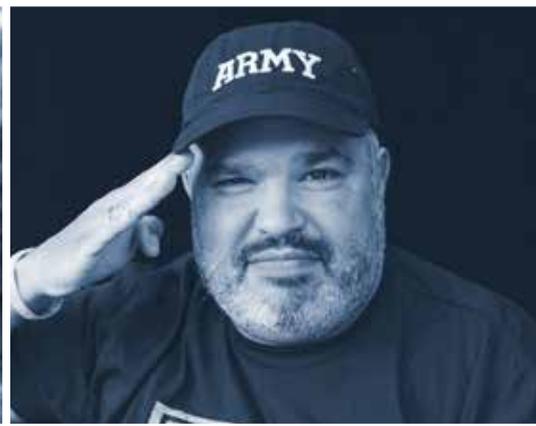


THE INDEPENDENT BUDGET

Fiscal Years 2025 and 2026 for
the Department of Veterans Affairs



BUDGET RECOMMENDATIONS



THE INDEPENDENT BUDGET

**Fiscal Years 2025 and 2026 for
the Department of Veterans Affairs**

**A Comprehensive Budget Document
Created by Veterans for Veterans**

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Acknowledgments

For nearly 40 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations, while each organization also works independently to identify and address legislative and policy issues that affect the organizations’ members and the broader veterans’ community.

DAV (Disabled American Veterans)

DAV (Disabled American Veterans) empowers veterans to lead high-quality lives with respect and dignity. It is dedicated to a single purpose: keeping our promises to America’s veterans. DAV does this by ensuring that veterans and their families can access the full range of benefits available to them; fighting for the interests of America’s injured heroes on Capitol Hill; linking veterans and their families to employment resources; and educating the public about the great sacrifices and needs of veterans transitioning back to civilian life. DAV, a non-profit organization with more than one million members, was founded in 1920 and chartered by the U. S. Congress in 1932. Learn more at DAV.org.

Paralyzed Veterans of America (PVA)

Paralyzed Veterans of America is a 501(c)(3) non-profit and the only congressionally chartered veterans service organization dedicated solely for the benefit and representation of veterans with spinal cord injury or diseases. The organization ensures veterans receive the benefits earned through service to our nation; monitors their care in VA spinal cord injury units; and funds research and education in the search for a cure and improved care for individuals with paralysis.

As a life-long partner and advocate for veterans and all people with disabilities, PVA also develops training

and career services, works to ensure accessibility in public buildings and spaces, and provides health and rehabilitation opportunities through sports and recreation. With more than 70 offices and 33 chapters, Paralyzed Veterans of America serves veterans, their families, and their caregivers in all 50 states, the District of Columbia, and Puerto Rico. Learn more at PVA.org.

Veterans of Foreign Wars of The United States (VFW)

The Veterans of Foreign Wars of the U.S. is the nation’s largest and oldest major war veterans organization. Founded in 1899, the congressionally chartered VFW is comprised entirely of eligible veterans and military service members from the active, Guard and Reserve forces. With more than 1.4 million VFW and Auxiliary members located in nearly 6,000 Posts worldwide, the nonprofit veterans service organization is proud to proclaim “NO ONE DOES MORE FOR VETERANS” than the VFW, which is dedicated to veterans’ service, legislative advocacy, and military and community service programs. For more information, or to join, visit our website at VFW.org.

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Introduction

The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have developed unbiased estimates of funding that the Department of Veterans Affairs (VA) will require in fiscal year (FY) 2025, and advance appropriations for FY 2026, in order to fulfill our nation’s obligations to those who have served, their families, and survivors. In this report, the IBVSOs provide our recommendations for VA’s authorized programs, as well as additional funding required for expanded and new programs, services, and benefits.

The passage of the Honoring Our PACT Act (Public Law 117-168) has greatly increased the number of disability claims filed, as well as the number of veterans eligible for VA health care. The benefit of the PACT Act’s provisions to veterans, their families, and survivors was evident during FY 2023 and into the first quarter of FY 2024. Although the PACT Act and other authorities have resulted in increased VA healthcare staffing, we continue to call for expanded funding in FY 2025 to fill remaining vacancies. In addition, VA must have increased funding to meet the needs of veterans newly enrolled in the healthcare system and those who moved to higher priority groups due to approval of their PACT Act-related claims. We also support significant funding increases to expand long-term services and supports, as well as making long-overdue investments in VA’s infrastructure.

The PACT Act’s Toxic Exposure Fund (TEF) provides VA with mandatory funding to pay for services previously funded solely through discretionary accounts. Historically, the Independent Budget’s (IB)

recommendations addressed only VA’s discretionary funding needs. In keeping with our past practice, the IBVSOs’ recommendations for FY 2025 and FY 2026 advance appropriations are focused on ensuring VA receives adequate funding to meet total demand for care and benefits, regardless of whether the source of that funding is mandatory or discretionary. Since VA has already received mandatory TEF appropriations for FY 2025 and FY 2026 (Public Law 118-5), the IBVSOs’ recommendations take those TEF funds into account, as shown in the funding recommendations and tables throughout the document.

Finally, continuing disagreements over federal government funding levels have resulted in ongoing concerns about whether VA will be able to meet the needs of veterans, their families, and survivors. Although VA has continued to be insulated from significant budget cuts, the threat to VA’s budget that looms each October 1 causes anxiety for many veterans, their families, and survivors. In addition, Congress has failed once again to pass VA’s budget in a timely manner, and the use of continuing resolutions have hampered VA’s ability to meet increased demand for care and benefits. Although advance appropriations ensure VA can provide uninterrupted medical services and benefits, the threat of lapses in funding causes uncertainty and anxiety for veterans and complicates VA’s ability to focus on its core mission.

Congress needs to make sure that VA receives timely, adequate funding to ensure the needs of veterans, their families, and survivors are met. Although conflicts and wars may draw to a close, the responsibility to these men and women is part of the cost of waging them and must remain a sacred national obligation.



IB Recommendations for FY 2025 and FY 2026 Advance (in thousands)

	FY 2024 Discretionary Appropriations Projected	FY 2024 Mandatory TEF ENACTED	FY 2024 Appropriation plus TEF Projected	FY 2025 Advance Appropriations Projected	FY 2025 Mandatory TEF ENACTED	FY 2025 Adv. Apropr plus TEF Projected	FY 2025 Discretionary "2nd Bite" VA Request	FY 2025 Total Resources VA Request	FY 2025 Total Resources IB Recommend	FY 2025 Discretionary Appropriations IB Recommend	FY 2025 Mandatory TEF ENACTED	FY 2026 Advance Appropriations IB Recomnd
Veterans Health Administration (VHA)												
Medical Services	69,070,887	9,526,000	78,596,887	71,000,000	10,337,000	81,337,000	–	81,337,000	90,430,000	80,093,000	10,337,000	97,728,924
Medical Support and Compliance	12,300,000	850,000	13,150,000	12,050,000	1,000,000	13,050,000	–	13,050,000	13,573,000	12,573,000	1,000,000	14,042,803
Medical Facilities	9,800,000		9,800,000	9,400,000		9,400,000	–	9,400,000	11,025,000	11,025,000		10,465,359
MCCF (VA Medical Care)	3,415,200		3,415,200	3,489,600		3,489,600	–	3,489,600	Note 1	Note 1		Note 1
Subtotal, VA Medical Care	94,586,087	10,376,000	104,962,087	95,939,600	11,337,000	107,276,600	–	107,276,600	115,028,000	103,691,000	11,337,000	122,237,086
Medical Community Care	29,840,416	6,740,000	36,580,416	20,382,000	10,118,000	30,500,000	–	30,500,000	36,802,000	26,684,000	10,118,000	37,395,974
MCCF (Medical Community Care)	853,800		853,800	872,400		872,400	–	872,400	Note 1	Note 1		Note 1
Subtotal, Medical Community Care	30,694,216	6,740,000	37,434,216	21,254,400	10,118,000	31,372,400	–	31,372,400	36,802,000	26,684,000	10,118,000	37,395,974
Total, Medical Care	125,280,303	17,116,000	142,396,303	117,194,000	21,455,000	138,649,000	–	138,649,000	151,830,000	130,375,000	21,455,000	159,633,059
Medical and Prosthetic Research	938,000	46,000	984,000		59,000	59,000	–	59,000	1,005,000	946,000	59,000	
Total, Veterans Health Administration	126,218,303	17,162,000	143,380,303	117,194,000	21,514,000	138,708,000	–	138,708,000	152,835,000	131,321,000	21,514,000	159,633,059
General Operating Expenses												
Veterans Benefits Administration	3,899,000	1,769,000	5,668,000		1,401,000	1,401,000	–	1,401,000	6,182,000	4,781,000	1,401,000	
General Administration	475,000	90,000	565,000		19,000	19,000	–	19,000	590,000	571,000	19,000	
Board of Veterans Appeals	287,000	4,000	291,000		62,000	62,000	–	62,000	333,000	271,000	62,000	
Total, General Operating Expenses	4,661,000	1,863,000	6,524,000		1,482,000	1,482,000	–	1,482,000	7,105,000	5,623,000	1,482,000	
Departmental Admin and Misc. Programs												
Information Technology Systems	6,401,000	1,243,000	7,644,000		1,364,000	1,364,000	–	1,364,000	6,928,000	5,564,000	1,364,000	
Veteran Electronic Health Records	1,334,142		1,334,142			0	–	0	1,334,000	1,334,000		
National Cemetery Administration	480,000		480,000			0	–	0	626,000	626,000		
Office of Inspector General	296,000		296,000			0	–	0	309,000	309,000		
Total, Dept. Admin. and Misc. Programs	8,511,142	1,243,000	9,754,142		1,364,000	1,364,000	–	1,364,000	9,197,000	7,833,000	1,364,000	
Construction Programs												
Major Construction	881,000		881,000			0	–	0	5,153,000	5,153,000		
Minor Construction	680,000		680,000			0	–	0	910,000	910,000		
State Home Construction Grants	164,000		164,000			0	–	0	600,000	600,000		
State Cemetery Construction Grants	60,000		60,000			0	–	0	300,000	300,000		
Total, Construction Programs	1,785,000	0	1,785,000			0	–	0	6,963,000	6,963,000	0	
Other Discretionary Programs	320,000		320,000				–	0	334,140	334,140		
Toxic Exposure Fund (TEF) Reserve					95,000	95,000	–	95,000			Note 2	
Total, Budget Authority	141,495,445	20,268,000	161,763,445	117,194,000	24,455,000	141,649,000	–	141,649,000	176,434,140		24,360,000	

