

# VETERANS AFFAIRS 2019-20 MAIN ESTIMATES

APRIL 2019



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# Overview

- VAC's 2019-20 Main Estimates total \$4.4 billion for the Department.
- This represents a net increase of \$25.4 million (0.6%) over the 2018-19 Main Estimates.
- \*redacted\*
- Additionally, initiatives included in Budget 2019 are included but will require Treasury Board approval in the coming months.

# Veterans Affairs Canada Organizational Estimates

	2017-18	2018-19		2019-20	Variance from 2018-19 Main Estimates
	Expenditures	Main Estimates	Estimates to Date (Main Estimates including Supps A and B)	Main Estimates	
<b>Budgetary</b>		(dollars)			
<b>Voted</b>					
1 Operating expenditures	926,664,000	1,036,044,570	1,042,996,079	1,125,198,099	89,153,529
5 Grants and contributions	3,814,604,720	3,327,017,000	3,692,225,001	3,180,739,500	(146,277,500)
<b>Budget Implementation Votes</b>				<b>\$75,943,056</b>	
<b>Total Voted</b>	<b>4,741,268,720</b>	<b>4,363,061,570</b>	<b>4,735,221,080</b>	<b>4,381,880,655</b>	<b>18,819,085</b>
Total Statutory	32,622,360	31,492,862	34,129,122	38,113,710	6,620,848
<b>Total Budgetary</b>	<b>4,733,891,080</b>	<b>4,394,554,432</b>	<b>4,769,350,202</b>	<b>4,419,994,365</b>	<b>25,439,933</b>

Source: Page Proof to be published in Main Estimates, with the exception of variance column

# Summary of Key Changes from 2018-19 Main Estimates

When compared to 2018-19 Main Estimates, key changes are as follows:

- \$89 million increase in **Vote 1 – Operating Expenditures**, related to:
  - Regular Operating (\$58M Increase) – Service Excellence and implementation funding for PFL.
  - Other Health Purchased Services (\$6.9M Increase) – Increased demand for health services.
  - Veterans Support Services (\$28.7M Increase) – Increased demand for rehabilitation and support services.
  - These increases are offset by minor decreases.

Note - more detail for Vote 1 - Operating Expenditures provided in Annex A

# Summary of Key Changes from 2018-19 Main Estimates (continued)

- \$146 million decrease in **Vote 5 – Grants and Contributions** primarily related to adjustments in the following programs:

- Disability Pensions (\$71M Decrease) – Decline in the number of War Service Veterans and Survivors
- Due to the transition of Pension For Life suite of programs, the following programs are being adjusted:

## **Decreases due to sunseting Veterans Well-being Programs**

- Disability Awards - \$934M Decrease. *Phasing out the Disability Award program as a result of the new Pain and Suffering Compensation*
- Earnings Loss and Supplementary Retirement Benefit - \$646M Decrease. *Phasing out the Earnings Loss program as a result of the new Income Replacement Benefit*

## **Increases due to PFL Implementation**

- Pain and Suffering Compensation – \$685M Increase
  - Income Replacement Benefit – \$628M Increase
  - Additional Pain and Suffering Compensation – \$102M Increase. *Replaces Career Impact Allowance (CIA)*
  - Supplementary Retirement Benefit Grant Payout – \$54M Increase. *One year payout; will sunset March 31<sup>st</sup>, 2020*
- Education and Training Benefit (\$39M Increase) – New benefit introduced on April 1, 2018

## Summary of Key Changes from 2018-19 Main Estimates (continued)

- \$7 million increase in **Statutory** items primarily related to adjustments in:
- Employee Benefit Plan Contributions – Increasing salary as well as EBP adjustments each year



# Veterans Affairs Canada 2019-20 Main Estimates by Purpose

Core Responsibilities	Operating	Capital	Transfer Payments	Revenue and other Reductions	Total
Budgetary	(dollars)				
Benefits, Services and Support	\$1,048,052,671		\$3,157,704,500		\$4,205,757,171
Commemoration	\$21,684,250		\$23,232,000		\$44,916,250
Veterans Ombudsman	\$5,502,468				\$5,502,468
Internal Services	\$87,875,420				\$87,875,420
Budget Implementation (for information)	\$75,943,056				\$75,943,056
Total	\$1,239,057,865		\$3,180,936,500		\$4,419,994,365

Source: Page Proof to be published in Main Estimates, as per Core Responsibility breakdown in Departmental Plan

# Vote 5 - Grants and Contributions

Vote 5	2018-19 Main Estimates	2019-20 Main Estimates	Inc. (↑) Dec. (↓)	Difference
Programs – Increasing Reference Levels (slide 10)	\$304,283,000	\$1,817,668,000	↑	\$1,513,385,000
Programs – Decreasing Reference Levels (slide 11)	\$3,013,478,000	\$1,353,815,500	↓	(\$1,659,662,500)
Programs – No Change to Reference Levels (slide 12)	\$9,256,000	\$9,256,000	-	-
Total	\$3,327,017,000	\$3,180,739,500	↓	(\$146,277,500)



# Vote 5 - Grants and Contributions (Programs with Increasing Reference Levels)

Vote 5	2018-19 Main Estimates	2019-20 Main Estimates	Difference
Commonwealth War Graves Commission	\$11,423,000	\$11,772,000	\$349,000
Housekeeping and Grounds Maintenance	\$278,882,000	\$281,815,000	\$2,933,000
Caregiver Recognition Benefit	\$6,488,000	\$7,070,000	\$582,000
Education and Training Benefit	\$4,900,000	\$44,100,000	\$39,200,000
Canadian Forces Income Support	\$2,090,000	\$2,187,000	\$97,000
Centre of Excellence for PTSD and related mental health conditions	\$500,000	\$1,500,000	\$1,000,000
Income Replacement Benefit *	N/A	\$627,950,000	\$627,950,000
Pain and Suffering Compensation *	N/A	\$685,114,000	\$685,114,000
Additional Pain and Suffering Compensation *	N/A	\$102,367,000	\$102,367,000
Supplementary Retirement Benefit Payout Grant *	N/A	\$53,793,000	\$53,793,000
<b>Total</b>	<b>\$304,283,000</b>	<b>\$1,817,668,000</b>	<b>\$1,513,385,000</b>

\* Denotes new program with implementation date of April 1, 2019.



