

U.S. DEPARTMENT OF VETERANS AFFAIRS

FY 2025 BUDGET SUBMISSION



Budget in Brief

March 2024

Overview

Right now, the Department of Veterans Affairs (VA) is delivering more care and more benefits to more Veterans than ever before in our nation's history, and the 2025 President's Budget request and 2026 Advance Appropriations (AA) request for the VA will provide the funding we need to continue to deliver world-class care and benefits to Veterans, their families, caregivers, and survivors. The budget honors the Nation's sacred obligation to Veterans by investing in outstanding health care, including enhancing Veterans' general well-being and mental health; prioritizing Veteran mental health services and suicide prevention programs; supporting efforts to end Veteran homelessness increasing support for family caregivers; improving delivery of benefits, including disability claims processing; and bolstering other benefits to enhance Veterans' prosperity.

The total 2025 request for VA is \$369.3 billion, a \$32.9 billion (+9.8%) increase above the 2024 Estimate level.¹ This includes a discretionary budget request of \$134.0 billion, a \$8.9 billion (-6.2%) decrease below 2024, including \$4.4 billion from Medical Care Collections and \$307 million from the Recurring Expenses Transformational Fund (Transformational Fund, or RETF²).

The 2025 mandatory funding request is \$235.3 billion, an increase of \$41.8 billion or 21.6% above 2024. The 2025 mandatory funding includes \$210.6 billion in traditional benefits to Veterans, plus \$200 million for Major Medical Facility leases and \$24.5 billion for the Cost of War Toxic Exposures Fund (TEF).

VA anticipates supporting 448,170 Full-Time Equivalent Employees (FTE) in 2025 using all funding sources.

The 2026 Medical Care AA request includes a discretionary funding request of \$131.4 billion. The 2026 mandatory AA request is \$222.2 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities) and \$22.8 billion for the TEF.

The 2025 request will provide the necessary resources to meet VA's commitment to deliver timely access to world-class health care and earned benefits to Veterans. The request fully funds operation of the largest integrated health care system in the United States, with over 9.1 million enrolled Veterans. In 2025 it will also provide disability compensation benefits to nearly 6.9 million Veterans and their survivors and administers pension benefits for over 224,000 Veterans and their survivors. The 2025 request will also support:

- 7.3 million unique patients treated by VA.

¹ The 2025 request includes discretionary and mandatory appropriations and collections. The 2024 Estimate level includes the 2024 President's Budget request with updates to mandatory accounts as communicated to the Appropriations Committees in December 2023.

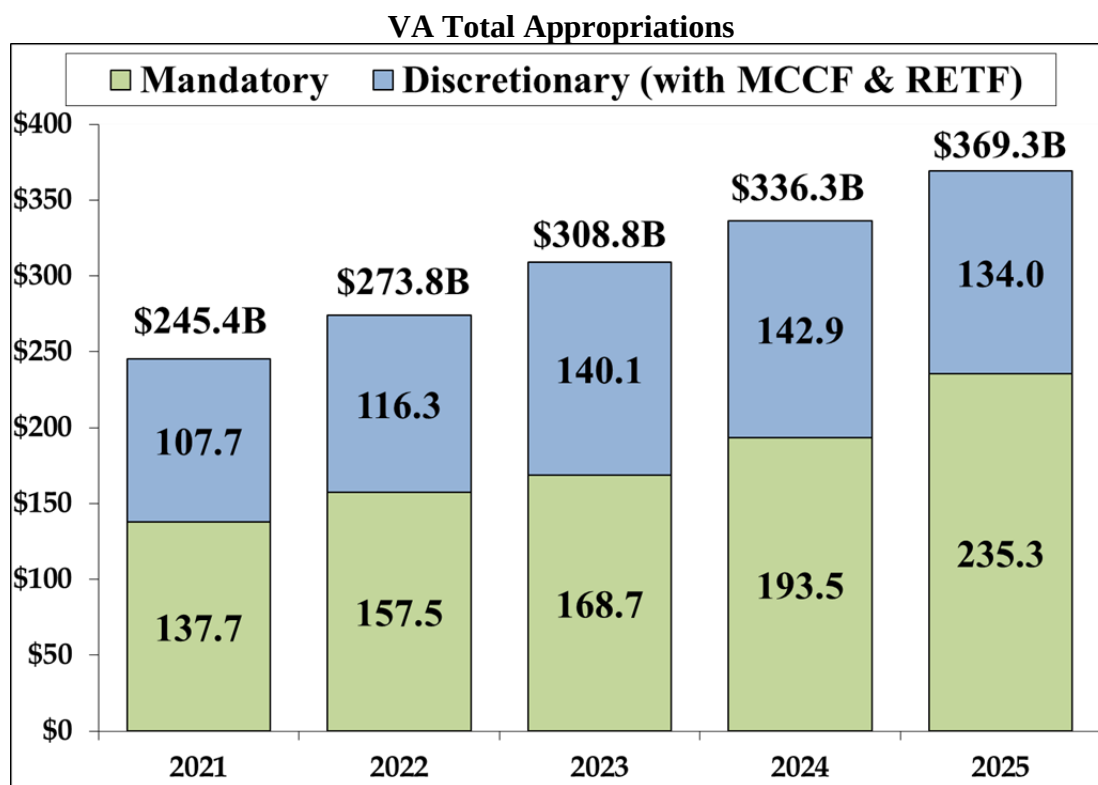
² The Consolidated Appropriations Act, 2016 (P.L. 114-113) created the RETF, allowing VA to transfer unobligated balances of expiring non-emergency discretionary funds in any account to the RETF as directed in the Act.

