



The Evolution of the U.S. Department of Veterans Affairs

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Although the Department of Veterans Affairs – “VA” for short – has undergone many changes since its inception after World War I, its core mission has remained constant: to manage a set of entitlements available to former service members. In a nation where many view centralized, federally sponsored assistance with skepticism, policymakers and advocates have justified veterans’ entitlements in a variety of ways. Given military drafts, government funded benefits were viewed as necessary compensation for individuals who were compelled to serve. Some entitlements were represented as a means for allowing disabled veterans to maintain independence in civilian society. Since the end of the draft in 1973, veterans’ benefits have also been used to create incentives for voluntary enlistments and re-enlistments.

VA Expansion and Consolidation

Veterans had special access entitlements in the United States well before the founding of the VA and even before the birth of the nation. British colonial governments in North America offered pensions and land grants to settlers who fought Indian tribes. Scattered local efforts to support former service members preceded the passage of the first national pension law in 1776; and federally funded Soldiers’ Homes were set up across the country in the nineteenth century to provide residents with room, board, and the camaraderie of fellow veterans.

The modern-day VA traces its roots to the World War I era, when veterans’ advocates, elected officials, and bureaucrats expanded and consolidated post-service benefits to support rehabilitation and self-reliance. World War I veterans initially had access to vocational education, disability and life insurance plans, and health care administered by both government and private organizations. In 1921, influential advocacy groups with the help of bureaucrats and medical professionals successfully argued that programs could be more efficient and cost-effective if they were overseen by a newly created independent federal agency, called the Veterans’ Bureau. During the interwar years, the Veterans’ Bureau grew into a complex organization with a central office in Washington, D.C and state-based regional offices offering services. In 1930, the Bureau of Pensions and National Home for Disabled Volunteer Soldiers were combined with the Veterans’ Bureau to form the cabinet-level Veterans Administration.

When the Great Depression brought economic hard times, demand for the Veterans Administration services escalated and the bureaucracy grew. By 1941, the year the United States entered World War II (1941-1945), approximately 58,000 veterans of Indian wars, the Civil War (1860-1865), the Spanish-American War (1898), and World War I (1914-1918), were receiving care in more than ninety veterans’ hospitals across the country – the majority of them suffering from “neuropsychiatric” conditions. In 1941, pension, disability compensation, and life insurance payments totaling more than \$433 million were made to 856,000 veterans and their dependents.

Passage of the 1944 GI Bill signaled the U.S. government’s commitment to ensuring middle-class opportunities for recently discharged veterans. This landmark legislation offered financial aid for vocational programs and university attendance, along with guarantees of home loans, employment assistance, and unemployment compensation. By 1947, the Veterans Administration employed approximately 200,000 people to administer those and other programs, and oversaw a budget of over \$500 million. More than twelve million World War II veterans reported gaining directly from the GI Bill. Although many African Americans reaped its benefits, the law’s implementation during the era of Jim Crow ensured that some faced barriers to accessing entitlements.

Balancing Budgets While Supporting Veterans

Throughout the VA's existence, elected officials and bureaucrats have tried to balance generosity to those who served with fiscal responsibility. During the Cold War, attempts were made to regulate access to benefits – taking account of income, the length and nature of service, and the extent of disability. GI bills passed after wars in Korea and Vietnam were less generous than the 1944 version. In the late 1980s, President Ronald Reagan expressed broader ambivalence when he simultaneously elevated the VA into a full-fledged cabinet-level agency and mandated that some veterans pay for a portion of their medical care. According to the president's spokesman, the VA's new status "would not necessarily increase [its] size or budget but would give it a greater say in the councils of government."

Over the decades, various factors have spurred benefit increases and VA restructurings – including changes in warfare, new expectations about care, and responses to publicized crises.

In response to post-World War II criticisms, VA leaders decided to end their reliance on the civil service system and establish affiliations with academic medical centers.

Struggles for returning Vietnam War veterans prompted the VA to expand access to community-based mental health counseling and programs to combat substance abuse, homelessness, and the consequences of exposure to chemical weapons such as Agent Orange.

- In the 1990s, the VA responded to the needs of Persian Gulf War veterans by replacing hospital-centered care with "integrated service networks" of both in- and outpatient facilities.
- By 2014, as demand from the Iraq and Afghanistan conflicts led to news reports about long wait times, hastily passed legislation mandated access to private providers for some veterans

Despite many changes, the VA has never contracted. Between 1940 and 2012 its inflation-adjusted share of the federal budget increased at an average of 3.8 percent per year, with spikes during and after World War II, the Vietnam War, and the wars in Iraq and Afghanistan. As the agency's trajectory shows, the costs of America's military engagements extend well beyond the battlefield, not just for veterans and their families but for the U.S. government and all taxpayers.

Read more in Jessica L. Adler, *Burdens of War: Creating the United States Veterans Health System* (Johns Hopkins University Press, 2017) and Jessica L. Adler, "Department of Veterans Affairs," in *America in the World, 1776 to the Present: A Supplement to the Dictionary of American History* (edited by Edward J. Blum) (Charles Scribner's Sons, 2016).