



VA 2010 Budget Executive Summary

I. INTRODUCTION

The President's vision for the Department of Veterans Affairs (VA) is to transform VA into a 21st Century organization that is Veteran-centric, results-driven, and forward-looking. This transformation is demanded by new times, new technologies, new demographic realities, and new commitments to today's Veterans. And it requires a comprehensive review of the fundamentals in every line of operation the Department performs.

VA's budget request for 2010 provides the resources critical to achieving the President's vision and will help ensure that Veterans—our clients—receive timely access to the highest quality benefits and services we can provide and which they earned through their sacrifice and service to our Nation.

The Department's resource request for 2010 is nearly \$112.8 billion—up \$15 billion, or 15 percent, from the 2009 enacted budget (excluding funds provided by the American Recovery and Reinvestment Act of 2009). This is the largest one-year percentage increase for VA requested by a President in over 30 years.

Nearly two-thirds of the increase (\$9.7 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).

II. Strategy and Approach

The President's budget request for 2010 provides the Department of Veterans Affairs (VA) with resources needed to become a 21st Century organization while providing the time and opportunity for VA leadership to develop further the substance, priority, and value of individual investments currently in the budget.

The vision is clear: VA will be a people-centric, results-oriented, forward-looking organization that puts Veterans first. Services will be more coordinated, convenient, and cost effective. Veterans will receive timely access to the highest quality benefits and services that they earned through their sacrifice and service

to our Nation. Better quality, access, and cost-effective service to veterans will result.

But we can not achieve this bold vision by doing business the old way. It will take leadership and new management processes. VA will employ an integrated corporate model with central coordination of common management infrastructure, including those for human resources, financial management, acquisitions, performance measurement, and IT. A strong corporate model will enable decentralized provision of services at VA by medical and benefits professionals in the field while providing integrated policy and coordination through a central office. This allocation of decision rights and responsibilities will result in improved quality and access to services for Veterans and their families.

Consequently, the new leadership team is working to review management fundamentals in the Department's three main operating units, as well as to strengthen the capabilities of critical support functions like human resources, administration, IT, and acquisition. A task force is already underway to identify opportunities for significant improvements in meeting the needs of Veterans in the 21st Century. Several new governance processes have been established. And a comprehensive effort to acquire detailed data and information about current VA operations, including performance measures, with a focus on accountability is being implemented.

These efforts will generate valuable new insights during the coming months. Some may have budget consequences. Therefore, as this work proceeds, the Department looks forward to engaging in a dialogue with the Congress on how VA will transform into a 21st-Century organization with the resources requested for FY 2010.

III. Illustrative Examples of Initiatives Supporting Transformation at the VA in the FY2010 budget

At present, the budget request contains four major categories of transformational activity collectively designed to initiate the process of creating a 21st Century VA. These include creating a reliable management infrastructure, delivering ongoing services, making progress on Congressional priorities, and instituting some new initiatives.

VA will create a reliable **management infrastructure** that expands or enhances corporate transparency at the VA, leader training, and R&D. This infrastructure also is a key to dramatically improved client services and enhanced responsiveness to the needs of Veterans and all VA stakeholders. Examples include dramatically increasing investment in training and career development

for the VA career civil service; improving capacity to manage IT services and major programs; employing a suitable financial management system to track expenditures; and achieving significant realignment of VA's acquisition processes for improved transparency of and accountability for spending across the VA.

VA must deliver on **base** requirements related to ongoing services provided to Veterans on a daily basis. Base activities include access to the highest quality care, delivered at best-in-class facilities, and powered by excellence in medical research. The requirements also encompass fair, consistent, and rapid processing of benefits claims, memorial services that honor service to the Nation, and evolving needs, such as rural care and outreach, care for homeless Veterans, Veterans' families, and women's health care.

VA will assess and revitalize **core** programs that have already been recognized by the VA and Congress as important steps to improve quality and access to services for Veterans. These programs provide access for additional Priority 8 Veterans; improve interoperability and coordination between the Department of Defense and the VA; increase investment in mental health and telemedicine; and complete the final phase of post-9/11 GI Bill implementation plan. Progress on these initiatives, begun in 2009, will be sustained in 2010 to ensure that VA follows through on its existing commitments.

VA will employ **new** approaches to meet emerging needs that will change the way VA does its work. The FY2010 budget modernizes the VA by changing the way Veterans are served and by transforming the management systems that prevent employees from serving Veterans more effectively. The main elements of this category of activity comprise a different kind of service, as well as management systems that underpin a strong corporate model of coordination and control. The on-going work of the Transformation Task Force will inform the further development of these elements. New initiatives include such efforts as the following:

- Integrated Health Care Initiatives include creating a Joint Virtual Lifetime Electronic Record that will ultimately contain administrative and medical information from the day an individual enters military service throughout their military career and after they leave the military.
- Unified Client Relationship Management Channels throughout VA so that Veterans may reach VA on their own terms (phone, web, in person) and gain quick and convenient access to information about all VA services from a single point of contact.