Note 1 : The IB does NOT make recommendations for MCCF, only total resources needed.

Note 2 : The IB does NOT include the \$95 million in TEF funding currently marked as "Reserve", but instead makes recommendations for total resources needed.

Veterans Health Administration

Total Medical Care

FY 2025 IB Discretionary Appropriations Recommendation	\$130.4 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$21.5 Billion
FY 2025 IB Total Resources Recommendation	\$151.8 Billion

FY 2025 Projected Advance Appropriations	\$112.8 Billion
FY 2025 Estimated MCCF Appropriations	\$4.4 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$21.5 Billion
FY 2025 VA “2nd Bite” Discretionary Appropriation Request	\$-- Billion
FY 2025 VA Total Resources Request	\$-- Billion

FY 2024 Projected Total Resources	\$142.4 Billion
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Since the onset of the COVID-19 pandemic, funding for the Department of Veterans Affairs (VA) health care has increased significantly, both to address the impacts of COVID-19, as well as to expand the department’s internal capacity to provide care. In addition, enactment of the Honoring Our PACT Act (Public Law 117-168) has expanded the pool of veterans who will be eligible for VA health care and moved many veterans to high priority groups, which has the effect of increasing utilization of and reliance on VA care.

The Independent Budget veterans service organizations (IBVSOs) recommend approximately \$151.8 billion in total resources for VA medical care for fiscal year (FY) 2025 appropriations. With \$21.5 billion in mandatory Toxic Exposure Fund (TEF) funding already approved, the IB recommends \$130.4 billion in discretionary appropriations. The FY 2025 recommendation primarily reflects the increased funding baseline for all Medical Care programs established over the past three years, continuing enrollment increases, continuing inflation, a federal pay raise, and increased workloads. The IBVSOs also make several recommendations to begin new or expand existing health care initiatives, which are detailed below.

NOTE 1: *The Independent Budget (IB) does not include projected receipts from the Medical Care Collections Fund (MCCF) in its budget recommendations, since MCCF funds are used to replace new appropriations. Instead, the IBVSOs’ recommendations present estimates of VA’s total need for medical care funding, regardless of source. If the total MCCF funds received by VA are less than what was previously assumed, Congress must approve, supplemental appropriations to ensure full Medical Care funding for each year.*

Toxic Exposure Fund (TEF)

The IBVSOs neither supported nor opposed the creation of the TEF due to concerns about possible unintended consequences, such as the Congressional Budget Office (CBO) determination that legislation expanding discretionary VA programs or services related to toxic exposures would require PAYGO offsets. As a result, congressional approval of critical legislation strengthening and expanding VA care and benefits has become more difficult. Congress must work to remove these unintended obstacles, while remaining vigilant that the solution does not itself create additional negative unintended consequences.

Medical Services

FY 2025 IB Discretionary Appropriations Recommendation	\$80.1 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$10.3 Billion
FY 2025 IB Total Resources Recommendation	\$90.4 Billion

FY 2025 Projected Advance Appropriations	\$67.5 Billion
FY 2025 Estimated MCCF Appropriations	\$3.5 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$10.3 Billion
FY 2025 VA “2nd Bite” Discretionary Appropriation Request	\$-- Billion
FY 2025 VA Total Resources Request	\$-- Billion

FY 2024 Projected Total Resources	\$78.6 Billion
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NOTE 2: Because the IBVSOs do not take a position on the use of mandatory TEF funding to replace discretionary funding, the IB budget recommendations are based on our estimates of the total resource needs for VA’s programs, services and benefits. Last year, Congress appropriated mandatory TEF funds through Public Law 118-5, the Fiscal Responsibility Act of 2023: \$20.268 billion in FY 2024 and \$24.455 billion in FY 2025. Therefore, the IB budget recommendations are broken out to show total resource needs, the amount of mandatory TEF funding already provided, and the amount of new discretionary funding required for each line budget item.

Medical Services Appropriations for FY 2025

For FY 2025, the IBVSOs recommend approximately \$90.4 billion in total resources for Medical Services. With \$10.3 billion in mandatory TEF funding already approved, the IB recommends \$80.1 billion in discretionary appropriations. This estimate primarily reflects increases based on rising workload (see below), continuing inflation and a 5.2 percent federal pay raise for all VA employees in 2024. The IBVSOs also estimate a two percent increase in VA health care utilization due to the PACT Act and increased reliance on VA by high-priority enrolled veterans.

New Users (+\$2.3 Billion)

The IBVSOs estimate growth in patient workload based on a projected increase of approximately 130,000 new unique patients, which includes approximately 109,000 new priority groups 1-6 veterans, a decrease of 25,000 priority groups 7 and 8 veterans, and an increase of 47,000 nonveterans. This increase is a conservative projection based on enrollment data over the past five years, coupled with a modest increase as a result of new PACT Act eligibility. The IBVSOs estimate the total cost of new unique users in FY 2025 to be approximately \$2.3 billion.

Filling Health Care Vacancies (+\$2.8 Billion)

The Veterans Health Administration (VHA) far exceeded its hiring goals for FY 2023 and retained healthcare workers at levels it hasn’t seen in several years. However, despite these successes, VHA is still facing shortages of mental health care professionals across the country and in rural areas. Additionally, while the department exceeded its hiring goals for registered nurses, it fell short of its targets for Licensed Practical Nurses (LPNs) and Certified Nursing Assistants (CNAs). CNAs in particular are considered the backbone of nursing.

Working together with RNs and LPNs, these healthcare workers often provide the majority of hands-on patient care duties that include assisting patients with bathing, grooming, dressing, walking, transfers from one place to another, turning bed-bound patient position, feeding, toileting, and many other essential activities of daily living commonly termed ADLs. The department must hire 45,000 nurses over the next two years to keep up with attrition and growing demand for veteran care. The VHA must continue to make use of the workforce provisions Congress has approved in recent years to achieve that goal, with greater emphasis being placed on targeting hiring for needed LPNs and CNA positions. For FY 2025, the IBVSOs recommend the VHA continue its aggressive hiring strategy and attempt to fill at least 25 percent of pending clinical care and support vacancies, which would be approximately 19,000 new full-time employees (FTE) at a cost of about \$2.8 billion.

Dental Care (+\$340 Million)

VA projects expenditures required to provide dental services to enrolled veterans are expected to grow in both FY 2024 and 2025, primarily due to the transition of enrollees into higher priority groups and inflation. There are 9 million veterans enrolled in VA health care, with approximately 1.5 million of those enrolled eligible for comprehensive dental care.