- 142.6 million outpatient visits.
- \$2.76 billion for construction (all funds, base discretionary and RETF).
- Education assistance programs serving over 981,000 trainees.
- Veteran Readiness and Employment (VR&E) benefits for more than 134,000 Veterans.
- Loan Guaranty Service (LGY) credit benefits with a portfolio of 4.0 million active home loans.
- Interment of an estimated 137,440 Veterans and eligible family members in VA national cemeteries by the National Cemetery Administration.

There are an estimated 18.3 million Veterans living in the United States, its territories, and other locations. These Veterans, their families, caregivers and survivors are the heart of America, having dedicated their lives to serving and sacrificing for this country in times when they were needed most. The requested resources will allow VA to deliver more care and more benefits for more Veterans. VA will continue to work with Federal, state, and local partners, including Veterans Service Organizations (VSO) to best utilize the funds requested.

VA Funding

Funding for VA has increased significantly, with total funding growing by \$123.9 billion (+50.5%) since 2021, as shown below.

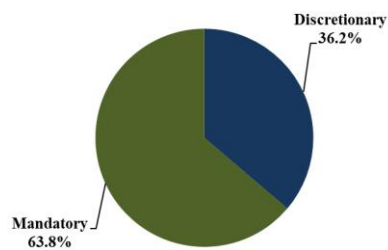


Funding History

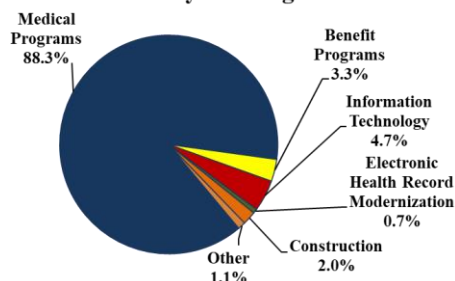
(\$ in Billions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Mandatory	95.1	92.5	105.5	112.3	110.9	124.7	137.7	157.5	168.7	193.5	235.3
Discretionary	65.1	70.9	74.3	81.6	86.6	92.0	104.6	113.3	135.0	137.9	129.3
Medical Collections (MCCF)	3.2	3.5	3.5	3.5	3.9	3.4	3.1	3.9	4.1	4.3	4.4
Transformational Fund (RETF)								-0.8	1.0	0.7	0.3
Total VA	163.5	166.9	183.3	197.4	201.4	220.1	245.4	273.8	308.8	336.3	369.3

Note: Mandatory funding includes \$15 billion provided by the Veterans Choice Act in 2014, \$2.1 billion in 2017 and \$7.3 billion in 2018, as well as resources provided in the PACT Act, annual appropriations act, and Fiscal Responsibility Act of 2023 (FRA) for the TEF. Mandatory funding excludes American Rescue Plan (2021). Totals may not add due to rounding.

Discretionary vs. Mandatory Funding



Discretionary Funding



FY 2025 Request

Regular Appropriations, Collections, Department of Defense (DoD) Transfers, and Recurring Expenses Transformational Fund

(\$ in millions)	2023	2024	2025	Change 2025 vs. 2024	
	Enacted	Estimate	Request	\$	%
Discretionary Funding /1					
Medical Services	70,584	69,071	71,000	1,929	2.8%
Medical Community Care	28,457	31,091	20,382	(10,709)	-34.4%
Medical Support and Compliance	11,073	12,300	11,800	(500)	-4.1%
Medical Facilities	8,634	8,549	9,400	851	9.9%
Subtotal, Medical Care Appropriations	118,748	121,011	112,582	(8,429)	-7.0%
Medical Care Collections Fund	4,132	4,269	4,390	120	2.8%
Subtotal, Medical Care with MCCF	122,879	125,281	116,972	(8,309)	-6.6%
Medical and Prosthetic Research	916	938	868	(70)	-7.5%
Electronic Health Care Record Modernization	1,609	1,863	894	(969)	-52.0%
Information Technology Systems	5,782	6,401	6,232	(169)	-2.6%
Board of Veterans' Appeals	285	287	267	(20)	-7.0%
General Operating Expenses, Veterans Benefits Administration	3,863	3,899	4,035	136	3.5%
National Cemetery Administration	430	480	495	15	3.1%
General Administration	433	475	457	(18)	-3.8%
Construction, Major Projects	1,372	881	2,069	1,188	134.8%
Construction, Minor Projects	626	680	380	(300)	-44.1%
Grants for State Extended Care Facilities	150	164	141	(23)	-14.0%
Grants for Construction of Veterans Cemeteries	50	60	60	-	0.0%
Office of Inspector General	273	296	296	-	0.0%
Asset & Infrastructure Review Commission	(5)	-	-	-	-
Loan Administration Funds	284	320	326	6	1.9%
DoD Transfers to Joint Accounts	183	187	178	(9)	-4.8%
Subtotal, Non-Medical Care	16,251	16,931	16,698	(233)	-1.4%
Subtotal, Discretionary without MCCF	134,999	137,942	129,280	(8,663)	-6.3%
Subtotal, Discretionary (with MCCF)	139,131	142,212	133,669	(8,542)	-6.0%
Recurring Expenses Transformational Fund (RETF) /2	969	676	307	(369)	-54.6%
Total, Discretionary (with MCCF and RETF)	140,100	142,888	133,976	(8,911)	-6.2%
Mandatory Funding 3/					
Total, Mandatory	168,685	193,461	235,280	41,820	21.6%
Total Funding					
Total VA (Disc & Mand) without MCCF or RETF	303,684	331,403	364,560	33,157	10.0%
Total VA (Disc & Mand) with MCCF	307,816	335,672	368,950	33,277	9.9%
Total, Disc & Mand Funding (with MCCF and RETF)	308,784	336,348	369,257	32,908	9.8%

