

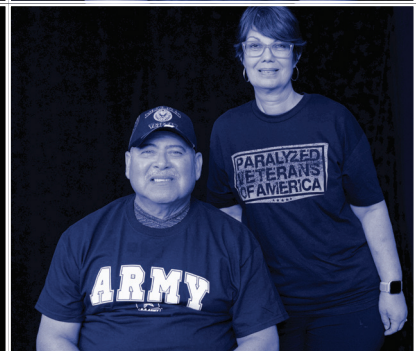
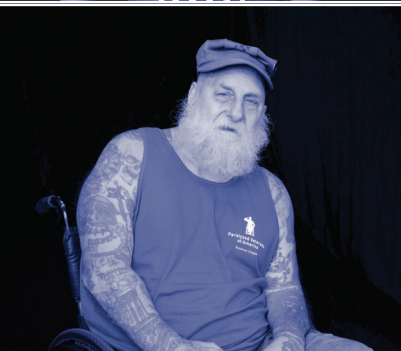
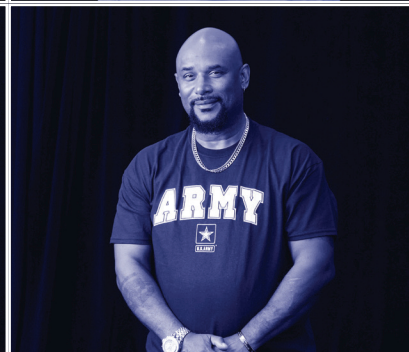
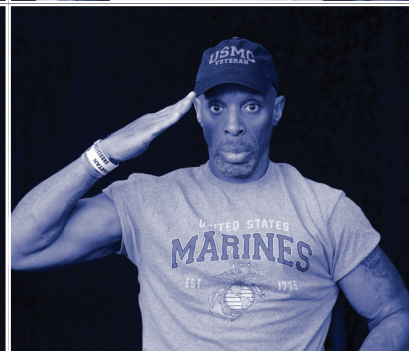
# THE INDEPENDENT BUDGET

Fiscal Years 2022 and 2023 for  
the Department of Veterans Affairs



**BUDGET RECOMMENDATIONS**







# THE INDEPENDENT BUDGET

Fiscal Years 2022 and 2023 for the Department of Veterans Affairs

**A Comprehensive Budget Created  
by Veterans for Veterans**



Paralyzed Veterans  
of America



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# Acknowledgments

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For more than 30 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations, while each organization also works independently to identify and address legislative and policy issues that affect the organizations' members and the broader veterans' community.

## Disabled American Veterans (DAV)

DAV (Disabled American Veterans) empowers veterans to lead high-quality lives with respect and dignity. It is dedicated to a single purpose: keeping our promises to America's veterans. DAV does this by ensuring that veterans and their families can access the full range of benefits available to them; fighting for the interests of America's injured heroes on Capitol Hill; linking veterans and their families to employment resources; and educating the public about the great sacrifices and needs of veterans transitioning back to civilian life. DAV, a non-profit organization with more than one million members, was founded in 1920 and chartered by the U. S. Congress in 1932. Learn more at [www.dav.org](http://www.dav.org).

## Paralyzed Veterans of America (PVA)

Paralyzed Veterans of America (PVA), founded in 1946, is the only congressionally chartered veterans service organization dedicated solely for the benefit and representation of veterans with spinal cord injury or disease. For 75 years, the organization has ensured that veterans receive the benefits earned through their service to our nation; monitored their care in VA spinal cord injury centers; and funded research and education in the search for a cure and improved care for individuals with paralysis.

As a life-long partner and advocate for veterans and all people with disabilities, PVA also develops training and career services, works to ensure accessibility in public buildings and spaces, and provides health and rehabilitation opportunities through sports and recreation. With more than 70 offices and 33 chapters, PVA serves veterans, their families, and their caregivers in all 50 states, the District of Columbia, and Puerto Rico. Learn more at [www.pva.org](http://www.pva.org).

## Veterans of Foreign Wars of The United States (VFW)

The Veterans of Foreign Wars of the U.S. (VFW) is the nation's largest and oldest major war veterans' organization. Founded in 1899, the congressionally-chartered VFW is comprised entirely of eligible veterans and military service members from the active, Guard and Reserve forces. With more than 1.6 million VFW and Auxiliary members located in 6,200 Posts worldwide, the nonprofit veterans' service organization is proud to proclaim "*NO ONE DOES MORE FOR VETERANS*" than the VFW, which is dedicated to veterans' service, legislative advocacy, and military and community service programs. For more information or to join, visit our website at [www.vfw.org](http://www.vfw.org).

## Sections of this year's Independent Budget written by:

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Heather Ansley, PVA  
Morgan Brown, PVA  
Roscoe Butler, PVA  
Peter Dickinson, DAV

Joy Ilem, DAV  
Shane Liermann, DAV  
Patrick Murray, VFW

## Special Thanks to:

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Lisa Bogle, DAV, for editorial assistance  
Liz Deakin, PVA, for editorial management  
Onamé Thompson, PVA, for editorial assistance  
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# Introduction

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For more than three decades, the Independent Budget veterans service organizations (IBVSOs) – DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW) – have produced annual budget and appropriations recommendations for the Department of Veterans Affairs (VA) and its many programs, services, and benefits. In this budget report, the IBVSOs present our recommendations for fiscal year 2022 (FY 2022), as well as for advance appropriations for VA medical care programs for FY 2023.