The enactment of the PACT Act has provided an opportunity for veterans who were not initially entitled to receive dental benefits. The growth of the dental program has increased by 11,000 veterans or 10 percent each month. VA's Dental Clinics would benefit from additional staff, specifically dental hygienists, but limited space to include leasing and expansion of dental facilities has resulted in VA having to refer many veterans to the community for dental care. With VISNs 6, 7, and 17 down approximately 600 dental hygienists, the IBVSOs recommend VA increase FTE by at least 600, which would require approximately \$90 million in FY 2025. The IBVSOs also recommend additional funding to expand infrastructure and utilize leasing authority, which is included in the Minor Construction section of this document.

In addition, the IBVSOs support efforts to expand dental care to all enrolled veterans and recommend that \$500 million be included in the FY 2025 to begin that expansion: \$250 million in the Medical Services account and \$250 million in the Medical Community Care account. It's time to recognize dental care is health care and is linked with heart disease, diabetes, cancer, dementia, Alzheimer's, and overall health outcomes.



Long-Term Care (+\$1 Billion)

As reported by the VA, the fastest-growing segment of the veteran population are those veterans over the age of 85. Further, the number of veterans eligible for nursing home care is projected to increase 535 percent, from 62,000 to 387,000, over the next 20 years. The current cost to the VA for nursing home care alone is not sustainable. Alternative home care supports and assisted living offer significant cost savings for veterans who don't require a high level of medical care.

A 65-year-old today has almost a 70 percent chance of needing some type of long-term care services and supports in their remaining years and will need it for an average of three years. Twenty percent are projected to need long-term care for five years or more.

For those who will need long-term care, costs will average \$138,000 annually for these services. These projections are especially concerning for those aging veterans who are unprepared financially. Nearly 4 in 10 people mistakenly expect to rely on Medicare to pay for their long-term care needs, and 1 in 3 have done little to no planning for their own care needs.

The VHA operates 134 Community Living Centers and VHA's Spinal Cord Injuries/Disorders (SCI/D) system of care operates six SCI/D long-term care facilities, with only one such SCI/D facility west of the Mississippi at the Long Beach VA Medical Center. VHA also provides home and community-based care services (HCBS), referred to as non-institutional care, which includes programs like Homemaker and Home Health Aide Care, Skilled Home Health Care, Home Based Primary Care, Veteran-Directed Care, Adult Day Health Care, Respite Care, Palliative Care, and Hospice Care.

Additionally, VA supports State Veterans Homes Per Diem Rates to provide care and services for veterans who are residents in State Veterans Homes. As the need for nursing home care continues to grow and VHA continues to expand HCBS across all VA Medical Centers, as well as implement Section 165 of Public Law 117-328, which authorized VHA to pay for Medical Foster Home Care, these programs must be fully funded to ensure

veterans can receive comprehensive long-term care supportive services that meet their health care needs.

Unfortunately, funding has not kept pace with the demand for these essential services or inflation. Last year, the IBVSOs recommended the long-term care budget be increased by \$1 billion. Since the need for these services will continue to remain in high demand, the IBVSOs believe that a similar \$1 billion FY 2025 request is strongly warranted.

Caregiver Support Programs

On September 16, 2022, the VA published an interim rule extending the discharge date to September 30, 2025, for legacy applicants and legacy participants in the Program of Comprehensive Assistance for Family Caregivers (PCAFC). This extension provided an additional three years so VA can complete their reassessments.

Since phase II of the PCAFC expansion started, the number of caregivers has grown significantly. The IBVSOs applaud VA for extending the discharge date for legacy applicants and legacy participants, but doing so will require more resources than previously anticipated. VA's FY 2024 budget request included \$2.4 billion for the Caregiver Support Program (CSP), an increase of approximately \$500 million (30 percent) above the FY 2023 funding level. VA plans to issue new regulations to amend its current PCAFC regulations by June 2024. Without knowing the details of those regulations, or the impact on the number of veterans and caregivers who will be added to, remain in, or discharged from the program, the IBVSOs have no way of accurately determining if VA will need additional funding over and above VA's FY 2025 request. However, once the regulations are proposed and promulgated, Congress must be prepared to adjust funding to meet the need if and when it arises.

Mental Health and Suicide Prevention (+\$150 Million)

VA's top clinical priority is reducing veteran suicides and is accomplishing this by continuing to provide multiple paths to access care, including outpatient, residential, and inpatient mental health services and additionally expanding mental health services

to include a veteran's family and care for treatment-resistant depression. The VA's 2023 National Veteran Suicide Prevention Annual Report noted an increase in veteran suicide by 414 in 2021.

The enactment of the PACT Act has also increased veterans' enrollment into VHA care for mental health services and further strained VHA's ability to provide timely access and high-quality mental health services in a competitive medical market. Therefore, the need for mental health services has increased and warrants the continuation of competitive merit awards and salaries, a hybrid work environment, and pay incentives for in-person mental health care. These are forward-thinking concepts for VA to accommodate the current and future veterans' mental health needs.

To ensure adequate mental health staffing, the IBVSOs recommend VA continue to rigorously recruit and retain providers, care coordinators, and administrative support staff. For FY 2025, the IBVSOs recommend 1,000 additional mental health personnel, which should include an increase of 25 FTE for the Behavioral Health Peer Support Specialist and Social Workers.

Women Veterans Health Care (+\$160 Million)

The VA requested \$1.2 billion for gender-specific health care for women veterans in the FY 2025 Advanced Appropriation. As we did last year, the IBVSOs again recommend investing additional funding to keep up with the needs of this growing population, as detailed below. In addition, we recommend \$10 million for non-recurring maintenance to address infrastructure deficiencies and needed minor construction modifications in women's health clinics as described in the Medical Facilities and Minor Construction sections of this document.

- **\$100 million** for VA to recruit and train more clinical providers with expertise to deliver high-quality, gender-specific care to women veterans. Additional resources are necessary to address attrition, meet increasing demand for services, and to improve access to care. Training more providers to serve in rural communities and recruiting clinical

leaders and highly specialized gynecologists for surgery and treating complex health conditions is essential to ensuring comprehensive health care for women patients. There should be a Women's Primary Care Health Provider at every VA Community-Based Outpatient Clinic, and all VA Medical Centers should have a gynecologist on staff, even if part-time.

- **\$6 million** to support increased staffing in the Office of Women's Health (30 FTE) and the Center for Women Veterans (10 FTE) for strategic planning to better meet the needs of women veterans. Continuing efforts to raise awareness about VA health care, benefits, and services available to women has led to increased program growth. Additional staffing is necessary to evaluate all service lines in the VHA and to make appropriate adjustments in programming to meet women veterans' unique clinical and supportive service needs.
- **\$45 million** to increase the number (300 FTE) and quality of peer support specialists and care navigators to assist women veterans. Peer support specialists have been effective in helping veterans with mental health challenges, including those dealing with the aftermath of military sexual trauma, post-traumatic stress disorder, and substance-use disorders, which could assist in reducing the number of veteran suicides. Similarly, maternity care navigators can provide valuable assistance to women veterans with highly complex medical conditions, such as cancer, chronic pain management, and post-partum maternal care.
- **\$9 million** to expand VA's dedicated Reproductive Mental Health Consultation Program (10 FTE) and maternity care coordinators (50 FTE) to assist with managing the care of veterans throughout and after the maternity cycle. These funds would support VA's efforts to provide women veterans with access to comprehensive wrap-around services, including help with housing, employment, food insecurity, interpersonal violence, and mental health and prosthetic support. Reproductive mental

health issues are prevalent for many service-disabled women veterans and require specialized clinical support. VA is wholly dependent upon its community care network providers to provide data on quality and information on outcomes of maternity care. Specialized program managers can more effectively influence outcomes by enhancing services for women and improving coordination and communication between these programs.

Minority Veterans (+\$10 Million)

The IBVSOs recommend \$10 million be added to the VHA budget to continue training on diversity and inclusion for all medical staff and ensure adequate resources for minority veteran coordinator assignments and peer support specialists. Additional funding is also needed to support the PACT Act and STRONG Veterans Act (Public Law 117-328) expansions that include minority and underserved veterans.



Virtual Health Care (+\$100 Million)

The VA is leading the way in telehealth innovation to provide veterans additional options and access when and where they need it. VA Telehealth Services has transformed how veterans access high-quality VA care from their home, the clinic, or the hospital. VA telehealth technologies make it easier for them to connect with their VA care team.

A veteran's ability to access their VA care team is important for their health. However, scheduling appointments and traveling to the provider's office can be difficult. As an option, telehealth at home offers services that work with veterans' care plans, fits their lifestyles, and helps them stay healthy and independent. Telehealth technology in the VA clinics brings specialty staff and services closer to home. It allows veterans to connect with VA health specialists at medical centers nationwide from their community clinic. Telehealth technologies help physicians and medical professionals discuss matters related to veteran's care. Together, they can develop a care plan that works best for the veterans.