- Establishing a Program Analysis and Evaluation Service. The Department will establish an office with robust program analysis and evaluation capability. This office will conduct in-depth reviews of VA programs and operations, and will assess their return on investment. These independent evaluations will help inform program and budget decision-making.
- Funding the new Office of the Assistant Secretary for Acquisition, Construction, and Logistics. The 2010 budget includes resources to fund this new office that is responsible for overseeing the resources, services, and projects that comprise VA's capital facilities program, and directing the Department's acquisition and logistics activities (Supply Fund).

The President's 2010 budget request for VA also enables the following initiatives:

- **Expanding health care eligibility.** Using resources provided by Congress in 2009, VA began a gradual expansion of health care eligibility for non-disabled Veterans earning modest incomes (Priority 8 Veterans). The 2010 budget provides funds to continue this gradual expansion, which will enable over 500,000 Veterans to enroll for VA medical care by 2013. The 2010 budget ensures this will be done while maintaining both the timeliness and quality of VA health care.
- **Enhancing outreach and services related to mental health care.** The 2010 budget improves access to mental health services across the country, particularly for Veterans suffering from post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI) as a result of their service in Operations Enduring and Iraqi Freedom. This budget ensures VA can expand its screening program for depression, PTSD, TBI, and substance use disorders, and can enhance its suicide prevention campaign.
- **Combating homelessness.** Funds are provided for VA to work with other federal departments and agencies, in partnership with non-profit organizations, to reduce homelessness and increase employment opportunities among Veterans. This includes a pilot program aimed at maintaining stable housing for Veterans at risk of homelessness while also providing them with ongoing medical care and supportive services.
- **Ensuring seamless transition.** VA will continue to collaborate with the Department of Defense (DoD) to simplify the transition of military personnel into civilian status through a uniform approach to both registering into VA and accessing electronic records data. The two departments will improve the

delivery of benefits and assure the availability of medical data to support the care of patients shared by VA and DoD.

- **Meeting the needs of women Veterans.** VA will respond to the needs of a growing number of women Veterans coming to VA for health care, particularly through enhanced primary care. This effort includes full-time Women Veterans Program Managers serving at all VA medical facilities. These program managers are advisors to, and advocates for, women Veterans to help ensure their care is provided with the appropriate level of privacy and sensitivity.
- **Expanding care for Veterans in rural areas.** The Department is expanding several projects that will improve access to care for Veterans in rural and highly rural areas, including use of rural health resource centers, mobile clinics, rural health consultants, and outreach clinics. VA will also continue to expand its telehealth program that is the largest of its kind in the world.
- **Increasing investments in research.** The 2010 budget provides resources for vital research projects aimed at improving care and clinical outcomes for Veterans. Some of this key research will focus on TBI and polytrauma, specifically studies on blast force-related injuries. VA will strengthen its burn injury research to improve the rehabilitation and daily lives of Veterans who have suffered burns and will enhance research on chronic pain. The Department will also expand research on access to VA health care, including access for Veterans in rural and highly rural areas.
- **Automating the delivery of education benefits.** The 2010 budget provides resources to continue development of an automated system for education claims processing. This initiative is crucial to the timely and efficient delivery of benefits mandated by the Post-9/11 Veterans Educational Assistance Act. The automated solution will be available by the end of calendar year 2010.
- **Processing benefits claims in a paperless environment.** This budget includes resources to continue moving toward the President's goal of reforming the benefits claims process to ensure claims decisions are timely, accurate, fair, and consistent through the use of automated systems. This system will strengthen service to Veterans by providing them the capability to apply for and manage their benefits on-line. It will reduce the movement of paper files and further secure Veterans' personal information. The initial features of the paperless processing initiative will be tested in 2010, and by 2012 VA expects to implement its electronic benefits delivery system.

- **Increasing investment in training and career development.** This budget will help ensure that VA's workforce will remain leaders and standard-setters in their fields. The Department will continue to grow and retain a skilled, motivated, and client-oriented workforce. Training and development (including a leader development program), communications and team building, and continuous learning will all be components of reaching this objective.

These key investments in 2010 directly support the Department's strategic priorities and are critical to achieving the transformation of VA into a 21st Century organization. The resources dedicated to these initiatives are vital to our mission of addressing Veterans' changing needs over time. They will help ensure that VA continues to deliver state-of-the-art health care and benefits; grows and maintains a skilled, motivated, and client-oriented workforce; and implements a comprehensive training and leader development program for long-term professional excellence in the Department.

