	4,912,000

FTE

	2019 Enacted	2020 Enacted	2021 Request
Total FTE	7,469	7,890	7,885

In 2021, OIT is requesting \$4.912 billion, an increase of \$540.4 million (12.4 percent) over the 2020 enacted budget. This requested increase will support critical investments to Veteran-focused development, IT modernization and transformational efforts. Major investments include:

- \$309.4 million to support implementation of the MISSION Act
- \$250.6 million for Infrastructure Readiness Program
- \$59.5 million for the VA Enterprise Cloud solution
- \$35.0 million to support Blue Water Navy implementation
- \$111.1 million to support the replacement of the Financial Management System
- \$111.5 million to support the Supply Chain Management LogiCole Enterprise Solution (formerly Defense Medical Logistics Standard Support)

OIT provides information technology support across VA to ensure that the mission, vision, strategic goals and objectives of the Department are met. The technology and resources required to support VA strategic priorities underpin every aspect of the care and services delivered to Veterans. IT enables VA to support critical areas; such as Customer Service, MISSION Act Implementation, Business Transformation, and VA/DoD Collaboration.

OIT is changing the way services are procured by taking a “buy first” approach to new systems, getting out of the business of building its own applications, and relying more on cloud, managed and shared services, and commercial-off-the-shelf (COTS) products. VA will continue focusing its efforts on modernizing IT infrastructure while transforming our health care system to a more integrated network that serves Veterans. With the help of the private-sector, health care experts will assist in improving the infrastructure and design a methodology that will streamline health care delivery based on population, demand, internal capacity, and external public and private sector resources.

In support of OIT’s Modernization Strategy, the 2021 Budget will be used to fund the following focus areas:

Migrating to the Cloud

OIT migrating infrastructure and applications to commercial cloud providers to reduce operational costs and increase flexibility, allowing us to deliver services to Veterans more quickly and reliably.

Improving Cybersecurity

OIT is developing an enterprise cybersecurity risk management framework, based on industry best practices, to stay at the forefront of protecting Veteran information from cyber threats.

Digitizing Business Processes

OIT is upgrading VA's customer-facing digital tools to give Veterans easier access to their care and benefits and using new technologies and services to streamline our internal business processes.

Decommissioning Legacy Systems

OIT is moving critical functions from outdated and difficult to sustain platforms, into more modern systems that operate at lower maintenance costs. This cost savings will be reinvested in projects to improve services for all Veterans.

Recruit and Retain a World-Class IT Workforce

OIT is dedicated to recruiting and retaining the next generation of IT workers to OIT. VA is also committed to training and re-skilling current employees to ensure the VA has the right people powering its digital modernization when and where we need them.

Construction

Appropriations

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
Construction-Major	2,177,486	1,235,200	1,373,000
Construction - Minor	799,514	398,800	400,000
Grants for State Extended Care Facilities	150,000	90,000	90,000
Grants for Veterans Cemeteries	45,000	45,000	45,000
Total, Budget Authority	3,172,000	1,769,000	1,908,000

The total request for construction is \$1.9 billion, including \$1.37 billion for Major Construction, \$400 million for Minor Construction, \$90 million for Grants to State Extended Care Facilities, and \$45 million for Grants for State Veterans Cemeteries.

Major construction projects include funding for:

- Construction of New Specialty Care Building 201, Tacoma (American Lake), Washington
- Mental Health and Community Living Center, Long Beach, California
- Construction and Renovation, Canandaigua, New York
- Community Based Outpatient Clinic and National Cemetery, Alameda, California
- Spinal Cord Injury and Seismic Corrections, San Diego, California
- Realignment and Closure of the Livermore Campus, Livermore, California
- Spinal Cord Injury, Dallas, Texas
- Construct Inpatient Facility, Tulsa, Oklahoma
- Expanded cemeteries in San Antonio, Texas and San Diego, California

The 2021 Budget includes funding to address VA's highest priority facilities in need of seismic repairs and upgrades. VA's major construction request includes \$237 million to correct critical seismic issues. The seismic program funds identified unfunded and existing, partially-funded seismic projects within VA's major, minor, and non-recurring maintenance (NRM) programs.

VA's capital requirements are primarily driven by Veterans' need to access care in modern facilities that are safe, secure, sustainable, and accessible. VA's Strategic Capital Investment Planning (SCIP) process has served as the basis for prioritizing VA capital investment funding decisions since the 2012 Budget. Projects prioritized for funding through the SCIP process will correct critical seismic and safety deficiencies and address other performance gaps at VA facilities.

