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# News Release

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## **President Obama’s 2010 Spending Plan Initiates Transformation for VA Services**

### ***Record Budget Enhances VA’s Ability to Become a 21<sup>st</sup> Century Organization***

WASHINGTON, D.C. – Today, the U.S. Department of Veterans Affairs (VA) announced President Obama’s 2010 budget for VA. The budget emphasizes a Veteran-centric commitment to expanded services with a 15.5 percent increase over 2009, the largest percentage increase for VA requested by a president in more than 30 years.

“Our 2010 budget represents the President’s vision for how VA will transform into a 21<sup>st</sup> Century organization that is Veteran-centric, results-driven, and forward-looking,” Secretary of Veterans Affairs Eric K. Shinseki said. “This transformation is demanded by new times, new technologies, new demographic realities, and new commitments to today’s Veterans. It requires a comprehensive review of the fundamentals in every line of operation the Department performs. We must be sure that valuable taxpayer dollars are invested in programs that work for our Veterans.”

The centerpiece of the \$112.8 billion VA budget proposal is a dramatic increase in Veteran health care funding, with an 11 percent increase over the current year's funding (excluding one-time Recovery Act funds).

“Organizational transformation requires changes in culture, systems, and training,” Deputy Secretary of Veterans Affairs W. Scott Gould said. “This will require resources, but it will also demand commitment and teamwork. The entire Department is dedicated to serving the needs of Veterans, and every VA employee has a stake in transformation to meet those needs.”

That transformation is already underway. For instance, the enhanced use of automated tools, coupled with more efficient processes, recent staffing increases, and improved training is expected to reduce the compensation and pension claims processing time to 150 days in 2010, or 16 percent faster compared to 2008, while reducing the pending inventory and improving accuracy. VA anticipates an 8 percent increase in education claims in 2010 compared to this year due largely to the improved education benefits of the Post-9/11 Veterans Educational Assistance Act. Nonetheless, VA's goal is to complete all education claims without any increase in average processing days.

“We are making the smart choices today to improve the services that our Veterans receive tomorrow,” Secretary Shinseki said.

VA's budget request contains four major categories of activities. These activities include: creating a reliable management infrastructure, delivering ongoing services, making progress on Departmental priorities, and instituting new initiatives critical to meeting the needs of Veterans now and in the future.

Nearly two-thirds of the increase (\$9.6 billion) would go to mandatory programs (up 20 percent); the remaining third (\$5.6 billion) would be discretionary funding (up 11 percent). The total budget would be almost evenly split between mandatory funding (\$56.9 billion) and discretionary funding (\$55.9 billion).

VA's new budget request provides for an estimated 122,000 more patients to be treated over the current year. Many of these patients will have multiple visits in the course of the year. VA expects to end fiscal year 2010 with nearly 6.1 million individual patients having received care, including 419,000 Veterans of the Iraq and Afghanistan war zones who separated from service.

“VA has too often in the past been seen as difficult and bureaucratic as it relates to its charge of providing for our Nation's Veterans,” Secretary Shinseki said. “Changing that perception will require a significant transformation. We will not nibble at the edges of this change. We must be bold and demand that we begin immediately showing measurable returns on investment in a responsible, accountable and transparent manner.”

The budget supports the administration's goal to gradually expand health care eligibility to more than 500,000 new enrollees by 2013, while maintaining excellent care

quality and timeliness. In 2010, the transformation of VA health care will support scheduling of 98 percent of primary care appointments within a month of the desired date.

The new budget proposal places a high priority on initiatives aimed at making servicemembers' transition to civilian life and VA benefits seamless. This includes the President's initiative for VA and the Department of Defense to collaboratively develop and implement a joint "Virtual Lifetime Electronic Record."

The new system supports the administration's initiative for a uniform registration of all servicemembers with VA, will improve delivery of benefits by assuring availability of medical and administrative data useful both in future medical care as well as in the determination of service-connection in disability ratings.

"The Department's number one priority is providing for our Veterans," Deputy Secretary Gould said. "We have an obligation to make sure that every dollar goes to delivering timely, high-quality benefits and services to our clients—the Veterans. A strong corporate model will enable decentralized provision of services at VA by professionals in the field while providing integrated policy and coordination through a central office."

The fiscal year 2010 VA budget fosters strong support for Veteran-focused information technology, providing more than \$3.3 billion to ensure reliable, accessible and secure computer systems. In addition to improvements in VA's electronic health records, this investment will support the President's goal of making claims decisions timely, fair, and consistent with the extension of a new paperless processing initiative expected to lead to an electronically based benefits system by 2012.

VA-managed national cemeteries will be preserved as shrines while maintaining the current high level of service. The National Cemetery Administration would receive \$242 million in operations and maintenance funding in the fiscal year 2010 request. The budget provides for activation of three new national cemeteries, Bakersfield National Cemetery in California, Alabama National Cemetery near Birmingham, and Washington Crossing National Cemetery in southeastern Pennsylvania. VA expects to perform 111,500 interments in 2010, a four-percent increase from the estimate for the current year.

The President's budget for construction projects and other capital programs in VA is more than \$1.9 billion. This continues work on five major medical projects already in progress, begins seven new ones, and provides resources to support the cemetery system's

expansion needs, including resources for improvements at Abraham Lincoln National Cemetery in Elwood, Illinois, and Houston National Cemetery.

It also contains \$600 million for minor construction projects, \$85 million in grants for construction of state extended care facilities, and \$42 million in grants for state Veterans cemeteries.

The seven new medical facility projects move VA towards new construction or renovations at VA medical facilities in Brockton, Massachusetts; Canandaigua, New York; Livermore, California; Long Beach, California; Perry Point, Maryland; San Diego, California; and St. Louis, Missouri.

Capital funds also will support ongoing improvements at medical centers in Bay Pines, Florida; Denver, Colorado; Orlando, Florida; San Juan, Puerto Rico; and St. Louis, Missouri.

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