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# Vote 5 - Grants and Contributions (Programs with Decreasing Reference Levels)

Vote 5	2018-19 Main Estimates	2019-20 Main Estimates	Difference
Disability Awards *	\$1,042,502,000	\$108,535,000	(\$933,967,000)
Pensions for Disability and Death	\$1,227,063,000	\$1,155,817,000	(\$71,246,000)
Earnings Loss and Supplementary Retirement Benefit *	\$647,100,000	\$1,564,000	(\$645,536,000)
Veterans Independence Program	\$75,799,000	\$72,366,000	(\$3,433,000)
Last Post Fund	\$12,157,000	\$9,275,000	(\$2,882,000)
Critical Injury Benefit	\$1,600,000	\$900,000	(\$700,000)
War Veterans Allowances and Civilian War Allowances	\$5,549,000	\$5,265,000	(\$284,000)
Retirement Income Security Benefit *	\$1,448,000	\$14,000	(\$1,434,000)
Family Caregiver Relief Benefit *	\$123,000	-	(\$123,000)
Assistance to Canadian Veterans – Overseas District	\$130,000	\$75,000	(\$55,000)
Gallantry Awards	\$7,000	\$4,500	(\$2,500)
<b>Total</b>	<b>\$3,013,478,000</b>	<b>\$1,353,815,500</b>	<b>(\$1,659,662,500)</b>

\* Denotes sunseting programs

# Vote 5 - Grants and Contributions (No Change to Reference Levels)

Vote 5	2018-19 Main Estimates	2019-20 Main Estimates	Difference
Commemorative Partnerships Contribution	\$1,360,000	\$1,360,000	-
Flying Accidents Compensation Regulations Payments	\$975,000	\$975,000	-
Commemorative Partnerships Grant	\$750,000	\$750,000	-
Treatment Allowances	\$625,000	\$625,000	-
Assistance Fund	\$420,000	\$420,000	-
United Nations Memorial Cemetery in Korea	\$70,000	\$70,000	-
Canadian Veterans Association of United Kingdom	\$5,000	\$5,000	-
Veterans and Family Well-Being Fund Grant	\$2,000,000	\$2,000,000	-
Veterans and Family Well-Being Fund Contributions	\$1,000,000	\$1,000,000	-
Veterans Emergency Fund	\$1,000,000	\$1,000,000	-
Children of Deceased Veterans Education Assistance Program	\$978,000	\$978,000	-
Career Transition Services	\$73,000	\$73,000	-
<b>Total</b>	<b>\$9,256,000</b>	<b>\$9,256,000</b>	<b>-</b>



# Veterans Review and Appeal Board Organizational Estimates

	2017-18	2018-19		2019-20	Variance from 2018-19 Main Estimates
	Expenditures	Main Estimates	Estimates to Date (Main Estimates including Supps A and B)	Main Estimates	
Budgetary		(dollars)			
Voted					
1 Program expenditures	\$9,734,537	\$9,584,154	\$9,683,350	\$9,582,026	(\$2,128)
Total Voted	\$9,734,537	\$9,584,154	\$9,683,350	\$9,582,026	(\$2,128)
Total Statutory	\$1,117,832	\$1,319,583	\$1,319,583	\$1,329,129	\$9,546
Total Budgetary	\$10,852,369	\$10,903,737	\$11,002,933	\$10,911,155	\$7,418

Source: Page Proof to be published in Main Estimates, with the exception of Variance column.

# Veterans Review and Appeal Board 2019-20 Main Estimates by Purpose

2019-20 Main Estimates by Purpose					
	Operating	Capital	Transfer Payments	Revenue and other Reductions	Total
Budgetary	(dollars)				
Appeals	\$10,911,155				\$10,911,155
Total	\$10,911,155				\$10,911,155

Source: Page Proof to be published in Main Estimates Page, as per Core Responsibility breakdown in Departmental Plan



# Annex A: Vote 1 - Operating Expenditures

Vote 1	2018-19 Main Estimates	2019-20 Main Estimates	Inc. (↑) Dec. (↓)	Difference
Regular Operating	\$263,435,667	\$321,447,627	↑	\$58,011,960
Other Health Purchased Services (SPA)	\$698,423,000	\$705,301,836	↑	\$6,878,836
Veterans Support Services (SPA)	\$58,831,243	\$87,518,031	↑	\$28,686,788
Advertising Initiatives (SPA) (Treasury Board Secretariat Horizontal item)	\$2,100,000	\$2,150,000	↑	\$50,000
Ste. Anne's Hospital (SPA)	\$6,253,200	\$2,296,322	↓	(\$3,956,878)
Budget 2017 Outreach Strategy (SPA)	\$7,001,460	\$6,484,283	↓	(\$517,177)
<b>Total Vote 1 – Operating expenditures</b>	<b>\$1,036,044,570</b>	<b>\$1,125,198,099</b>	↑	<b>\$89,153,529</b>

*SPA – Special Purpose Allotment (set by Treasury Board to control funds for a specific purpose)*