The past year has been one of the most challenging ever for VA and veterans as the COVID-19 pandemic disrupted VA's operations across the country, significantly impacting veterans' ability to access, benefits, and transition services. With the pandemic far from over, these

**“ Our budget recommendations reflect a number of critical new veteran policy initiatives that cannot be ignored**

disruptions are expected to continue for most, if not all, of FY 2021. As a result of this unprecedented and unpredictable national public health emergency, there is significant uncertainty about many of the normal assumptions underlying VA's budget projections, including enrollment, utilization, reliance, inflation, and unemployment. The IBVSOs recommendations reflect a cautious approach based on historical trends.

VA continues to implement three major transformations that are critical to the future of the veterans' health care system and care for our nation's ill and injured veterans: 1) increasing VA staffing levels and building internal capacity as required by the VA MISSION Act of 2018; 2) the upcoming Asset and Infrastructure Review (AIR); and 3) the Electronic Health Record Modernization (EHRM). Each of these systemic changes has significant budgetary consequences for the Veterans Health Administration (VHA) in both the near and long term, and each has been and will continue to be affected by the COVID-19 pandemic and its economic consequences, adding further uncertainty.

The IBVSOs job is to present honest and accurate budget estimates without any regard to the political or economic environment of the moment. The IBVSOs budget recommendations reflect our best estimate of the funding VA will require to meet future demand for services and benefits by veterans. Our budget recommendations reflect several critical new policy initiatives that cannot be deferred or ignored and are presented as recommended plus-ups to VA's FY 2022 budget.

Given the amount of uncertainty in the years ahead, the new Administration and VA leadership must continue to work closely with Congress, the IBVSOs, and other VSO stakeholders to ensure that there is full transparency about VA expenditures throughout FY 2021. VA must be prepared to request, and Congress must be prepared to approve, supplemental appropriations should any of the assumptions underlying the enacted FY 2021 VA appropriations fall short of what veterans need and deserve. Similarly, VA and Congress must be ready to adjust FY 2022 budget requests and appropriations if warranted. ♦

## VA Accounts for FY2022 & FY2023 Advance Appropriations (in thousands)

	FY 2021 Appropriation FINAL Enacted	FY 2022 Adv Approp FINAL Enacted	FY 2022 Appropriation IB Recomnd	FY 2023 Adv. Approp IB Recomnd
<b>Veterans Health Administration (VHA)</b>				
Medical Services	56,655,483	58,897,219	66,242,951	71,809,902
Medical Support and Compliance	8,214,191	8,403,117	8,431,503	8,642,010
Medical Facilities	6,583,265	6,734,680	6,791,578	6,963,225
Medical Care Collections (VA Medical Care)	3,632,600	3,790,816	--	--
<b>Subtotal, VA Medical Care</b>	<b>75,085,539</b>	<b>77,825,832</b>	<b>81,466,032</b>	<b>87,415,137</b>
Medical Community Care	18,511,179	20,148,244	20,718,159	21,788,820
Medical Care Collections (Community Care)	797,400	895,302	--	--
<b>Subtotal, Medical Community Care</b>	<b>19,308,579</b>	<b>21,043,546</b>	<b>20,718,159</b>	<b>21,788,820</b>
<b>Total, Medical Care Budget Authority</b>	<b>94,394,118</b>	<b>98,869,378</b>	<b>102,184,191</b>	<b>109,203,957</b>
Medical and Prosthetic Research	815,000		902,000	
<b>Total, Veterans Health Administration</b>	<b>95,209,118</b>		<b>103,086,191</b>	
<b>General Operating Expenses</b>				
Veterans Benefits Administration	3,180,000		3,563,728	
General Administration	365,911		393,618	
Board of Veterans Appeals	190,000		216,352	
<b>Total, General Operating Expenses</b>	<b>3,735,911</b>		<b>4,173,698</b>	
<b>Department Admin and Misc. Programs</b>				
Information Technology	4,912,000		5,201,878	
EHRM (Cerner)	2,627,000		3,011,430	
National Cemetery Administration	352,000		365,414	
Office of Inspector General	228,000		232,802	
<b>Total, Dept. Admin and Misc. Programs</b>	<b>8,119,000</b>		<b>8,811,524</b>	
<b>Construction Programs</b>				
Construction, Major	1,316,000		2,822,767	
Construction, Minor	390,000		810,000	
Grants for State Extended Care Facilities	90,000		275,000	
Grants for State Vets Cemeteries	45,000		69,000	
<b>Total, Construction Programs</b>	<b>1,841,000</b>		<b>3,976,767</b>	
Other Discretionary Programs	206,044		210,384	
<b>Total, Budget Authority</b>	<b>109,111,073</b>		<b>120,258,564</b>	

# Veterans Health Administration

## Total Medical Care

<b>FY 2022 IB Recommendation</b>		<b>\$102.2 Billion</b>
FY 2022 Enacted Advance Appropriation		\$94.2 Billion
FY 2022 Estimated Medical Care Collections		\$4.7 Billion
<b>Total, FY 2022 Advance Appropriation</b>		<b>\$98.9 Billion</b>
FY 2021 Enacted Appropriation		\$90.0 Billion
FY 2021 Estimated Medical Care Collections		\$4.4 Billion
<b>Total, FY 2021 Appropriation</b>		<b>\$94.4 Billion</b>
<b>FY 2023 IB Advance Appropriation Recommendation</b>		<b>\$109.2 Billion</b>

The COVID-19 pandemic had a significant impact on veterans' ability to access VA health care services during the second half of FY 2020, continuing through the first half of FY 2021, and will likely continue through the remainder of the year. As a result, we anticipate that a significant volume of care that would have otherwise been provided or paid for by VA will have been deferred, creating both pent-up demand and increased sickness and morbidity resulting in additional VA health care usage during FY 2022. Furthermore, the new Veteran Care Networks (VCNs) created by the VA MISSION Act of 2018 were still being implemented into FY 2021, having been further delayed by the pandemic. Further increases in veterans' health care utilization are also expected as these networks become more convenient and efficient. The economic downturn and increased unemployment in 2020 are likely to lead to an increase in veterans applying for VA benefits and health care, further increasing future costs.