General Administration

Appropriations

(\$s in 000s)	2019 Enacted	2020 Enacted	2021 Request
Office of the Secretary of the VA	13,121	14,715	17,059
Office of General Counsel	95,775	112,209	121,187
Office of Management	64,717	63,992	71,054
Human Resources & Administration / Operations, & Security & Preparedness	87,303	95,850	110,744
Office of Enterprise Integration	27,967	28,416	30,081
Office of Public and Intergovernmental Affairs	14,171	12,663	15,931
Office of Congressional and Legislative Affairs	5,900	5,900	8,966
Office of Acquisition, Logistics and Construction	46,492	0	0
Office of Veterans Experience	450		11,556
Office of Accountability and Whistleblower Protection	0	22,166	26,422
Total Budget Authority	355,896	355,911	413,000

FTE

	2019 Enacted	2020 Enacted	2021 Request
Office of the Secretary of the VA	119	124	125
Office of General Counsel	689	813	898
Office of Management	245	306	316
Human Resources & Administration / Operations, & Security & Preparedness	666	806	876
Office of Enterprise Integration	94	101	122
Office of Public and Intergovernmental Affairs	83	95	95
Office of Congressional and Legislative Affairs	52	55	55
Office of Acquisition, Logistics and Construction	374	459	568
Office of Veterans Experience	116	187	223
Office of Accountability and Whistleblower Protection	86	114	125
Total FTE	2,524	3,060	3,403

Note: 2019 includes reprogramming approved by Congress

VA requests \$413.0 million for General Administration, \$57.1 million (16 percent) above 2020. This account provides VA Staff Offices support for critical operations such as security and emergency preparedness, acquisitions and construction management, legal review and counsel, financial, budget, and asset management, and legislative review and support to Congress. The General Administration account also provides funding for accountability and whistleblower protection, human resources management, project management, enterprise-level data analysis, public relations and outreach, as well as executive level direction to the Department.

Highlights of the 2021 General Administration request include:

- The 2021 request includes direct discretionary Budget Authority (BA) of \$11.5 million for corporate management of the Veterans Experience Office (VEO), while continuing to use reimbursable authority to fund direct services VEO provides to the Administrations. Services provided include the Patient Experience initiative, Veterans Relational Management, and the White House Veterans Hotline.
- An increase of \$8.9 million for the Office of General Counsel to hire attorneys and legal personnel to address the increased number of cases before the Court of Appeals for Veterans Claims, increased workload due to employment law and contracts, and to address workload from the MISSION Act and the VA Accountability and Whistleblower Protection Act of 2017.
- An increase of \$8.6 million for Office of Operations, Security and Preparedness for police modernization and enterprise Continuity of Operations (COOP) platform upgrades, and personnel suitability oversight.
- An increase of \$6.8 million to implement the Department's new enterprise-wide financial management system (iFAMS), financial and audit readiness contracts, actuarial studies, and analytics related to Community Care to improve resource planning.
- An increase of \$4.2 million to implement oversight and compliance requirements of the VA Accountability and Whistleblower Protection Act and to ensure the Department conducts timely investigations.
- An increase of \$3 million in Human Resources & Administration (HRA) to fund new leases, establish the Chief Learning Office, and to conduct labor negotiations.

Office of Inspector General

Appropriations

((\$ in 000s)	2019 Enacted	2020 Enacted	2021 Request
Total, Budget Authority	192,000	210,000	228,000

FTE

	2019 Enacted	2020 Enacted	2021 Request
Total FTE	908	1,020	1,048

The request includes \$228.0 million for 1,048 FTE to support essential oversight of VA's programs and operations through independent audits, inspections, reviews, and investigations; and for the timely detection and deterrence of fraud, waste, and abuse. The increase of \$18 million from the 2020 budget permanently funds recently hired staff who are currently supported with carryover and allows the OIG to hire an additional 28 FTE for a total of 1,048 FTE. Most OIG employees will continue to be directly involved in conducting audits, inspections, investigations, and other reviews of high-risk and high-impact VA programs and services.

Additional resources will be used to further enhance oversight in program areas that are vital to veterans and taxpayers, particularly implementation of the MISSION Act and the ongoing electronic health records modernization effort. To that end, the OIG will significantly expand oversight of community care, including ongoing efforts to detect and deter healthcare fraud, financial stewardship, and procurement.

During the past two reporting periods, the OIG identified a monetary benefit of more than \$5.6 billion in 237 reports issued. This was a return of about \$37 for every dollar invested in the OIG.