The IBVSOs recommend an increase of \$100 million in FY 2025 to expand VA telehealth, including tele-primary care, real-time video telehealth, tele-mental health, tele-ICU, tele-stroke, Store-and-Forward telehealth, specialty care, and telerehabilitation, to meet the needs of all veterans and to address timely care access needs.

Homeless Veterans Programs (+\$60 Million)

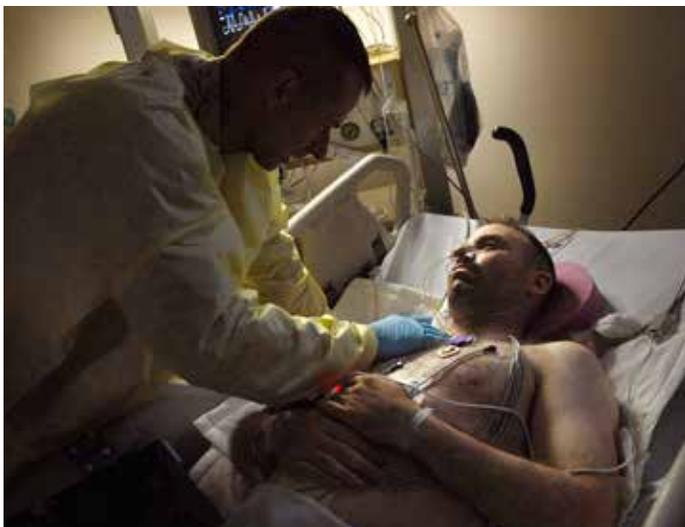
In 2022, veteran homelessness decreased by 11 percent, and VA permanently housed over 40,000 homeless veterans. In January 2023, on a single night, the Department of Housing and Urban Development conducted a Point-in-Time Count that found 35,574 veterans experiencing homelessness, which is a 7.4-percent increase from 2022. The IBVSOs recommend a continued emphasis on the Supportive Services for Veterans Families program, which has been able to provide homelessness prevention and rapid rehousing assistance to veterans through shallow subsidies in every state across the nation.

However, VA's homeless program is not only in need of affordable housing, but also special adaptive housing. Housing vouchers do not cover the cost of adaptation of the extremely injured and ill veterans' adaptive needs. Inadequate homes put a burden on our severely injured or ill veterans to have a high quality of life. Lastly, the IBVSOs recommend additional funding to accommodate the nationwide expansion of this program and the increase rental subsidies be resourced and supported to aid in program flexibility and usability. The IBVSOs recommend additional funding of \$50 million for the adaptation of homes.

To further assist the homeless program, VA needs additional funding for the Veteran Justice Program to focus on jail diversion and treatment courts for veterans, post-incarceration and community re-entry for veterans, and special topics and subgroups. The IBVSOs recommend additional funding of \$10 million to focus on jail diversion and treatment courts for veterans.

Emergency and Urgent Care (+\$250 Million)

Although VA operates 110 emergency rooms (ER) care units and contracts ambulatory services, there is a critical need for more emergency care provided directly by VA. The IBVSOs recommend an increase in funding of \$150 million to provide funds to expand ER services and to purchase, operate, maintain, and staff the needs of ambulatory services.



Additionally, VA currently provides urgent care at only 30 facilities out of more than 1,000 hospitals and clinics. While VA allows enrolled veterans to seek urgent care a limited number of times each year at designated private urgent care centers, the IBVSOs believe that VA must expand its own urgent care capacity in scope and accessibility. VA's directive requires that medical facilities with an urgent care need meet minimal requirements to ensure veterans have access to high-quality urgent care services. The directive requires sufficient leadership, staffing, telehealth, environment of care, safety, comfort, mobility design, equipment, devices, and supplies. The IBVSOs recommend an increase in funds of \$100 million to begin expanding urgent care to all VA medical facilities.

Last year, the IBVSOs noted that VA must begin fully implementing the Wolfe v. Wilkie court ruling, which will require significant additional funding to reimburse veterans for previously provided non-VA emergency care. The IBVSOs continue to support legislation that would mandate VA begin processing and reimbursing veterans for emergency care and, if enacted, it will require significant new appropriations in FY 2025.

Advance Appropriations for FY 2026

For FY 2026 advance appropriations, the IBVSOs recommend approximately \$97.7 billion in total resources for Medical Services, which reflects estimated continuing inflation and federal pay raises. The new workload is based on projections of roughly 84,000 new priority groups 1-6 veterans, 25,000 fewer priority groups 7 and 8 veterans, and an increase of 47,000 nonveterans. The IBVSOs estimate the cost of these new unique users to be approximately \$1.8 billion. The IBVSOs' recommendation also includes the continuation of several crucial medical program initiatives to eliminate VHA vacancies, grow long-term care options, and expand dental health care to all veterans.



Medical Support and Compliance

FY 2025 IB Discretionary Appropriations Recommendation	\$12.6 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$1.0 Billion
FY 2025 IB Total Resources Recommendation	\$13.6 Billion
FY 2025 Projected Advance Appropriations	\$0.0 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$1.0 Billion
FY 2025 VA “2nd Bite” Appropriation Request	\$-- Billion
FY 2025 VA Total Resources Request	\$-- Billion
<i>FY 2024 Projected Total Resources</i>	<i>\$13.2 Billion</i>



For Medical Support and Compliance, the IBVSOs recommend \$13.6 billion in total resources for FY 2025. With \$1 billion in mandatory TEF funding already approved, the IB recommends \$12.6 billion in discretionary appropriations. The IB increase primarily reflects growth in current services based on the impact of inflation and a federal pay raise. Additionally, for FY 2026 advance appropriations, the IBVSOs recommend \$14.0 billion for Medical Support and Compliance, which primarily reflects inflationary increases in current services from the FY 2025 advance appropriations level.



Medical Facilities

FY 2025 IB Total Discretionary Appropriations Recommendation	\$11.0 Billion
FY 2025 Projected Advance Appropriations	\$9.8 Billion
FY 2025 VA “2nd Bite” Appropriation Request	\$-- Billion
FY 2025 VA Total Discretionary Resources Request	\$-- Billion
<i>FY 2024 Projected Total Resources</i>	<i>\$9.8 Billion</i>

For Medical Facilities, the IBVSOs recommend a total of \$11 billion for FY 2025 and \$10.5 billion for FY 2026 advance appropriations, which includes funding for Non-Recurring Maintenance (NRM) and leases, including \$10 million dedicated for women veterans as detailed below. VA uses leases to address access needs and space deficiencies to quickly respond to health care advances and changing technology when a lease is better aligned with the department’s overall capital strategy.

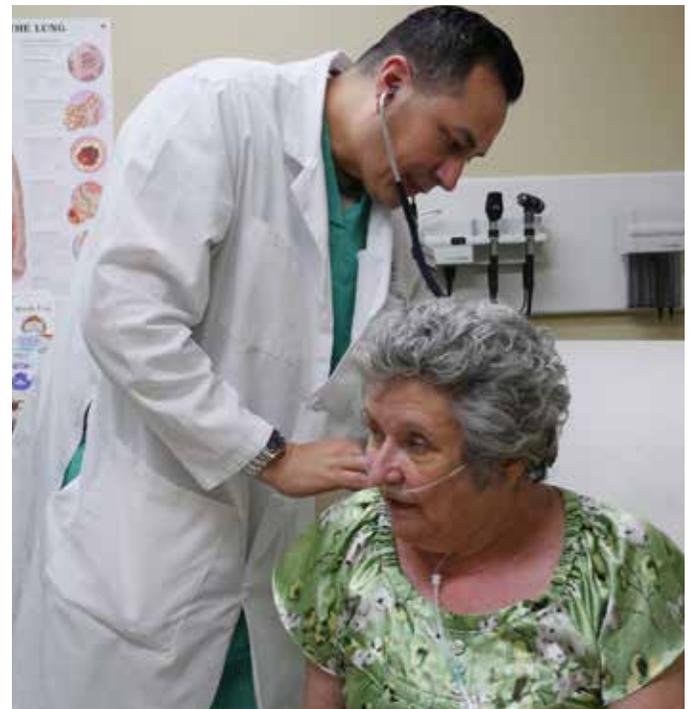
Women Veterans Health Care Modifications (+\$10 Million)

The IBVSOs recommend \$10 million for non-recurring maintenance to continue addressing deficiencies in VA health care facilities to ensure the privacy, dignity, and security of women veterans. These funds will also provide for such items as furniture, curtains, kiosks, and supplies to redress deficiencies and create welcoming spaces.

Nonrecurring Maintenance Contracts (\$900 Million)

Routine assessments for safety and effectiveness are conducted at each national cemetery facility and are provided a grade from “A - F” based on deficiencies. The National Cemetery Administration tries to address existing problems annually, and while many are not more than \$300,000, multiple deficiencies are pending.