For FY 2022, the IBVSOs recommend approximately \$102.2 billion in total medical care funding and approximately \$109.2 billion for FY 2023. The FY 2022 recom-

mendation reflects adjustments to the baseline for all Medical Care program funding in the preceding fiscal year based on inflationary factors and increased workload, as well as plus ups for new enrollment and other programmatic initiatives. The FY 2023 advance appropriation recommendation builds on the IBVSOs FY 2022 recommendation to sustain the FY 2022 expansions and continue the new policy initiatives.

Note the IB does not include estimated receipts from the Medical Care Collections Fund (MCCF) as part of our recommendations since MCCF funds are part of the total need for Medical Care appropriations. If the total MCCF funds received by VA are less than had been estimated, Congress must be prepared to provide supplemental appropriations to ensure full Medical Care funding.



## Medical Services

<b>FY 2022 IB Recommendation</b>		<b>\$66.2 Billion</b>
FY 2022 Enacted Advance Appropriation		\$58.9 Billion
FY 2022 Estimated Medical Care Collections		\$3.8 Billion
<b>Total, FY 2022 Advance Appropriation</b>		<b>\$62.7 Billion</b>
FY 2021 Enacted Appropriation		\$56.7 Billion
FY 2021 Estimated Medical Care Collections		\$3.6 Billion
<b>Total, FY 2021 Appropriation</b>		<b>\$60.3 Billion</b>
<b>FY 2023 IB Advance Appropriation Recommendation</b>		<b>\$71.8 Billion</b>

### Appropriations for FY 2022

For FY 2022, the IBVSOs recommend approximately \$66.2 billion for Medical Services. This recommendation is a reflection of multiple components, including the following recommendations:

Current Services Estimate	\$62.0 billion
Increase in Patient Workload	\$1.9 billion
Additional Medical Care Cost	\$2.3 billion
<b>Total FY 2022 Medical Services</b>	<b>\$66.2 billion</b>

The current services estimate reflects the impact of projected uncontrollable inflation on the cost to provide services to veterans currently using the system. This estimate assumes a 2.2 percent increase in pay and benefits across the board for all VA employees in FY 2022.

While the IBVSOs anticipate a decrease in medical services provided to veterans compared to budget estimates for FY 2020 and FY 2021 due to pandemic restrictions, this will not significantly lower the VHA's overall spending because most of its budget covers personnel,

facilities, IT, and other fixed costs. With the pandemic currently expected to be significantly diminished by the start of FY 2022, there is an expectation that deferred care and other pent-up demand by veterans will increase utilization and/or reliance on VA health care. The IBVSOs have assumed a modest 1 percent increase in VA health care utilization and reliance. We also anticipate that the economic slowdown and increased unemployment will lead to a modest increase in the number of veterans seeking health care and benefits at VA in FY 2022.

### New Enrollees and Users (\$1.9 billion)

Our estimate of growth in patient workload is based on a projected increase of approximately 80,000 new unique patients, partially driven by pandemic-related job and economic losses. These patients include priority group 1– 8 veterans and covered non-veterans. We estimate the cost of these new unique users to be approximately \$1.9 billion.

### Filling Vacancies (10,750 FTE / \$1.4 billion)

In recent years, the VA health care system has experienced a rising number of health care vacancies, including critical

clinical personnel, which averaged about 43,000 in 2021. The large number of vacancies that have persisted for more than a decade has been a major factor leading to longer waiting times for veterans seeking VA care, and ultimately has the effect of suppressing the true level of veterans' demand for care. During the pandemic, VHA was able to find ways to more expeditiously hire and onboard medical personnel and we hope that they continue these practices in FY 2021 and beyond. For FY 2022, we recommend that VHA continue this aggressive hiring trend and seek to fill at least 25 percent of pending vacancies, which would be 10,750 full-time employees (FTE) and cost approximately \$1.4 billion.

### **Long Term Care (\$335 million)**

VA's Long-Term Services and Supports (LTSS) program provides both institutional care and non-institutional home and community-based services. Despite VA's increased spending in recent years, the overall number of veterans served remains a small percentage of the total need. As the aging veterans' population continues to rise, VA must continue expanding the number and variety of its home and community-based programs and capacity, while maintaining institutional long-term care for those veterans without other alternatives. The enacted FY 2022 advance appropriation assumes approximately \$11.2 billion for LTSS programs, and the IBVSOs recommend increasing VA's LTSS programs by an additional \$335 million to expand capacity to meet the unmet demand of aging veterans.

### **Caregiver Program Expansion (700 FTE / \$73 million, \$361 million for benefits)**

In October 2020, VA began the first phase of its caregiver assistance program expansion to veterans who were severely injured or became ill on May 7, 1975, or earlier, finally providing this long-overdue benefit to thousands of World War II, Korean, and Vietnam War veterans, and their family caregivers. However, this one-year delay means that the second phase of the expansion mandated by the VA MISSION Act would begin a year later than the law required on October 1, 2022. As discussed in the IB's Veterans Agenda report, we believe that Congress must

amend the statute to begin the second phase of the caregiver program expansion no later than October 1, 2021, as intended, and therefore recommend an additional \$73 million to hire approximately 700 FTE and \$361 million to cover the costs of stipends and other benefits for these newly eligible caregivers.

