

Prologue

As the United States closes out a decade of sending service members into harm's way as part of the war on terrorism, and with service members continuing to deploy on a regular basis to Iraq, Afghanistan, and other foreign theaters, the Department of Veterans Affairs (VA) faces growing pressure to address their needs for health care, compensation for injuries, and other earned benefits, while meeting the needs of the men and women who served in prior conflicts. Since the beginning of Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF), and now continuing with Operation New Dawn, more than 2 million service members have been deployed to combat theaters. Despite recent troop drawdowns in Iraq, thousands more personnel are still being sent into hostile environments. The physical and psychological traumas they face are immense. The sacrifices these brave soldiers, sailors, airmen, marines, and coastguardsmen have made will leave many of them dealing with a lifetime of physical and psychological wounds. It is for these men and women and the millions who came before them that we set out each year to assess the state of the one federal department whose sole task it is to care for them and their families: the Department of Veterans Affairs (VA).

The Independent Budget is based on a systematic methodology that accounts for changes in the size and age of the veteran population, federal employee staffing, and wages; medical care inflation; the need for cost-of-living adjustments; construction and infrastructure needs; trends in health-care utilization; benefit needs; efficient and effective means of benefits delivery; education and employment needs; and estimates of the number of veterans and their spouses who will be laid to rest in our nation's veterans cemeteries.

The Independent Budget is released in February 2011 concurrent with the release of the President's proposed budget for VA, but this document is designed to alert the Administration, Congress, VA, and the public to the issues concerning VA health care, benefits, and benefit delivery that we believe deserve early scrutiny and attention. *The Independent Budget* veterans service organizations are releasing this report as a guide to policymakers so that they can enact an adequate health-care budget for fiscal year (FY) 2011 and make necessary adjustments to the advance appropriation for the Medical Care accounts of VA for FY 2012. Likewise, *The Independent Budget* presents a detailed funding analysis and recommendations for FY 2012. Through these efforts we believe VA will be better positioned to successfully meet the challenges of the future. We also hope this document will provide direction and guidance for the Administration and Congress.

As the war on terrorism continues with no end date certain, this country's obligation to the men and women who have served and sacrificed continues to grow. Additionally, we must be cognizant of current fiscal realities in a time of turbulent and rapidly fluctuating economic conditions that may compel veterans of past service to seek VA care and benefits for the first time. In fact, this occurrence has already begun to manifest, as VA Secretary Eric Shinseki outlined in a letter to Congress July 30, 2010. He explained that the advance appropriations levels provided for FY 2011, which virtually match the Administration's request and the appropriations

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levels provided in the FY 2011 Military Construction and Veterans Affairs Appropriations bills, may not be sufficient to meet the health-care demand the Department of Veterans Affairs will face this fiscal year. Secretary Shinseki also emphasized that the passage of P.L. 111-163, the “Caregivers and Veterans Omnibus Health Services Act,” and P.L. 111-148, the “Patient Protection and Affordable Care Act,” will increase the workload for VA, thereby requiring supplemental funding.

Additionally, this nation faces a harsh reality when it comes to our fiscal future. Rapid growth in federal spending, coupled with an economic downturn that has had a secondary impact on federal revenues, has set us on a course that needs to be corrected. Yet continued investment in the critical programs administered by VA is imperative. The ongoing cost of caring for the men and women who have honorably served this nation does not diminish simply because financial times become challenging.

With this new reality ever present in our minds, we must do everything we can to ensure that VA has all the tools it needs to meet the challenges of today and the problems of tomorrow. Our sons, daughters, brothers, sisters, husbands, and wives who serve on the frontiers of freedom need to know that they come home to a nation that respects and honors them for their service. Part of this obligation must provide for the best possible medical care to make them whole, the best vocational rehabilitation to help them overcome the employment challenges created by injury, and the best claims-processing system to deliver accurate compensation, education, and survivors’ benefits—to anyone harmed in service to our nation and to all who earn benefits by serving.

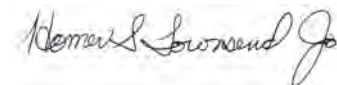
We are proud that this marks a historic 25th year for *The Independent Budget*. We are equally proud of the respect and influence that it has gained during that time. The coauthors—AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States—endeavor each year to ensure that *The Independent Budget* is the voice of responsible advocacy and that our recommendations are founded on facts, rigorous analysis, and sound reasoning. We hope that each reader approaches this document with an open mind and a clear understanding that America’s veterans should not be treated as the refuse of war, but as patriots.



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The four coauthoring organizations of *The Independent Budget (IB)* have worked in collaboration for 25 years on the *IB* to honor veterans and their service to our country. Throughout the year, each organization works independently to identify and address legislative and policy issues that affect the organizations' memberships and the broader veterans community.

AMVETS

Since 1944, AMVETS has been preserving the freedoms secured by America's armed forces, and providing support for veterans and the active military in procuring their earned entitlements, as well as community service and legislative reform that enhances the quality of life for this nation's citizens and veterans alike. AMVETS is one of the largest Congressionally chartered veterans service organizations in the United States, and includes members from each branch of the military, including the National Guard and Reserves.