To correct the facilities with safety grades of D and F, would cost \$190 million alone. Historically, these nonrecurring maintenance contracts are not a high priority for the budget; however, the IBVSOs feel that safety and effectiveness concerns at these facilities should elevate these issues to be a higher priority and recommend a total of \$900 million.



Medical Community Care

FY 2025 IB Discretionary Appropriations Recommendation	\$26.7 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$10.1 Billion
FY 2025 IB Total Resources Recommendation	\$36.8 Billion

FY 2025 Projected Advance Appropriations	\$20.4 Billion
FY 2025 Estimated MCCF Appropriations	\$0.9 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$10.1 Billion
FY 2025 VA “2nd Bite” Discretionary Appropriation Request	\$-- Billion
FY 2025 VA Total Resources Request	\$-- Billion

<i>FY 2024 Projected Total Resources</i>	<i>\$37.4 Billion</i>
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VA Medical Community Care has grown significantly over the past five years due to enactment of the VA MISSION Act (Public Law 115-182), the COVID-19 pandemic, and enactment of the PACT Act. While the IBVSOs expect the need to continue high levels of community care to help provide veterans with timely access to care, significant investments in the VA health care system during the past few years have expanded VA’s internal capacity to provide care – particularly increased clinical staffing, IT infrastructure modernization, and telehealth medicine. This growth should significantly mitigate the need for VA to rely on community care as more veterans return to VA for their care. The IBVSOs believe Congress must continue to make significant new investments in VA’s health care infrastructure to continue meeting veterans’ demand for care in its own facilities.

For Medical Community Care, the IBVSOs recommend \$36.8 billion for FY 2025, which reflects decreased utilization of community care, as impacted by continuing medical inflation. With \$10.1 billion in mandatory TEF funding already approved, the IB recommends \$26.7 billion in discretionary appropriations. For FY 2026 advance appropriations, the IBVSOs recommend \$37.7 billion for Medical

Community Care based on the increased cost of current services and continued increases in utilization.

Dental Care Expansion (+\$250 Million)

As discussed above, the IBVSOs support expanding dental care to all enrolled veterans and call for an additional \$250 million for Medical Community Care in FY 2025. Additional funding increases for dental care expansion are included in the Medical Services section and the Minor Construction section.



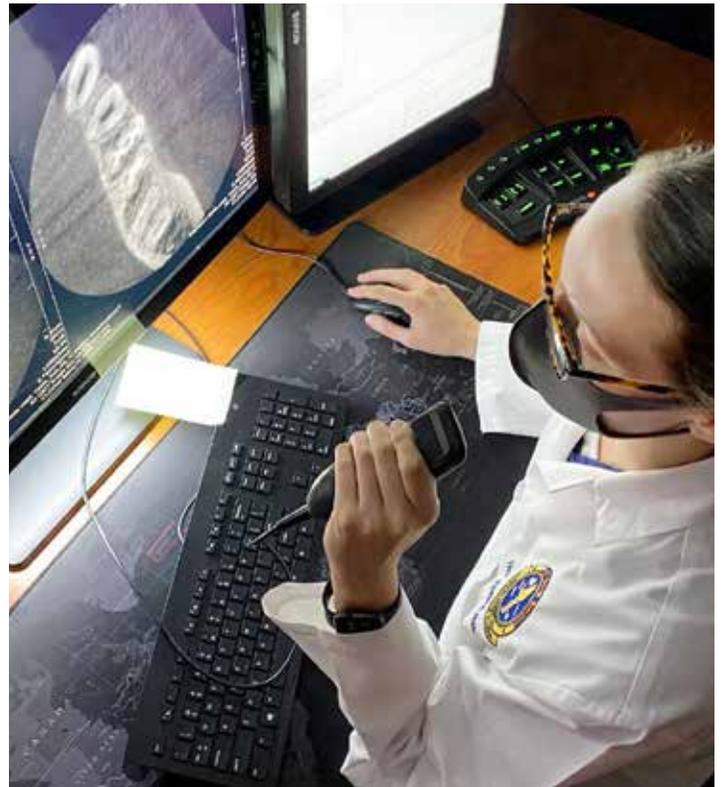
Medical and Prosthetic Research

FY 2025 IB Discretionary Appropriations Recommendation	\$946 Million
FY 2025 Enacted TEF Mandatory Appropriations	\$59 Million
FY 2025 IB Total Resources Recommendation	\$1.05 Million
FY 2025 Enacted TEF Mandatory Appropriations	\$59 Million
FY 2025 VA Discretionary Appropriations Request	\$-- Million
FY 2025 VA Total Resources Request	\$-- Million
FY 2024 Projected Total Resources	\$984 Million

VA’s Medical and Prosthetic Research program generates discoveries that significantly contribute to improving the health of veterans and all Americans. The research program also supports VA’s recruitment and retention of healthcare professionals and clinician scientists. For FY 2025, the IBVSOs recommend a total of \$1.05 billion for VA research. With \$59 million in mandatory TEF funding already approved, the IB recommends \$946 million in discretionary appropriations. This funding level would cover the cost of inflation and increase investments to address veterans’ health disparities, clinical trial access, and veterans’ mental health needs. The value of cutting-edge research has never been demonstrated more clearly than over the past three years, and as a national leader, VA must continue to aggressively grow this program.

To retain and attract well-qualified scientists and assure a high-quality research program, VA must also have access to state-of-the-art technology, which includes the ability to collect, store, and manipulate large databases. It must also have safe and hygienic laboratories and administrative facilities. Investing in the development of enterprise-wide business functions will also ultimately assure cost-effective and efficacious

processes that allow VA to more successfully participate in large-scale efforts, such as nationwide clinical trials, across multiple sites. ◆



General Operating Expenses

Veterans Benefits Administration

FY 2025 IB Discretionary Appropriations Recommendation	\$4.8 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$1.4 Billion
FY 2025 IB Total Resources Recommendation	\$6.2 Billion

FY 2025 Enacted TEF Mandatory Appropriations	\$1.4 Billion
FY 2025 VA Discretionary Appropriation Request	\$-- Billion
FY 2025 VA Total Resources Request	\$-- Billion

<i>FY 2024 Projected Total Resources</i>	<i>\$5.7 Billion</i>
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The Veterans Benefits Administration (VBA) account is comprised of seven primary service lines: 1) Compensation; 2) Pension and Fiduciary; 3) Insurance; 4) Education; 5) Home Loan Guaranty; 6) Veteran Readiness and Employment; and 7) Transition and Economic Development.

For fiscal year (FY) 2025, the Independent Budget veterans service organizations (IBVSOs) recommend approximately \$6.2 billion for all the VBA's operations, an increase of roughly \$500 million over the projected FY 2024 appropriations from all sources. With \$1.4 billion in mandatory Toxic Exposure Fund (TEF) funding already approved, the IBVSOs recommend \$4.8 billion in discretionary appropriations. This reflects increases for inflation and federal pay raises, as well as increased workloads due to the Honoring Our PACT Act (Public Law 117-168), and other initiatives to reduce claims processing times.

Due in large part to the passage of the PACT Act, in FY 2023, veterans submitted over 2.4 million claims, which is 39 percent more than in 2022. VBA processed 1.9 million benefits claims in FY 2023, surpassing the previous all-time record by 15.9 percent. They were provided \$100 million in overtime funding in FY 2023, which enabled them to process a large number of claims. However, VBA will not be able to produce as

many claims decisions in FY 2025 without an increase in mandatory overtime funding.

Passed into law in August 2022, VBA began implementation of the PACT Act in FY 2023, which includes 20 presumptive disease groups that translate to approximately 300 different diseases due to burn pit exposure. Additionally, the law adds two new presumptive diseases associated with Agent Orange exposure, concedes six new countries for Agent Orange exposure, and adds three new radiation risk activity locations.

Claims Backlog (+\$130 Million)

The IBVSOs recommend an additional \$130 million for overtime in FY 2025. We acknowledge that TEF resources are available, however, that only applies to PACT Act-related claims. In order to effectively address the increasingly large amount of non-rating claims, non-PACT Act-related claims, VBA will need increased funding for overtime for all claims. If it is not provided, and the VBA continues to receive the estimated one million claims, the backlog will grow at a staggering rate.

VA Mailing Functions (+\$75 Million)

To handle the increased volume of claims, VBA must make significant improvements to current Department of Veterans Affairs (VA) mail processing, which has not

been effectively updated given the reliance on digital technology. The IBVSOs recommend an additional \$75 million specifically for the outdated VA mailing processes and dedicated use of technology.