### **Prosthetics and Sensory Aids**

In FY 2020, VA requested approximately \$3.9 billion for the office of Prosthetic and Sensory Aid Service (PSAS) to provide prosthetic and orthotic services, sensory aids, medical equipment, and support services for veterans. However, due to the impact of the COVID pandemic, many veterans deferred needed services and actual obligations in FY 2020 may have been closer to \$3.5 billion. In FY 2021, VA requested \$4.1 billion for PSAS, which together with carryover from FY 2020 should be sufficient considering the continued impact of the pandemic, notwithstanding the increased needs of the disabled veteran population served by VA. For FY 2022, the enacted advance appropriation for PSAS was \$4.4 billion. We believe there will be significant deferred care and pent-up demand that manifests in FY 2022; however, we also anticipate significant carryover from FY 2021 and do not call for additional funding in FY 2022. We do urge VA and Congress to carefully monitor this account to determine if supplemental appropriations may be required to meet demand.

### **Women Veterans (\$120 million)**

The Medical Services advanced appropriation for FY 2021 included \$540 million designated for gender-specific health care for women veterans. Following up on last year's recommendation to increase funding for women veterans' health care, the IBVSOs again recommend investing an additional \$200 million, of which \$120 million would go to Medical Services as follows.

The IBVSOs recommend \$100 million to hire the staff necessary to develop additional women's comprehensive care centers (doctors, nurses, care coordinators, peer support specialists, and administrative support); ensure care coordinators are available at every VA Medi-

cal Center that lacks in-house mammography or cervical care; and hire sufficient Women Veterans Program Managers to ensure adequate coverage at each network and medical center. This funding should also be used to support training to ensure that designated women's health providers who meet VHA practice standards are available at each VA medical facility.

The IBVSOs recommend \$20 million to develop strategic plans for women veterans throughout VA, which must include appropriate training, as well as consultation and awareness of these plans by key staff within each service line, such as mental health, pain management/ anesthesiology, and cardiology.

Overall, this funding will help support increases in growth and demand for women's health services likely due to the pandemic. Women are disproportionately affected by pandemic-related unemployment since they are more likely to leave work voluntarily to manage the needs of children and elderly relatives and work in sectors such as service and retail that have been adversely impacted.

In addition to the above, the IBVSOs have specific FY 2022 recommendations in other VA accounts related to VA medical facilities, research, and organizational culture to improve access for women and minority veterans.

### Minority Veterans (\$10 million)

The IBVSOs recommend \$10 million to hire additional peer support specialists and navigators to support the unique needs of women and minority veterans in VA's nonmental health programs.

### Emergency Care

The IBVSOs continue to note that there will be additional funding required to meet the costs for previously provided emergency care as dictated by the *Richard W. Staab v. Robert A. McDonald* court ruling. VA has yet to fully account for these claims and associated costs; however, we continue to call on VA to fulfill its responsibility to fully implement this decision, and for Congress to be prepared to appropriate additional funding as required.

## Advance Appropriations for FY 2023

For FY 2023, the IBVSOs recommend approximately \$71.8 billion for Medical Services, which include the following recommendations:

Current Services Estimate	\$67.6 billion
Increase in Patient Workload	\$1.8 billion
Additional Medical Care Cost	\$2.4 billion
<b>Total FY 2022 Medical Services</b>	<b>\$71.8 billion</b>

Our estimate of growth in patient workload is based on a projected increase of approximately 81,000 new patients. These new unique patients include Priority Group 1–8 veterans and covered nonveterans. We estimate the cost of these new patients to be approximately \$1.8 billion. The IBVSOs recommendation includes continuations of several important medical program initiatives, including the accelerated caregiver expansion, eliminating VHA vacancies, strengthening long-term care options, and women veterans' health care programs.

## Medical Support and Compliance

FY 2022 IB Recommendation	\$8.4 billion
FY 2022 Enacted Advance Appropriation	\$8.4 billion
FY 2021 Enacted Appropriation	\$8.2 billion
<b>FY 2023 IB Advance Appropriation Recommendation</b>	<b>\$8.6 billion</b>

For Medical Support and Compliance, the IBVSOs recommend \$8.4 billion for FY 2022. Our projected increase primarily reflects growth in current services based on the impact of inflation on the FY 2021 appropriated level. Additionally, for FY 2023, The IVBSOs recommends \$8.6 billion for Medical Support and Compliance, which also primarily reflects an increase in current services from the FY 2022 advance level.



## Medical Facilities

FY 2022 IB Recommendation	\$6.8 billion
FY 2022 Enacted Advance Appropriation	\$6.8 billion
FY 2021 Enacted Appropriation	\$6.6 billion
<b>FY 2023 IB Advance Appropriation Recommendation</b>	<b>\$7.0 billion</b>

For Medical Facilities, the IBVSOs recommend \$6.8 billion for FY 2022 and \$7.0 billion for FY 2023, which includes funding for Non-Recurring Maintenance (NRM) and leases. VA uses major and minor leases instead of facility construction to address access needs and space gaps to quickly respond to health care advances and adopt changing technology to provide state-of-the-art health care to veterans when a lease is better aligned with the Department's overall capital strategy.

The NRM program is VA's primary means of addressing its most pressing infrastructure needs as identified by Facility Condition Assessments (FCA), which is an alter-

native method to address construction needs. These assessments are performed at each facility every three years and highlight a building's most pressing and mission-critical repair and maintenance needs.

VA needs to prioritize NRM representing critical deficiencies that directly affect patient safety daily, such as the need for heating and cooling systems repairs, or generator upgrades, which may not immediately stand out as critical, but failures of these systems could lead to safety issues. Additionally, deferring regular maintenance issues and upgrades are typically not prudent as this often exacerbates problems that necessitate more costly future remedies.

