



U.S. Senate Committee on Appropriations

PRESS RELEASE

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SUMMARY

MILITARY CONSTRUCTION, VETERANS AFFAIRS AND RELATED AGENCIES FISCAL YEAR 2014 APPROPRIATIONS BILL

Full Committee Mark: June 20, 2013

The bill provides total funding of \$158.8 billion for Military Construction, Veterans Affairs and Related Agencies for fiscal year 2014. (This figure includes \$54.5 billion in previously appropriated advances for veterans medical care.) The bill provides \$74.4 billion in discretionary funding and \$84.5 billion in mandatory funding. The bill also includes \$55.6 billion in fiscal year 2015 advance appropriations for veterans medical services.

Discretionary funding is \$2.5 billion above the fiscal year 2013 enacted level for discretionary funding.

Senator Tim Johnson, Chairman of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee, said:

"This bill sends a strong message of support to America's veterans, and to our military forces and their families. The bill includes essential investments in mission-critical and quality-of-life facilities for our troops and their families, and provides the necessary funding for health care and benefits for our Veterans. The centerpiece of the Fiscal Year 2014 bill is a comprehensive plan to address the Department of Veterans Affairs disability claims backlog. This includes full funding of the President's request for claims processing plus a 10-point action plan to reduce the backlog through a combination of targeted investments coupled with broad oversight and accountability. The claims backlog has grown to crisis proportions, and I am committed to working with the VA to eliminate the backlog, sooner rather than later."

U.S. Senator Barbara A Mikulski (D-Md.), Chairwoman of the Appropriations Committee, issued the following statement:

“I want to commend Senators Johnson and Kirk for working together on this bipartisan bill that is so important to our Nation. I especially want to thank them for working with me on reforms to fix the Veterans claims backlog problem. It is unacceptable that 530,000 veterans are waiting 125 days or more for their disability claims to be decided. This bill includes a checklist for change, a ten point action plan to reduce the backlog, that strengthens training, oversight, and accountability. The bill creates Centers of Excellence that focus on filing complex claims. It also provides additional funding to upgrade computer hardware in VA Regional Offices, increase overtime and training for claims processors, hire additional personnel at the VA Appeals Board, and expedite processing of appeals at the Appeals Board. This plan is about creating a sense of urgency to get the job done and holding the VA, Department of Defense, Social Security Administration, and the Internal Revenue Service’s feet to the fire to solve the backlog problem.”

Bill Summary

The Military Construction, Veterans Affairs (VA) and Related Agencies Appropriations Bill provides funding for the construction of mission critical and quality of life facilities for U.S. military personnel and their families serving around the world, including schools, hospitals, child care centers and family housing. The bill also provides funding for veterans medical care and benefits, and for VA facilities throughout the country. The Related Agencies funded in the bill include Arlington National Cemetery, The American Battle Monuments Commission, the U.S. Court of Appeals for Veterans Claims, and the Armed Forces Retirement Homes.

Major Initiative: 10-Point Action Plan to Address the VA Claims Processing Backlog

The backlog of veterans compensation claims for service-related disabilities has soared to record levels over recent years. VA reported 816,839 pending claims as of June 10, 2013, of which 66% have been pending for more than 125 days and are considered to be backlogged. In addition to fully funding the President's budget request for claims processing operations, the bill includes a 10-Point Action Plan to give the VA additional tools to address the backlog and to strengthen training, oversight, and accountability:

- Provides \$20 million above the budget request to upgrade computer hardware, such as servers, in VA Regional Offices to handle the advanced program requirements of the Veterans Benefits Management Program (VBMS). VBMS, which is a paperless claims system, is scheduled to be installed in all Regional Offices by the end of June.
- Provides an additional \$10 million for targeted overtime and training for claims processors as needed to increase production and help eliminate the claims backlog.
- Directs the VA to increase training of claims processors to achieve not only expedited production but also to ensure quality and accuracy to reduce claims appeals. Additionally, training programs are to be accompanied by regular testing and monitoring of poorly performing Regional Offices to identify and remediate performance problems.
- Directs the VA to provide Quality Review Teams and spot audits at Regional Offices to assess the performance of the claims processing operations and flag any management or operational weaknesses.
- Directs the VA to create Centers of Excellence at selected Regional Offices for certain types of complex claims, such as claims for PTSD or TBI compensation. With the VBMS paperless claims system, these centers could use their expertise to field claims from across the nation.

