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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/13

SPONSOR McCamley LAST UPDATED \_\_\_\_\_ HJ M 6

SHORT TITLE Additional Veterans' Dept Funding SB \_\_\_\_\_

ANALYST Weber

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

|              | FY13 | FY14 | FY15 | 3 Year<br>Total Cost | Recurring or<br>Nonrecurring | Fund<br>Affected |
|--------------|------|------|------|----------------------|------------------------------|------------------|
| <b>Total</b> |      | NFI  |      |                      |                              |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Veteran Services Department (VSD)

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 6 requests that the United States Department of Veteran Affairs provide additional funding and resources to the Albuquerque regional office to be better equipped to meet the substantial needs of New Mexico veterans. In addition, it is requested that the New Mexico congressional delegation support these issues in Washington.

### FISCAL IMPLICATIONS

None

### SIGNIFICANT ISSUES

The New Mexico Veterans Services Department offers the following information.

The US Department of Veterans Affairs (VA) Regional Office in Albuquerque serves the entire state of New Mexico as well as southern Colorado. It is responsible for the processing of veteran disability compensation and pension claims for veterans in its service area. With the influx of returning veterans filing disability claims the wait times are growing and most veterans are now expected to wait up from 6 to 18 months depending on the type of claim submitted. This is a

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national problem and Secretary Eric Shinseki has vowed to trim that wait time from the average of 262 days to 125 by 2015. This will take additional personnel to process these claims.

"VA has completed a record-breaking 1 million claims per year the last three fiscal years. Yet too many Veterans have to wait too long to get the benefits they have earned and deserve," the VA said in a statement provided in December 2012. "That's unacceptable, and VA is building a strong foundation for a paperless, digital disability claims system — a lasting solution that will transform how we operate and eliminate the claims backlog. This paperless technology is being deployed to 18 regional offices in 2012, and it will reach all 56 VA Regional Offices by the end of 2013 to help deliver faster, better decisions for Veterans."

The VA cited four reasons for what it calls "claims growth":

- Increased demand — "the result of 10 years of war" and due to many veterans returning "with severe, complex injuries";
- in 2010, Shinseki decided the VA claims system should include the recognition of medical conditions related to agent orange exposure (240,000 claims were processed in 2011 for such exposure) as well as "Gulf War Illness";
- approximately 45 percent of Iraq and Afghanistan veterans are currently seeking compensation for injuries related to their service — and that marks a "historical high" for the VA following wars. Those claims include an average of eight to 10 medical issues per claim, more than double the Vietnam era; and
- the VA says it is doing "better outreach" to veterans "to educate them about the benefits they've earned."

MW/bm