### Women Veterans Health Care Modifications (\$20 million)

The IBVSOs recommend that \$20 million be earmarked within the Medical Facilities account to address the environment of care deficiencies and corrections for women veterans care in VA facilities, such as adding doors, curtains, or soundproofing in treatment areas, as well as check-in areas.

## Medical Community Care

<b>FY 2022 IB Recommendation</b>	<b>\$20.7 Billion</b>
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FY 2022 Enacted Advance Appropriation	\$20.1 Billion
<i>FY 2022 Estimated Medical Care Collections</i>	<i>\$0.9 Billion</i>
<b>Total, FY 2022 Advance Appropriation</b>	<b>\$21.0 Billion</b>

FY 2021 Enacted Appropriation	\$18.5 Billion
<i>FY 2021 Estimated Medical Care Collections</i>	<i>\$0.8 Billion</i>
<b>Total, FY 2021 Appropriation</b>	<b>\$19.3 Billion</b>

<b>FY 2023 IB Advance Appropriation Recommendation</b>	<b>\$21.8 Billion</b>
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VA Medical Community Care was also significantly impacted by the pandemic. We anticipate the deferral of care by veterans in FY 2020 and FY 2021 could lead to an increase in community care in FY 2022, due to pent-up demand and additional medical need from complications of untreated conditions or COVID-related care.

There may be additional changes in veterans’ usage of community care because the VCNs were only fully implemented last year while the COVID-19 pandemic restrictions were in place. Since FY 2022 will be the first year that the MISSION Act’s new VCNs will be fully functional, we anticipate modest growth in veteran utilization of community care. VA and Congress must carefully monitor community care usage to ensure sufficient resources are available while ensuring that VA health care facilities remain fully funded.

For Medical Community Care, the IBVSOs recommend \$20.7 billion for FY 2022, which reflects the growth in current services as impacted by uncontrollable medical inflation and utilization increases discussed above. For FY 2023, we recommend \$21.8 billion for Medical Community Care, again primarily based on the increased cost for current services.

## Medical and Prosthetic Research

FY 2022 IB Recommendation	\$902 million
FY 2022 Administration Request	\$-- million
FY 2021 Enacted Appropriation	\$815 million

The VA Medical and Prosthetic Research program has made significant contributions to improved care for veterans, as well as the nation’s entire health care system. The research program continues to support VA’s recruitment and retention of health care professionals and clinician-scientists to serve our nation’s veterans.

For FY 2022, the IBVSOs recommend a total of \$902 million for VA research which would cover inflation and provide new investments to address COVID-19, veterans’ health disparities, clinical trials access, and data storage while renewing support for groundbreaking programs like the Million Veteran Program (MVP) and research on chronic and emerging needs of our nation’s veterans.

### Women’s Health Care (\$10 million)

As women continue to become a larger share of VA’s patient population, VA must research disparities in the efficacy and safety of medical treatments for women veterans and tailor protocols to better meet their needs. The IBVSOs recommend \$10 million of the FY 2022 research budget be dedicated to additional research on women’s specific treatment needs. ♦

# General Operating Expenses

## Veterans Benefits Administration

FY 2022 IB Recommendation	\$3.6 million
FY 2022 Administration Request	\$-- million
FY 2021 Enacted Appropriation	\$3.2 million

The Veterans Benefits Administration (VBA) account is comprised of seven primary service lines. These include Compensation; Pension and Fiduciary; Insurance; Education; Home Loan Guaranty; Veteran Readiness and Employment; and Transition and Economic Development. For FY 2022, the IBVSOs recommend approximately \$3.6 billion for all the VBA's operations, an increase of approximately \$380 million over the estimated FY 2021 appropriations level, which primarily reflects increases for inflation and federal pay raises, as well as increases in workload.

Like most of the country, VBA was significantly affected by the pandemic's social distancing requirements, preventing public contact and necessitating the move towards working from home and other virtual working environments. One of the key consequences of the pandemic has been an alarming increase in the backlog of disability compensation claims, which has risen over the past year to more than 200,000 claims pending over 125 days. While the CARES Act provided some limited funding (\$13 million) to help the VBA mitigate the impact on its operations, there are additional funding requirements across the VBA for personal protective equipment (PPE) and other mitigation needs. For these reasons, the IBVSOs make specific recommendations for additional personnel and funding to address several critical priorities in FY 2022.

### Claims Backlog (1,000 FTE / \$112 million)

The IBVSOs recommend an additional 1,000 FTE for VBA to primarily address the rising VA claims backlog and prepare for the influx of claims from the recent addition of three new diseases to the Agent Orange presumptive list. These new personnel should also be used to expand the capabilities of VA Call Centers and address the backlog of pending Freedom of Information Act (FOIA) requests. We recommend that each VA Regional Office

add at least two FTE to address pending FOIA requests; that each Call Center receive additional FTE; and that the remainder is apportioned among VA Regional Offices based on the need to address claims processing and adjudication workload.

### Virtual Work Environments (\$95 million)

While much of its workforce was already working remotely before the pandemic, VBA was forced to accelerate the transition to virtual work for its employees. Even if the pandemic comes to a close in FY 2021, the shift to virtual work environments will continue. The IBVSOs recommend \$95 million to provide additional resources to VBA to support its expansion and improvement of virtual work environments.

### Continuing Impact of COVID (\$75 million)

As COVID-19 caused delays in claims processing and VA examinations, the IBVSOs recommend \$50 million for overtime costs in FY 2022 for work that will not be completed in FY 2021 due to the pandemic. We also recommend an additional \$25 million to ensure adequate PPE for all the VBA employees at all VA Regional Offices and other locations around the country.