- Directs the VA to have the data management capability to receive all Department of Defense (DOD) health records in an electronic format by the end of calendar year 2013. DOD is implementing a program to have all service treatment records digitized and sent electronically to VA by the end of 2014. DOD must accelerate this effort to achieve full electronic transmission of records by the end of 2013 and VA must be prepared to accept them.
- Requires the VA to provide monthly reports to the House and Senate Committees on Appropriations on performance measures for each Regional Office, including the number of backlogged claims, the average number of days to complete a claim, and error rates.
- Requires the VA to submit quarterly reports that include the number of claims personnel in each Regional Office, corrective action taken to remedy any problems at poorly performing offices, training programs undertaken by Regional Offices, and Quality Review Team audits performed during the quarter.
- Directs the VA Inspector General in coordination with the DOD Inspector General to examine the processes and procedures involved in the transmission of medical and personnel records from DOD to VA to identify any problem areas and provide recommendations for improvements.
- Provides an additional \$12.9 million for the Board of Veterans Appeals to hire additional personnel to expedite the processing of appeals. The VA estimates that in 2014, the Board's inventory of appeals will reach 46,860 with an average processing time of 625 days.

Title I – Military Construction and Family Housing

The bill provides \$10.7 billion for military construction and family housing, \$66.5 million above the fiscal year 2013 enacted level (including supplement funding).

Highlights

Active component military construction: \$7.7 billion to fund military construction projects worldwide, including operational, training, and research facilities, barracks, schools, hospitals, and clinics. The recommendation is \$526 million above the fiscal year 2013 enacted level.

Reserve component military construction: \$693.3 million for readiness centers, training facilities, and related military construction necessary for the training and administration of the Guard and reserve components. This is \$352 million below fiscal year 2013 enacted.

Family Housing: \$1.5 billion for family housing construction and privatization projects, \$122.5 million below fiscal year 2013 enacted.

Base Realignment and Closure (BRAC): \$451.4 million for the Department of Defense Base Closure Fund. As requested, the bill consolidates the 1990 and 2005 BRAC accounts into one Base Closure Fund. Funding is equal to the request.

NATO Security Investment Program (NSIP): \$239.7 million as requested to fund the U.S. share of joint U.S.-NATO military facilities, \$14 million below fiscal year 2013 enacted.

Chemical Demilitarization Construction: \$122.5 million as requested, \$28 million below fiscal year 2013 enacted.

Energy Conservation Investment Program (ECIP): \$150 million as requested for projects to improve energy efficiency and reduce greenhouse gas production on military installations.

Title II -- Department of Veterans Affairs

The bill provides \$147.9 billion for the Department of Veterans Affairs (VA) for fiscal year 2014. The total includes \$84.5 billion for mandatory programs, equal to the request and \$11.5 billion above fiscal year 2013 enacted. For VA discretionary funding, the bill provides \$63.4 billion (this figure includes \$54.5 billion in previously appropriated advances for veterans medical care), \$31 million below the request and \$2.2 billion above fiscal year 2013 enacted. The bill also includes \$55.6 billion in advance appropriations for Fiscal Year 2015 VA medical care.

The VA fiscal year 2014 budget request included \$157.5 million in additional funding to supplement the fiscal year 2014 advance appropriation provided in fiscal year 2013. The Department based the additional request on updates to VA medical care projections for fiscal year 2014. The subcommittee notes that the VA was provided funding Fiscal Year 2013 for pay raises that were not enacted. Therefore, the subcommittee instructs the VA to apply the unused pay raise funding to address the updated medical care projections, and has applied \$125 million of the additional funding requested to underfunded requirements, including nonrecurring maintenance, claims processing initiatives and other priorities. Within this amount, the bill provides an additional \$100 million for nonrecurring maintenance, \$12.9 million for the Board of Veterans Appeals to address the immense backlog of appeals, an additional \$5 million for the Office of Inspector General to strengthen the VA's internal oversight, and an additional \$15 million for Vet Centers.