III. Next Steps for Transformation

VA is moving quickly to engage stakeholders, create options, and translate FY2010 initiatives supporting transformation into budget terms. Current efforts include the following:

First, the Secretary of Veterans Affairs established a Transformation Task Force in March that is responsible for conducting a comprehensive review of the VA to develop recommended strategies and investments for a multi-year transformation of the VA.

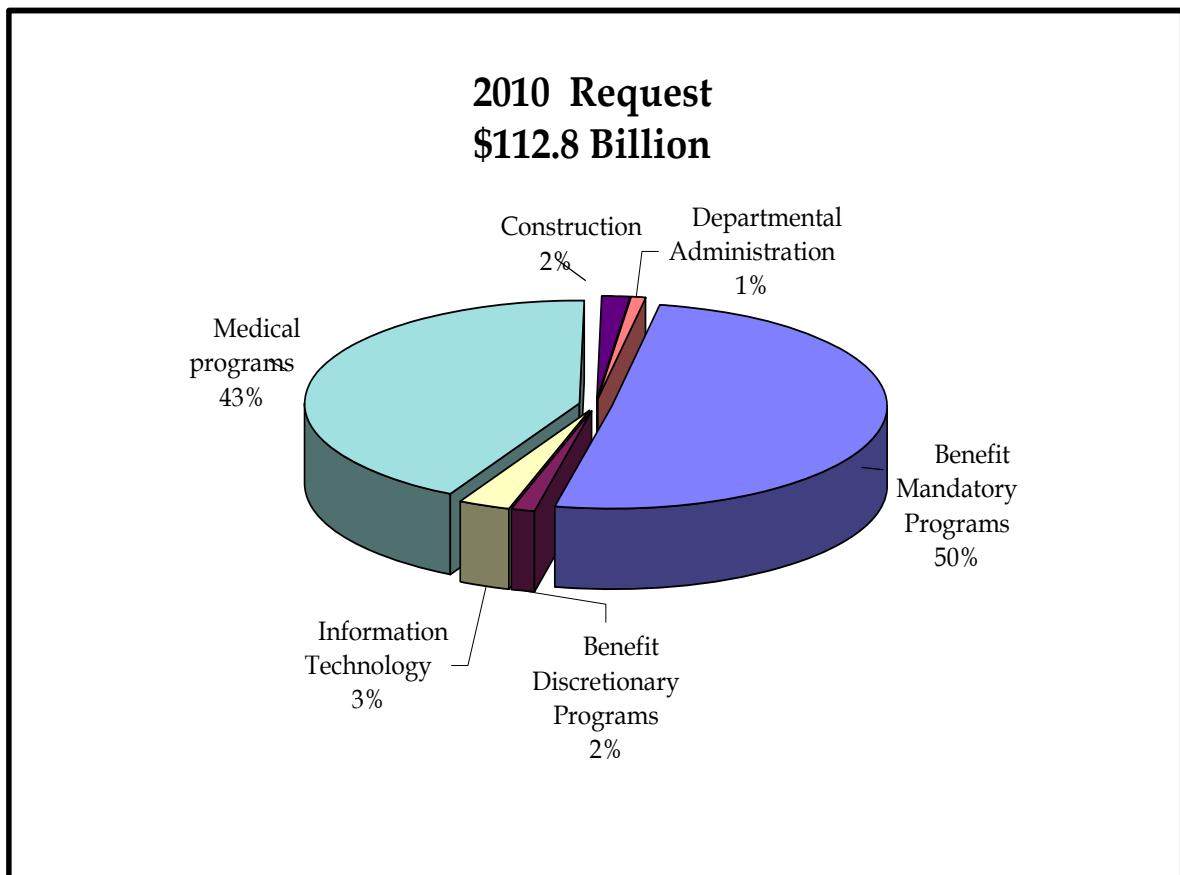
Second, VA leadership initiated targeted management reviews of VA information technology, acquisitions, and strategic human capital management. Other reviews are on the way.

Third, VA will augment performance data with estimation and sampling techniques to develop a better understanding of performance and cost.

Leadership will apply conclusions from these activities that may result in adjustments to the budget request within the 2010 topline during the next several months. The results of this ongoing management decision-making process - in partnership with the Congress - will be a budget that starts the VA down a path toward becoming a 21st Century organization.

Overview of the \$112.8 Billion 2010 Request

- Provides \$112.8 billion for high-quality health care, benefits, and memorial service to our country's veterans.
 - \$55.9 billion in discretionary funding to include medical care collections primarily for medical programs to provide high-quality health care for our veterans and research for conditions and diseases that affect these veterans.
 - \$56.9 billion for mandatory entitlement programs in benefits for our veterans and their beneficiaries.
 - \$15.1 billion above the 2009 current estimate.



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