### VA Call Centers (\$30 million)

In addition to the extra FTE referenced above, the IBVSOs recommend \$30 million be provided to VA Call Centers to cover the increased volume of calls resulting from the lack of public contact and social distancing, as well as overtime pay and additional PPE to cover all employees.

### Reinstating Pre-Decisional Review (\$5 million)

In 2020, VBA ended the seven-decade policy of allowing accredited VSOs to review VA decisions before final adjudication and removed this function from within the Veterans Benefits Management System (VBMS). The IBVSOs call for VA to reinstate the pre-decisional review policy and recommend an additional \$5 million for VBA to make the necessary changes. A separate funding recommendation is included below to accomplish the IT changes required.



## VBA IT Needs

In addition to the above needs, the IBVSOs recommend specific IT initiatives that would be funded as part of VA's IT budget, as presented below. Importantly, the IBVSOs recommend that Congress provide VBA with project management ownership and full funding upfront to better manage the development of new IT systems.

## General Administration

FY 2022 IB Recommendation	\$394 million
FY 2022 Administration Request	\$-- million
FY 2021 Enacted Appropriation	\$366 million

The VA General Administration account is comprised of 10 primary divisions. These include the Office of the Secretary; the Office of the General Counsel; the Office of Management; the Office of Human Resources and Administration; the Office of Enterprise Integration; the Office of Operations, Security, and Preparedness; the Office of Public Affairs; the Office of Congressional and Legislative Affairs; the Office of Acquisition, Logistics, and Construction; and the Veterans Experience Office. For FY 2022, the IBVSOs recommend approximately \$394 million, an increase of approximately \$28 million over the FY 2021 estimated level. This increase primarily reflects an increase in current services based on the impact of uncontrollable inflation across all of the General Administration accounts, as well as two specific initiatives discussed below.

## Minority and Underserved Veterans (\$10 million)

The IBVSOs recommend \$10 million for the Veterans Experience Office to explore the experiences of racial and ethnic minorities, and LGBTQ veteran populations to help with diversity training and improve VA's workplace culture.

## Ending Sexual Harassment and Violence Against Women (\$10 million)

The IBVSOs recommend \$10 million to ensure adequate staff and resources are available for enterprise-wide awareness and training (both staff and veterans) to promote cultural transformation and support the goals of the Stand Up to Stop Harassment and White Ribbon Campaigns.

## Board of Veterans Appeals

FY 2022 IB Recommendation	\$216 million
FY 2022 Administration Request	\$ -- million
FY 2021 Enacted Appropriation	\$190 million

For FY 2022, the IBVSOs recommend approximately \$216 million for the Board of Veterans Appeals (BVA), an increase of approximately \$26 million over the estimated FY 2021 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises, as well as staffing increases to address the growing hearing backlog.

To properly implement the Appeals Modernization Act (AMA), as well as address other critical Board improvements, the IBVSOs recommend additional IT funding for both BVA and VBA, which is included in the FY 2022 IT budget recommendation below.

## Hearing Backlog (200 FTE / \$22 million)

Since the AMA took effect in February 2019, there have been significant changes in how veterans can appeal claims decisions at the Board. There are currently 33,000 pending AMA hearings with the Board and 54,000 pending legacy hearings, for a total of 87,000 pending hearings. This is an increase of 11,000 pending hearings from the previous year. Roughly 50 percent of all legacy appeals request a hearing versus 60 percent of AMA appeals. Based on the increased hearing backlog compared to just a year ago and the increased rate of hearing requests, the IBVSOs recommend an increase of 200 FTE for the Board to address the 87,000 pending hearings. ♦

# Department Administration & Miscellaneous Programs

## Information Technology (IT)

FY 2022 IB Recommendation	\$5.2 billion
FY 2022 Administration Request	\$ -- billion
FY 2021 Enacted Appropriation	\$4.9 billion

The VA Office of Information Technology (IT) provides day-to-day support and development for all of VA's IT needs, including those of VHA, VBA, and the National Cemetery Administration (NCA). For the past several years, VA has had a separate appropriation account for Electronic Health Record Modernization (EHRM), which primarily covers the costs for VA and Cerner to make this massive generational transformation. [See below.] However, VA must continue to support its current electronic health record (EHR) system—VistA – until the conversion is complete. Currently, parts of VistA require either modernization or replacement during the 10-year replacement cycle of VA's EHR system, and funding for both development and sustainment must continue to be robust to support VHA's delivery of health care.

For FY 2022, the IBVSOs recommend approximately \$5.2 billion for the administration of the VA's IT program to meet the need to sustain VistA as well as other critical IT programs for VHA, VBA, and NCA, and to fund specific new IT initiatives described below.

### VBA IT Needs (\$175 million)

Updated and modern IT is critical to the smooth operation and success of VA's claims and appeals processing systems, and particularly to complete implementation of the Appeals Modernization Act, P.L. 115-55. In FY 2020, VBA had over \$700 million in shortfalls for funding necessary IT projects, including many that would address the needs of accredited VSOs working in VA Regional Offices. For FY 2022, the IBVSOs recommend \$175 million be provided to funding critical pending VBA IT projects, including top VSO priorities.

### BVA IT Needs (\$25 million)

BVA uses several IT platforms such as VBMS, Veterans Appeals Control and Locator System (VACOLS), and Case Flow. However, VACOLS is the legacy program for tracking and maintaining appeals within the Board. Case Flow is currently used to manage all Board requested hearings, as well as the pilot program for virtual hearings, and thus is an integral part of their daily functioning. Case Flow was created to replace VACOLS; however, as Case Flow has many functionalities yet to be implemented, both systems must be used by the Board, which greatly reduces their efficiency. VACOLS allows the Board to store data, specifically their decisions on each case. Case Flow was not designed for data storage; however, if it retains the functionality of VACOLS, it will be a better IT platform to phase out VACOLS. The IB recommends \$15 million in IT funding to accelerate and complete BVA's Case Flow system.