DISABLED AMERICAN VETERANS

The Disabled American Veterans (DAV), founded in 1920 and chartered by Congress in 1932, is dedicated to a single purpose—building better lives for our nation's service-disabled veterans and their families and survivors. This mission is carried forward by providing outreach and free, professional assistance to veterans and their dependents and survivors in obtaining benefits and services earned through military service. DAV members also provide voluntary services in communities across the country and grassroots advocacy from educating lawmakers and the public about important issues to supporting services and legislation to help disabled veterans and their families.

PARALYZED VETERANS OF AMERICA

Paralyzed Veterans of America (Paralyzed Veterans), founded in 1946, is the only Congressionally chartered veterans service organization dedicated solely to serving the needs of veterans with spinal cord injury or dysfunction (SCI/D). Paralyzed Veterans' mission is to maximize the quality of life for its members and all people with disabilities. Paralyzed Veterans is a leading advocate for health care, SCI/D research and education, veterans' benefits, sports and recreational rehabilitation opportunities, accessibility and the removal of architectural barriers, and disability rights. Paralyzed Veterans of America is composed of 34 chapters that work to create an America where all veterans and people with disabilities, and their families, can achieve their independence and thrive. Paralyzed Veterans represents more than 19,000 veterans in all 50 states, the District of Columbia, and Puerto Rico.

VETERANS OF FOREIGN WARS OF THE U.S.

The Veterans of Foreign Wars of the U.S. (VFW), founded in 1899 and chartered by Congress in 1936, is the nation's largest organization of combat veterans and its oldest major veterans

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service organization. Its 1.5 million members include veterans of past wars and conflicts, as well as those who currently serve in the active, Guard and Reserve forces. Located in 7,900 VFW Posts worldwide, the VFW and the 600,000 members of its Auxiliaries are dedicated to “honoring the dead by helping the living.” They accomplish this mission by advocating for veterans, service members, and their families on Capitol Hill as well as state governments; through local community and national military service programs; and by operating a nationwide network of service officers who help veterans recoup more than \$1 billion annually in earned compensation and pension.

Individually, each of the coauthoring organizations serves the veterans community in a distinct way. However, the four organizations work in partnership to present this annual budget request to Congress with policy recommendations regarding veterans’ benefits and health care, as well as funding forecasts for the Department of Veterans Affairs.

Supporters

African American Post Traumatic Stress Disorder Association
Air Force Association
American Association of People with Disabilities
American Coalition for Filipino Veterans
American Ex-Prisoners of War
American Federation of Government Employees
American Federation of State, County and Municipal Employees
American Foundation for the Blind
American Military Retirees Association
American Military Society
American Psychological Association
American Veterans Alliance
American Veterans for Equal Rights
Armed Forces Top Enlisted Association
Association for Service Disabled Veterans
Association of American Medical Colleges
Association of the United States Navy
Blinded Veterans Association
Brain Injury Association of America
Catholic War Veterans, USA, Inc.
Combined Korea and US Veterans Association
Enlisted Association of the National Guard of the United States
Fleet Reserve Association
Forty and Eight
Gold Star Wives of America
Iraq and Afghanistan Veterans of America
Jewish War Veterans of the USA
Kansas Commission on Veterans' Affairs
Lung Cancer Alliance
Mental Health America

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Military Officers Association of America
Military Order of the Purple Heart of the USA, Inc.
Minnesota Department of Veterans Affairs
National Alliance on Mental Illness
National Association for Uniformed Services
National Association of American Veterans, Inc.
National Association of Disability Representatives
National Association of State Veterans Homes
National Association of Veterans' Research and Education Foundations
National Coalition for Homeless Veterans
National Disability Rights Network
National Gulf War Resource Center
National Society of Military Spouses
Non Commissioned Officers Association of the USA
Nurses Organization of Veterans Affairs
Oklahoma Department of Veterans Affairs
Society of Cuban American Veterans
Society of Hispanic Veterans
Tennessee Department of Veterans Affairs
United Spinal Association
United States Coast Guard CPOA/CGEA
United States Federation of Korea Veterans Associations
U.S. Korea Allies Council
Veterans Affairs Physician Assistant Association
Veterans of Modern Warfare
Vietnam Veterans of America
Washington State, Office of the Governor

Guiding Principles

- ❖ Veterans must not have to wait for benefits to which they are entitled.
- ❖ Veterans must be ensured access to high-quality medical care.
- ❖ Veterans must be guaranteed timely access to the full continuum of health-care services, including long-term care.
- ❖ Veterans must be assured burial in state or national cemeteries in every state.
- ❖ Specialized care must remain the focus of the Department of Veterans Affairs (VA).
- ❖ VA's mission to support the military medical system in time of war or national emergency is essential to the nation's security.
- ❖ VA's mission to conduct medical and prosthetic research in areas of veterans' special needs is critical to the integrity of the veterans' health-care system and to the advancement of American medicine.
- ❖ VA's mission to support health professional education is vital to the health of all Americans.

Acknowledgments

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