Minority and Underserved Veterans (+\$10 Million)

The IBVSOs recommend an additional \$10 million be added for the Center for Minority Veterans (CMV) to continue their efforts with the Veterans Experience Office and PACT Act expansions. The additional funds would also help the CMV to expand regional outreach programs across the country to help increase awareness about VA services and benefits available to underserved minority populations. The CMV should also use the funding to increase staffing levels to 15 full-time employees (FTE) and produce an updated National Veteran Health Equity Report. All veterans should receive health care tailored to their individual needs.

Veteran Readiness and Employment (VR&E) (+\$6 Million)

The passage of the PACT Act increased access to health care and benefits to millions of veterans. With increased enrollment at the VA there has been an unprecedented number of applications to the Veteran Readiness and Employment (VR&E) program. This year saw 40 percent more applicants than the previous year. VR&E employs more than 1,000 Vocational Rehabilitation Counselors (VRCs) that assist disabled veterans with education and employment support. Current funding levels address the mandated ratio of one counselor per every 125 veterans. The IBVSOs recommend increasing funding for VR&E by approximately \$6 million to hire about 40 new VRCs to lower the staffing ratio to 1:120 for improved timeliness and support for disabled veterans.

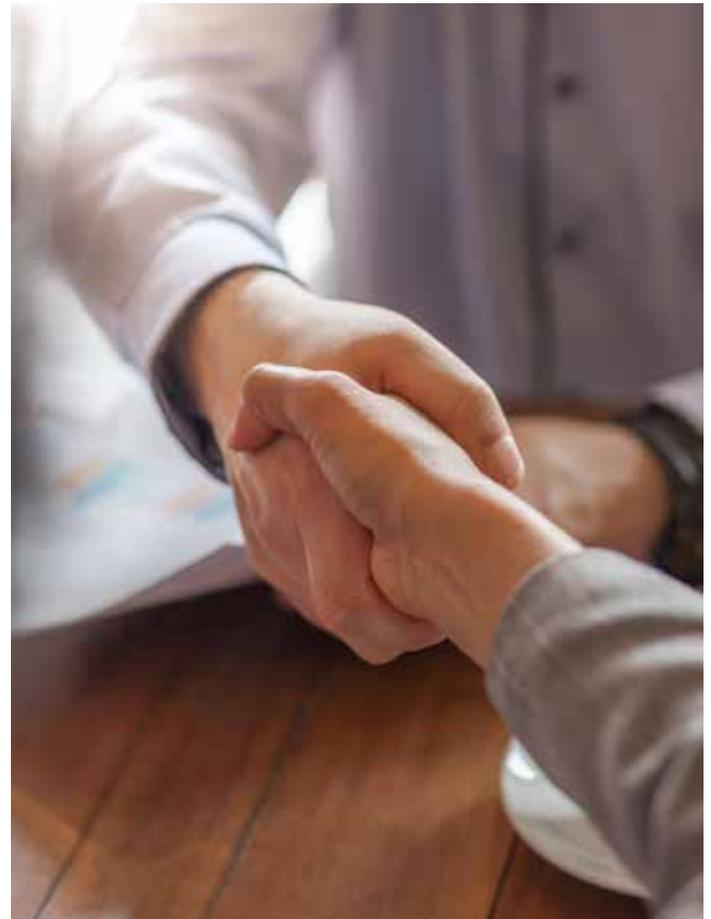
Technical Support for VR&E Counselors (+\$40 Million)

Last year, the IBVSOs suggested the creation and hiring of 300 administrative support staff to help reduce the administrative burden on VR&E counselors. This would provide one support position for every three counselors. While some offices are maintaining the 1:125 caseload required in statute, others are not, especially with increased applications this year. The

IBVSOs recommend \$40 million to hire an additional 300 FTE which would increase capacity for counselors and decrease the administrative burden they face, allowing them to focus their time and energy on the veterans they serve.

Education Call Center Support (+\$4 Million)

With the modernization efforts through the Digital GI Bill campuses, students may find themselves in need of support until they become familiar with the current system. VA education call centers are invaluable resources for campus staff, student veterans, and dependents using VA education benefits. As further upgrades occur and with the passage of legislation impacting benefits delivery to students, more FTE will be needed to staff the Education Call Centers. The IBVSOs recommend \$4 million to hire an additional 30 FTE.



General Administration

FY 2025 IB Discretionary Appropriations Recommendation	\$571 Million
FY 2025 Enacted TEF Mandatory Appropriations	\$19 Million
FY 2025 IB Total Resources Recommendation	\$590 Million
FY 2025 Enacted TEF Mandatory Appropriations	\$19 Million
FY 2025 VA Discretionary Appropriation Request	\$-- Million
FY 2025 VA Total Resources Request	\$-- Million
<i>FY 2024 Projected Total Resources</i>	<i>\$565 Million</i>

VA's General Administration account is comprised of 10 primary divisions. These include: the 1) Office of the Secretary; 2) Office of the General Counsel; 3) Office of Management; 4) Office of Human Resources and Administration; 5) Office of Enterprise Integration; 6) Office of Operations, Security and Preparedness; 7) Office of Public Affairs; 8) Office of Congressional and Legislative Affairs; 9) Office of Acquisition, Logistics, and Construction; and 10) Veterans Experience Office.

For FY 2025, the IBVSOs recommend approximately \$590 million, an increase of about \$25 million over the projected FY 2024 level. With \$19 million in mandatory TEF funding already approved, the IB recommends \$571 million in discretionary appropriations. This increase primarily reflects an increase in current services based on the impact of continuing inflation and the 5.2 percent federal pay raise across all of the General Administration accounts.



Board of Veterans' Appeals (BVA)

FY 2025 IB Discretionary Appropriations Recommendation	\$271 Million
FY 2025 Enacted TEF Mandatory Appropriations	\$62 Million
FY 2025 IB Total Resources Recommendation	\$333 Million

FY 2025 Enacted TEF Mandatory Appropriations	\$62 Million
FY 2025 VA Discretionary Appropriation Request	\$-- Million
FY 2025 VA Total Resources Request	\$-- Million

FY 2024 Projected Total Resources	\$291 Million
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The Board of Veterans' Appeals' (Board) mission is to conduct hearings and decide appeals properly under its jurisdiction. In its final FY 2023 quarterly report, there are 208,155 appeals pending at the Board, with over 72,000 of those awaiting hearings, which is a decrease from the 74,000 hearings pending a year ago. Additionally, in FY 2023, the Board conducted 19,434 hearings, which is approximately 11,000 less than those held in FY 2022. At the end of FY 2023, there were 1,054 legacy hearings and 71,411 hearings pending, for a total of 72,465 appeals awaiting hearings.

For FY 2025, the IBVSOs recommend approximately \$333 million for the Board, an increase of approximately \$42 million over the projected total FY 2024 appropriations from all sources. With \$62 million in mandatory TEF funding already approved, the IB recommends \$271 million in discretionary appropriations, which primarily reflects current services with increases for inflation and federal pay raises, as well as staffing increases to address the growing hearings backlog.

Reducing Appeals Backlog (+\$29 Million)

The Appeals Modernization Act (AMA) (Public Law 115-55), effective in February 2019, has dramatically changed how veterans appeal decisions on claims for benefits from VBA, the Veterans Health Administration, and the National Cemetery Administration. At the Board, appeals are separated between legacy appeals, those pending prior to AMA, and AMA appeals.

The Board employs Veterans Law Judges (VLJs) to conduct hearings and render decisions. Each VLJ requires support from attorneys and administrative staff. The Board currently has 983 decision writing attorneys and selected 20 new VLJs. Despite these gains, the Board has an attrition rate of 7.4 percent. The Board needs to put in place a plan to handle the current rate of attrition in order to maintain current staffing levels.

For FY 2025, the IBVSOs recommend an additional 20 VLJs and an additional 200 FTE in other positions to assist in driving down the backlog. The estimated cost for the 220 new FTE would be approximately \$29 million. ♦

Department Administration and Miscellaneous Programs

Information Technology Systems (IT)

FY 2025 IB Discretionary Appropriations Recommendation	\$5.6 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$1.4 Billion
FY 2025 IB Total Resources Recommendation	\$6.9 Billion
FY 2025 Enacted TEF Mandatory Appropriations	\$1.4 Billion
FY 2025 VA Discretionary Appropriation Request	\$-- Billion
FY 2025 VA Total Resources Request	\$-- Billion
<i>FY 2024 Projected Total Resources</i>	<i>\$7,644 Million</i>

The Department of Veterans Affairs' (VA) Office of Information Technology provides day-to-day support and development for all of VA's IT needs, including those of the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA). VA has a separate appropriation account for Electronic Health Record Modernization (EHRM), which primarily covers the costs for VA and Oracle Cerner to make this massive generational transformation. [See below.] However, VA must continue to support its current electronic health record (EHR) system—Vista—until the conversion is complete, as well as provide adequate development and sustainment of all other VHA, VBA, and NCA programs and services.