Currently, the Board must manually enter and upload all mail received from appellants from either faxes or U.S.P.S. mail. While VBA has artificial intelligence (AI) to scan, read, and upload mail, the Board does not. The IBVSOs recommend \$10 million of additional IT funding for the Board to develop a modern AI system to address its ever-increasing paper mail volume.

### Medical Research IT Needs (\$42 million)

To more effectively support VA research programs, the IBVSOs recommend \$42 million be earmarked to accomplish nine projects for the Office of Research and Development.

## Electronic Health Record Modernization (EHRM)

FY 2022 IB Recommendation	\$3.0 billion
FY 2022 Administration Request	\$-- billion
FY 2021 Enacted Appropriation	\$2.6 billion

The EHRM account is comprised of three major sub-accounts: Cerner Contract, Infrastructure Readiness, and Project Management Office (PMO). For FY 2021, Congress appropriated approximately \$2.6 billion for EHRM, which included \$1.2 billion for the Cerner contract, \$1.2 billion for infrastructure readiness, and \$255 million for the PMO.

The IBVSOs applaud VA for the launch of its new electronic health record rollout in the Pacific Northwest and Las Vegas; however, VA has a long way to go to reach its goal of full deployment at the department’s 170 other medical centers and more than 1,260 outpatient sites nationwide by 2028. The IBVSOs understand VA plans to deploy its electronic health record across twenty-three sites of care over the next two years, which will require increased funding and oversight.

For FY 2022, the IBVSOs recommend a total of approximately \$3.0 billion, of which approximately \$1.5 billion would go to the Cerner Contract, an increase of \$300 million due to the expanded scope of work. The IBVSOs recommend approximately \$1.2 billion for VHA infrastructure upgrades, network equipment and other IT infrastructure upgrades at locations making the conversion to Cerner’s EHR. The IBVSOs also recommend \$260 million for PMO.

**Centralized Scheduling Solution (\$60 million)**

As Cerner continues implementing the new EHR systems, it is also moving forward with developing and implementing a new Centralized Scheduling Solution (CSS) to improve access for veterans and streamline medical appointment scheduling operations across VHA. The IBVSOs recommend an additional \$60 million to accelerate the deployment of the CSS in FY 2022.

**Federal Electronic Health Record Modernization**

The IBVSOs would also note the importance of providing sufficient funding to support the Federal Electronic Health Record Modernization (FEHRM) office, which is a joint office of VA and the Department of Defense to ensure smooth implementation of interoperability between the two departments’ medical record systems.

**National Cemetery Administration**

FY 2022 IB Recommendation	\$365 million
FY 2022 Administration Request	\$-- million
FY 2021 Enacted Appropriation	\$352 million

NCA which receives funding from eight appropriations accounts, administers numerous activities to meet the burial needs of our nation’s veterans. For FY 2022, the IBVSOs recommend approximately \$365 million for NCA, an increase of approximately \$13 million over the estimated FY 2021 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises.

Due to a continued increase in demand for burial space which is not expected to peak until 2022, NCA must continue to expand national cemeteries and provide more burial options for veterans. The IBVSOs strongly believe that VA national cemeteries must honor the service of veterans and fully support NCA’s National Shrine initiative, which ensures our nation’s veterans have a final resting place deserving of their sacrifice to our nation. The IBVSOs also support NCA’s Veterans Legacy Program, which helps educate America’s youth about the history of national cemeteries and the veterans they honor.

**COVID Impact (\$6 million)**

Due to COVID-19 related delays and requirements related to internments and burials, NCA was required to find an additional \$3 million in FY 2020 to cover those costs. As the pandemic continues to surge and disrupt NCA’s operations throughout FY 2021, the IBVSOs recommend an additional \$6 million for COVID-related delays as well as to provide PPE for employees and veterans, and families attending burials and internments.

**Office of the Inspector General**

FY 2022 IB Recommendation	\$233 million
FY 2022 Administration Request	\$-- million
FY 2021 Enacted Appropriation	\$228 million

The Office of Inspector General (OIG) performs audits, inspections, investigations, and reviews to improve the efficiency, effectiveness, and integrity of VA programs and services. The IBVSOs recommend approximately \$233 million for OIG, an increase of approximately \$5 million over the estimated FY 2021 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises. ♦



# Construction Programs

## Major Construction

FY 2022 IB Recommendation	\$2.8 billion
FY 2022 Administration Request	\$-- billion
FY 2021 Enacted Appropriation	\$1.3 billion

Last year, VA requested, and Congress appropriated a significant increase in funding for major construction projects— an approximate \$700 million increase. While these funds will allow VA to begin construction on key projects, many other previously funded sites still lack the funding for completion. Some of these projects have been on hold or in the design and development phase for years.

It is time for the projects that have been in limbo for years or that present a safety risk to veterans and employees to be put on a course to completion within the next five years. To accomplish this, the IBVSOs estimate VA will require \$1.7 billion in FY 2022 to fund either the next phase or fund through completion all existing projects and begin planning and design development on all major construction projects that are the highest ranked on VA's priority list.

### Seismic Corrections (\$1 billion)

Additionally, there are almost \$7 billion in outstanding seismic corrections on VA's priority lists. These are potential life safety issues that cannot be overlooked. VA needs to ensure all seismic and life safety issues are placed at the top of the Strategic Capital Investment Plan (SCIP) list and remain at the top until they are rectified. Having seismic deficiencies on the SCIP list year after year is unacceptable and could lead to catastrophic events if left unresolved. VA must begin making these corrections as quickly as possible to mitigate the potential life safety risks. The IBVSOs recommend Congress appropriate \$1 billion in FY 2022 and each year thereafter until this backlog is eliminated.