Highlights

Rural Health: Building on the Rural Health Initiative launched by the Committee in fiscal year 2009 to close gaps in VA service in rural and remote areas, the bill provides \$250 million as requested for medical care, including telehealth and mobile clinics, for veterans in rural and highly rural areas, including Native American populations.

Homeless Veterans Programs: \$6.2 billion for health care and support services for homeless veterans. This includes \$1.4 billion in direct programs to assist homeless veterans, including \$278 million for the HUD-VASH program and \$250 million for the Homeless Grant Per Diem Program.

Iraq and Afghanistan Veterans: \$4.1 billion as requested to meet the health care needs of veterans who have served in Iraq and Afghanistan, a \$493 million increase over fiscal year 2013. The VA estimates that the number of OEF/OIF veterans in its health care system will reach 674,754 in 2014. This funding includes medical treatment associated with combat-related injuries, including Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD).

Women Veterans Programs: The recommendation includes \$4.9 billion to provide healthcare for women veterans, including \$422 million in gender specific health care to meet the unique needs of female veterans.

Sexual Trauma Victims: The Committee notes the preponderance of evidence suggesting that Post Traumatic Stress Disorder (PTSD) is a frequent result of sexual trauma among military personnel and veterans. Because it is often difficult to identify specific stressors resulting in PTSD, the VA in 2010 relaxed the evidentiary standards for combat veterans with PTSD. The Committee urges the VA to take similar action regarding PTSD resulting from sexual trauma.

Medical and Prosthetic Research: \$586 million, equal to the budget request, for research in a number of areas, including mental health, TBI, spinal cord injury, burn injury, polytrauma injuries, and sensory loss.

Long Term Care: \$7.6 billion for long term care for the Nation's aging veterans as well as severely wounded combat veterans from the wars in Iraq and Afghanistan. The funding includes both institutional and home based care programs. The bill provides \$85 million for grants for the construction of State extended care facilities.

Information Technology (IT): \$3.7 billion to support the VA's IT needs, this is \$20 million over the request. Funding includes \$251.9 million for the integrated electronic health record and \$119.4 million for the Veterans Benefits Management System (VBMS) paperless claims systems. By the end of June 2013, VBMS will be rolled out to all 56 Regional Offices. In order to minimize potential performance problems, the Committee has included an additional \$20 million above the request for the VA to upgrade existing hardware, such as servers, at Regional Offices.

Office of Inspector General (IG): The bill includes \$121.4 million for the IG's office. This is \$5 million over the President's request and \$6.6 million over the fiscal year 2013 enacted level. The recommendation includes the additional resources for increased audits and for the IG to collaborate with the Department of Defense's Office of Inspector General in examining the processes and procedures involved in the transmission of medical and personnel records from DOD to VA and to identify any problem areas and provide recommendations for improvements.

Board of Veterans Appeals: The recommendation includes \$88.3 million for the Board of Veterans Appeals, an increase of \$12.9 million over the budget request. The justification accompanying the budget request projects that the Board's average time to resolve a disability claim on appeal will be 625 days in fiscal year 2014. The VA also projects the appeals backlog to grow to 48,860 claims in 2014. The funding increase is to provide additional personnel to assist in reducing the wait time and backlog.

Title III – Related Agencies

American Battle Monuments Commission (ABMC): \$77.3 million, \$5 million over the request and \$1.3 million above fiscal year 2013 enacted, to support the operations and activities of the ABMC. The additional funding is to address urgent maintenance and repair requirements at America's World War I and World War II cemeteries overseas.

U.S. Court of Appeals for Veterans Claims: \$35.4 million, \$3.8 million above fiscal year 2013 enacted.

Arlington National Cemetery (ANC): \$70.8 million for operations, \$25 million above the request and \$93.4 million below the fiscal year 2013 enacted level. The fiscal year 2013 bill included \$100.2 million in a separate construction account for the Millennium Project gravesite expansion at ANC. Additional construction funding is not required in fiscal year 2014; therefore no funding has been provided for construction. However, the subcommittee included an additional \$25 million for operational, maintenance and repair projects at ANC that the Administration has proposed to fund through the Army Operation and Maintenance account.

Armed Forces Retirement Home: \$67.8 million for operations, maintenance and the capital program. This is \$2 million above fiscal year 2013 enacted level.

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