For fiscal year (FY) 2025, the Independent Budget veterans service organizations (IBVSOs) recommend approximately \$6.9 billion for the administration of VA's IT program to meet current services; to sustain Vista; to fund other critical IT programs for the VHA, the VBA, and the NCA; and to fund specific additional IT initiatives described below. With \$1.4 billion in mandatory Toxic Exposure Fund (TEF) funding already approved, the Independent Budget recommends \$5.6 billion in discretionary appropriations.

Veterans Benefits Administration (VBA) and Board of Veterans' Appeals IT Needs (+\$70 Million)

To manage the increase in disability claims at VA, the Veterans Benefits Administration (VBA) and the Board of Veterans' Appeals need funding and resources to develop new IT systems and reprogram existing ones. The VBA's IT systems are overdue for a significant update, which will require substantial investment and a clear action plan. The IBVSOs recognize that increasing overtime funding will not reduce the backlog and we recommend \$60 million to enable the VBA to keep pace with Veterans Benefits Management System upgrades, create more digital tools and infrastructure projects. Similarly, an investment of an additional \$10 million would help support the Board's IT concerns

Digital GI Bill (+\$150 Million)

The Digital GI Bill (DGIB) and various modernization efforts have improved the infrastructure and supports for GI Bill users as well as staff who work with student veterans. Large IT efforts take planning, testing, and manageable releases. Several roll outs of the DGIB modernization have already been implemented but continued support and resources for future phases and fixes are critical. As contract extensions are discussed between VA and contractors, additional resources may

be needed to ensure continuity and success of the platform and systems. The IBVSOs recommend \$150 million for DGIB operations, including claims processing and development.

Medical Research IT Needs (+\$25 Million)

To support VA research programs more effectively, the IBVSOs recommend \$25 million be added to the IT budget and designated for the research program to support the purchase and maintenance of IT infrastructure, increase data storage and access capabilities, increase data security, increase interoperability with affiliated partners, and transition to more robust and functional cloud computing platforms.

Veterans Electronic Health Record (EHR)

FY 2025 IB Recommendation	\$1.3 Billion
FY 2025 VA Budget Request	\$-- Billion
FY 2024 Projected Appropriation	\$1.3 Billion

Implementation of VA’s new EHR has been difficult at best. The five sites where the EHR has been deployed have experienced patient safety issues. In May 2021, VHA deployed a National Center for Patient Safety team to Mann-Grandstaff VA Medical Center. The patient safety team identified 60 safety concerns. One of the concerns with the highest patient safety risk was described as the “unknown queue.” In May 2022, VA’s Office of Inspector General reported that VA’s new EHR had negatively impacted patient safety. In July 2022, due to patient safety concerns, VA announced that future deployments of the new EHR would be halted while VA prioritized improvements at the five sites that currently use the new EHR, as part of a larger program reset.

While the reset has been welcomed by Congress, veterans service organizations, and other interested parties, Congress has raised serious concerns about whether the new EHR is worth the investment. Although VistA has served VHA for over three decades, a new 21st century, state of the art, modernized EHR is needed. It is unsure if the reset will be completed in FY 2024. However, this information is critical in determining the EHR budgetary needs for FY 2025.

For FY 2025, the IBVSOs recommend approximately \$1.3 billion, the same funding level expected to be approved for FY 2024. After the reset is completed, it will reveal VA’s EHR FY 2025 budgetary needs and VA may need to request a “second bite” or a supplemental at the appropriate time. Moving forward, VA must not underestimate their financial requirements to fully implement a new EHR.

National Cemetery Administration

FY 2025 IB Recommendation	\$626 Million
FY 2025 Admin. Budget Request	\$-- Million
FY 2024 Appropriations Enacted	\$480 Million

The NCA manages and maintains 155 cemeteries in 42 states and Puerto Rico. Additionally, NCA maintains 34 soldier’s lots and monument sites. More than four million Americans have been honored with burials in a VA national cemetery. The NCA is charged with maintaining nearly 23,000 acres across the country.

For FY 2025, the IBVSOs recommend \$626 million for the NCA, an increase of \$146 million over the projected FY 2024 level. With increased labor costs, increased inflation,



projected expansions as well as increased resources for programs within the NCA, the IBVSOs feel this increase in funding is critical in ensuring our nation’s veterans receive an appropriate resting place that honors their service.

Cemetery Expansion & Maintenance (+\$60 million)

The demand for burial space is increasing as the nation’s veteran population ages and the NCA is facing unprecedented costs at every step of the interment process. Cemetery activations, expansions, and maintenance are larger pieces of the NCA although several other programs and services are critical to their mission. With two new activations in FY 2024 in Nebraska and Nevada, along with sustained costs for maintenance, and rising labor costs, the IBVSOs recommend an additional \$60 million to ensure proper maintenance, increased utilization, and to address other necessary costs.

National Shrine Initiative & Legacy Memorial (+\$50 Million)

Burial is not the final need for interned veterans, there are continued costs in maintaining markers and headstones, as well as the grounds of the increasing number of cemeteries NCA oversees. The IBVSOs recommend an additional \$50 million for the National Shrine Initiative and Legacy Memorial programs.

Utilization and Awareness (+\$10 Million)

Awareness of the services and supports offered by the NCA have been increasing over the years thanks to concerted efforts. With the implementation of the pre-need burial eligibility determination more and more veterans are learning about their eligibility for VA cemeteries. The IBVSOs recommend \$10 million in order for the NCA to continue its outreach and engagement to veterans about their eligibility for burial.

Homeless Veteran Training Program (+\$5 Million)

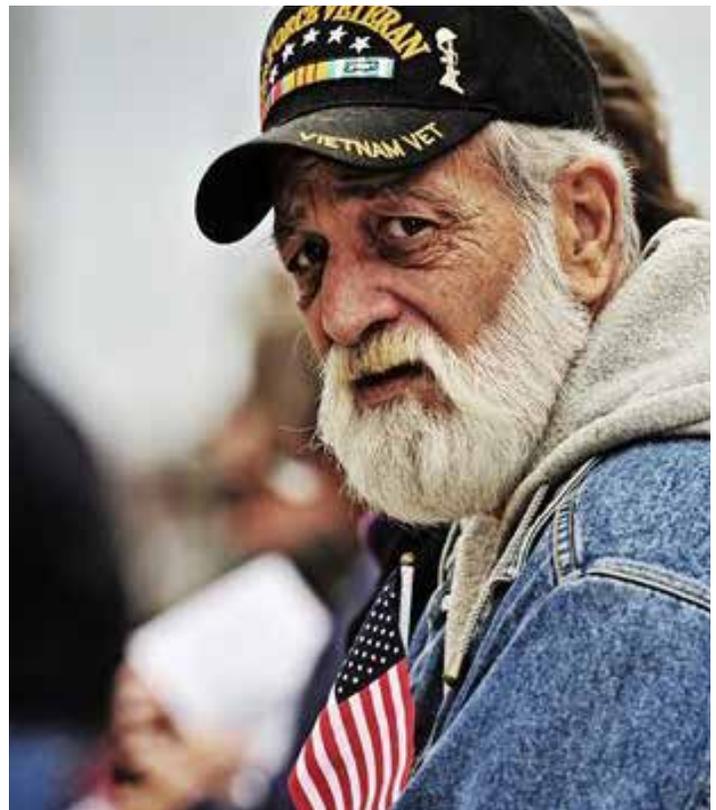
Homelessness is a complex issue with several factors that impact our nation’s veterans. The NCA has been operating a pilot program that provides on the job training to homeless veterans that trains them to work at various cemeteries across the country. The program is small but has had a positive impact on the lives of

several veterans that were previously homeless. The IBVSOs recommend a \$5 million investment into this program to help combat homelessness among veterans.