### Research Infrastructure (\$100 million)

For decades, VA construction and maintenance appropriations have failed to provide the resources VA needs to replace, maintain, or upgrade its aging research fa-

cilities, which threatens VA's highly successful research program. Based on a 2012 congressionally mandated report, over \$200 million is required to correct all research infrastructure deficiencies, including approximately \$100 million for life and safety corrections. The IBVSOs believe that designating funds for specific VA research facilities is the only way to bring VA research up to standard. For capital infrastructure, renovations, and maintenance, the IBVSOs recommend \$100 million for VA research facilities to address the most pressing repairs.

### Managing Infrastructure (175 FTE, \$23 million)

VA Capital Infrastructure's backlog of projects is growing faster than VA can keep up with it. To begin to draw down the backlog in a ten-year plan, VA would need to perform approximately seven to eight billion dollars in projects every year. Neither VA's Office of Construction and Facilities Management nor the individual VA facilities have the manpower to oversee the amount of work necessary to decrease the backlog. If project management staff is not added to oversee VA's infrastructure needs, then the backlog will continue to grow, and many necessary projects will face years of delays. Investing in the oversight and completion of these critical projects will at a minimum save VA money in the long term, and potentially save lives if done correctly. VA needs to hire additional FTE to oversee infrastructure projects. Adding personnel to an office of strategic planning and increasing the personnel at individual major facilities to oversee local projects is critical to decreasing the backlog. VA Capital Infrastructure's workload cannot increase to the necessary annual levels until there is an increase in personnel to handle the workload.

The IBVSOs recommend an increase of 175 FTE (\$23 million) to plan and oversee construction projects, with new personnel assigned to each of VA's major medical centers or other appropriate regional locations.

### Asset and Infrastructure Review

As discussed in the IB's Veterans Policy Agenda for the 117th Congress, the MISSION Act's mandated Asset and Infrastructure Review (AIR) has begun and will continue on a multi-year effort to review, realign, modernize, and expand VA health care infrastructure required in the

coming decades. The IBVSOs call on Congress to ensure that funding to maintain and improve VA's health care infrastructure is not reduced or delayed while the AIR process takes place, as was intended by Section 208(b) of the VA MISSION Act.

## Minor Construction

FY 2022 IB Recommendation	\$810 million
FY 2022 Administration Request	\$ -- million
FY 2021 Enacted Appropriation	\$390 million

To ensure VA funding keeps pace with all current and future minor construction needs, the IBVSOs recommend Congress appropriate \$810 million for minor construction projects. It is important to invest heavily in minor construction because these are the types of projects that can be completed faster and have a more immediate impact on services for veterans.

### Women Veterans Health Care (\$40 million)

To support the expanding women veterans health care programs within VA facilities, the IBVSOs recommend \$40 million to be earmarked to address the environment of care deficiencies and additional needs such as separate entryways, creation of safe spaces within facilities for women to use for socializing, and to develop safe, sanitary, and private lactation areas.

## Grants for State Extended Care Facilities

FY 2022 IB Recommendation	\$275 million
FY 2022 Administration Request	\$ -- million
FY 2021 Enacted Appropriation	\$90 million

Grants for state extended care facilities, commonly known as state home construction grants, provide up to 65 percent of the cost of construction, rehabilitation, and repair of state veterans' homes, with the state providing at least 35 percent.

There is once again a growing backlog of State Veteran Homes Construction grant requests pending in VA, expected to top \$1.3 billion when the new priority list is released. For FY 2022, the IBVSOs recommend \$275 million for grants for state extended care facilities to fund approximately 50 percent of the anticipated \$550 million Priority List for Group 1 grant requests that have already secured their required state matching funds.

## Grants for State Veterans' Cemeteries

FY 2022 IB Recommendation	\$69 million
FY 2022 Administration Request	\$ -- million
FY 2021 Enacted Appropriation	\$45 million

The State Cemetery Grant Program allows states to expand veteran burial options by raising half the funds needed to build and begin the operation of state veterans' cemeteries. NCA provides the remaining funding for construction and operational funds, as well as cemetery design assistance. Funding additional projects in FY 2022 in tribal, rural, and urban areas will provide burial options for more veterans and complement VA's system of national cemeteries. To fund these projects, the IBVSOs recommend Congress appropriate \$69 million.

## Other Discretionary Programs

FY 2022 IB Recommendation	\$210 million
FY 2022 Administration Request	\$ -- million
FY 2021 Enacted Appropriation	\$206 million

Other VA discretionary programs include the Veterans Housing Benefit Program Fund, Vocational Rehabilitation Loans Program, and Native American Veterans Housing Loan Program. The IBVSOs recommend approximately \$210 million for these discretionary programs, an increase of approximately \$4 million over the estimated FY 2021 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises. ♦

For more than 30 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations, while each organization also works independently to identify and address legislative and policy issues that affect the organizations' members and the broader veterans' community.



**Disabled American Veterans**  
807 Maine Avenue, SW  
Washington, DC 20024-2410  
(202) 554-3501 // [dav.org](http://dav.org)



**Paralyzed Veterans of America**  
801 18th Street, NW  
Washington, DC 20006-3517  
(202) 872-1300 // [pva.org](http://pva.org)



**Veterans of Foreign Wars**  
200 Maryland Avenue, NE  
Washington, DC 20002  
(202) 543-2239 // [vfw.org](http://vfw.org)