Office of the Inspector General

FY 2025 IB Recommendation	\$309 Million
FY 2024 Admin. Budget Request	\$-- Million
FY 2024 Project Appropriation	\$296 Million

The Office of Inspector General (OIG) performs audits, inspections, investigations, and reviews to improve VA programs and services’ efficiency, effectiveness, and integrity. For FY 2024, the IBVSOs recommend approximately \$284 million for the OIG, an increase of approximately \$11 million over the FY 2023 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises. ♦



Construction Programs

Total Infrastructure Budget

FY 2025 IB Recommendation	\$7.0 Billion
FY 2025 VA Budget Request	\$-- Billion
FY 2024 Projected Appropriation	\$1.8 Billion

There are over \$130 billion in backlogged infrastructure projects, and the backlog is growing every day. Last year, the Department of Veterans Affairs (VA) requested a total of \$4.1 billion for the entire infrastructure account. However, VA Capital Infrastructure’s backlog of projects continues to grow faster than VA can address them. Neither VA’s Office of Construction and Facilities Management nor the individual VA facilities have the staff to oversee the amount of work necessary to keep up with the growing backlog, much less decrease it. Investing in the oversight and completion of these critical projects will save VA money in the long term and potentially save lives if done correctly. The VA must request almost triple the amount of money and hire additional full-time employees (FTE) to oversee all infrastructure projects. Adding personnel to an office of strategic planning and increasing the personnel at individual major facilities to oversee local projects is critical to decreasing the backlog.

Major Construction

FY 2025 IB Recommendation	\$5.2 Billion
FY 2025 VA Budget Request	\$-- Billion
FY 2024 Projected Appropriation	\$881 Million

In fiscal year (FY) 2023, the VA requested and Congress appropriated mandatory and discretionary funding for major construction projects for a total of \$3.01 billion. Although these funds will allow VA to begin construction on some key projects, many previously funded sites still lack the funding for completion. Some of these projects have been on hold or in the design and development phase for years. Many of VA’s recommendations for expansion and construction of new healthcare facilities, as well as repairs and maintenance of existing ones, are widely supported and merit funding. VA must request \$9 billion for Major Construction in order to keep up with and begin reducing the backlog.

Seismic Corrections (+\$1 Billion)

Another longstanding critical infrastructure problem for VA is the almost \$7 billion gap in outstanding seismic corrections on VA’s priority lists. These are potential life safety issues that cannot be overlooked. VA needs to ensure all seismic and life safety issues are placed at the top of the Strategic Capital Investment Plan (SCIP) list and remain at the top until they are rectified. Having seismic deficiencies on the SCIP list year after year is unacceptable and could lead to catastrophic events if left unresolved. VA must begin making these corrections as quickly as possible. The Independent Budget veterans service organizations (IBVSOs) recommend Congress appropriate an additional \$1 billion in FY 2025 and each year thereafter until this backlog is eliminated.

Research Infrastructure (+\$100 Million)

For decades, VA construction and maintenance appropriations have failed to provide the resources VA needs to replace, maintain, and upgrade its aging research facilities. A 2012 congressionally mandated report found a clear need for systematic infrastructure improvements for VA research laboratories. VA completed a Phase II assessment in 2020 of fewer than one-third of sites inspected in Phase I and provided a status update to House and Senate appropriators. Phase II findings show that, while certain projects have received funding, significant deficiencies remain. It was estimated that over \$200 million was needed to correct all deficiencies identified in the Phase II report, including \$99.5 million in Priority 1 deficiencies, representing immediate needs, such as life safety hazard corrections. The IBVSOs recommend an additional \$100 million for VA research facilities to address the most pressing repairs.

Managing Infrastructure Projects (+\$53 Million)

VA Capital Infrastructure’s backlog of projects continues to grow faster than VA can address them. Neither VA’s Office of Construction and Facilities Management nor the individual VA facilities have the staff to oversee the amount of work necessary to decrease the backlog. Investing in the oversight and completion of these critical projects will save VA money in the long term and potentially save lives if done correctly. VA must

hire additional FTE to oversee infrastructure projects. Adding personnel to an office of strategic planning and increasing the personnel at individual major facilities to oversee local projects is critical to decreasing the backlog. The IBVSOs recommend an increase of 350 FTE (\$53 million) to plan and oversee construction projects, with new personnel assigned to each of VA’s major medical centers or other appropriate regional locations.

Minor Construction

FY 2025 IB Recommendation	\$910 Million
FY 2025 VA Budget Request	\$-- Million
FY 2024 Projected Appropriation	\$680 Million

To ensure VA funding keeps pace with current and future minor construction needs, the IBVSOs recommend Congress appropriate \$3.1 billion for minor construction projects. It is important to invest heavily in minor construction because these are the types of projects that can be completed faster and have a more immediate impact on services for veterans.

To improve planning, management, and oversight of minor construction projects, the IBVSOs recommend removing the current funding limits for minor construction and using a model that assigns projects based on the scope of work. Project management should be performed by personnel familiar with the scope of projects and not be moved to different personnel solely because of cost. Similar minor construction projects should be overseen by personnel familiar with the scope of the project regardless of the total dollar value.

Women Veterans Health Clinics (+\$30 Million)

The Veterans Health Administration must develop plans for women veterans’ health clinics to address capital infrastructure issues. The IBVSOs recommend an additional \$30 million to create comprehensive women’s clinics and appropriate space and accommodations to comply with environment of care standards for women

veterans. This will include projects such as creating secure and private patient consultation areas, separate entryways or waiting areas, and lactation centers.

Expanding Dental Care Capacity (+\$50 Million)

VA’s current dental care program is constrained by both lack of clinical personnel and lack of treatment space, which has required increased spending on community dental care contracts. In line with the IBVSOs recommendation in the Medical Services section to increase staffing to meet VA’s currently authorized programs and to expand dental care to all enrolled veterans, the IBVSOs recommend Congress appropriate an additional \$50 million for Minor Construction to expand and modify treatment space in existing VA facilities, as well as support additional leased space.

Nonrecurring Maintenance Contracts

Although Non-Recurring Maintenance (NRM) is part of the Medical Facilities appropriation, it is important to understand that the failure to address NRM issues on a timely basis results in increased minor construction needs. Routine assessments for safety and effectiveness are conducted at each national cemetery facility and provide a grade from “A - F” based on deficiencies. The National Cemetery Administration (NCA) tries to address existing faults annually, and while many are not more than \$300,000, multiple deficiencies are pending. To correct the facilities with safety grades of D and F, would cost \$190 million alone. Historically, these NRM contracts are not a high priority for the budget; however, the IBVSOs feel that safety and effectiveness concerns at these facilities should elevate these issues to be a higher priority and recommend \$900 million, which is included in the Medical Facilities recommendation.

State Home Home Construction Grants

FY 2025 IB Recommendation	\$600 Million
FY 2025 VA Budget Request	\$-- Million
FY 2024 Projected Appropriation	\$164 Million

Grants for state extended care facilities, commonly known as State Home Construction Grants, provide up to 65 percent of the cost of construction, rehabilitation, and repair of state veterans' homes, with the state providing at least 35 percent in matching funds. VA's State Home Construction Grants Priority List for FY 2023 included 73 Priority 1 Group requests by states, those who had secured state matching funds, with a total federal share over \$1 billion. Unfortunately, Congress appropriated just \$150 million for FY 2023, less than 15 percent of the federal share, which allowed funding for only six projects to move forward. With states continuing to provide matching funds for additional State Home Construction projects, the backlog will continue rising, with the federal share for FY 2024 expected to be over \$1.2 billion. Unfortunately, Congress is poised to appropriate just \$164 million for FY 2024, which would be only about 13 percent of the total federal share. With the need for long-term care services for veterans continuing to rise as the population ages, it is imperative that Congress increase funding to catch up and eliminate the backlog of federal funding, which may require supplemental funding in FY 2024 to make real progress. For FY 2025, the IBVSOs recommend at least \$600 million for the State Home Construction Grant program.

State Cemeteries Construction Grants

FY 2025 IB Recommendation	\$300 Million
FY 2025 VA Budget Request	\$-- Million
FY 2024 Projected Appropriation	\$60 Million

The State Cemetery Grant Program is a critical resource that allows states to expand options for veteran internments. Partnerships between the NCA and tribal, state, and local cemeteries are critical in ensuring that veterans have a burial selection within 75 miles of their homes. Local cemeteries can expand veteran burial options by raising half of the funds required to establish or expand a veterans' cemetery, work with local government agencies and zoning commissions, and complete the grassroots steps needed for the expansion and the Veterans Cemetery Grants Program grants provide the remaining funding. With a growing project list and increased costs, the IBVSOs recommend \$300 million, which will allocate the necessary resources to approve all approved grant proposals.

Other Discretionary Programs

FY 2025 IB Recommendation	\$334 Million
FY 2025 VA Budget Request	\$ -- Million
FY 2024 Projected Appropriation	\$320 Million

Other VA discretionary programs include the Veterans Housing Benefit Program Fund, the Vocational Rehabilitation Loans Program, and the Native American Veterans Housing Loan Program. For FY 2025, the IBVSOs recommend approximately \$334 million for these other discretionary programs, an increase of approximately \$14 million over the projected FY 2024 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises. ♦

For nearly 40 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations, while each organization also works independently to identify and address legislative and policy issues that affect the organizations’ members and the broader veterans’ community.



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