/1 Discretionary Funding includes non-emergency discretionary appropriations provided in annual Appropriations Acts and in the 2024 President's Budget Request.

/2 RETF line displays the estimated resources available in the RETF. These resources do not score as budget authority.

/3 Mandatory Funding includes mandatory appropriations provided in annual Appropriations Acts, PACT Act and the Fiscal Responsibility Act. For 2024, updates to assumptions and estimates for mandatory accounts displayed consistent with 2025 budget models and as communicated to the House and Senate Appropriations Committees in December 2023.

Mandatory Funding Details

(\$ in millions)	2023	2024	2025	Change 2025 vs. 2024	
	Enacted	Estimate	Request	\$	%
Mandatory Funding 3/					
Mandatory Benefits					
Compensation and Pensions	152,017	161,851	192,131	30,281	18.7%
Veterans Insurance and Indemnities	110	134	135	1	1.0%
Readjustment Benefits	8,907	8,827	16,057	7,230	81.9%
Credit Reform Upward Reestimates and Subsidy	775	2,285	2,304	19	0.8%
Housing Liquidating Account	(3)	(3)	(2)	1	-
Subtotal, Mandatory Benefits	161,805	173,093	210,625	37,532	21.7%
PACT Act					
Section 707 (Major Medical Facility Leases)					
Medical Facilities	1,880	100	200	100	100.0%
Cost of War Toxic Exposures Fund					
Medical Services	3,822	9,525	11,684	2,158	22.7%
Medical Community Care	-	6,740	9,771	3,030	45.0%
Medical Support and Compliance	-	850	-	(850)	-100.0%
Medical and Prosthetic Research	2	46	59	13	28.3%
Information Technology Systems	656	1,243	1,364	121	9.7%
Board of Veterans' Appeals	1	4	19	15	375.0%
General Operating Expenses, Veterans Benefits Administration	482	1,769	1,401	(367)	-20.8%
General Administration	37	90	62	(28)	-31.3%
Contingency Reserve		1	96	95	15523.1%
Subtotal, Cost of War Toxic Exposures Fund	5,000	20,268	24,455	4,187	20.7%
Subtotal, PACT Act	6,880	20,368	24,655	4,287	21.0%
Total, Mandatory	168,685	193,461	235,280	41,820	21.6%

/1 This chart displays updates to assumptions and estimates for mandatory benefits accounts in the 2024 Estimate column consistent with 2025 budget models and as communicated to the House and Senate Appropriations Committees in December 2023.

/2 Section 707 of the PACT Act appropriated funds for major medical facility leases for 2023 and annually for subsequent years through 2031.

/3 The Consolidated Appropriations Act, 2023, appropriated \$5.0 billion to the TEF in 2023; the Fiscal Responsibility Act of 2023 appropriated \$20.3 billion to the TEF in 2024 and \$24.5 billion to the TEF in 2025.

Mandatory funding for Compensation and Pensions of \$192.1 billion appropriated will provide \$184.3 billion in disability compensation payments to nearly 6.9 million Veterans and their survivors and \$3.0 billion in pension payments to over 224,000 Veterans and their survivors. Readjustment Benefits funding of \$16.1 billion appropriated will provide \$15.9 billion in education and job training benefits to 1.1 million Veterans and qualified dependents. VA's life insurance programs will provide coverage to over 5.5 million Veterans. The new Veterans Affairs Life Insurance (VA Life) program will enable VA to cover more Veterans at a lower cost to VA. Funding for VA's credit programs will support nearly 433,000 new guaranteed loans within a portfolio of 3.7 million active loans.

Cost of War Toxic Exposures Fund (TEF) Details

“The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022” or the “Honoring our PACT Act of 2022” (PACT Act, PL 117–168) represents the most significant expansion of VA health care and disability compensation benefits for Veterans exposed to burn pits and other environmental exposures in 30 years. As part of the PACT Act, Congress authorized the TEF to fund increased costs above 2021 funding levels for health care and benefits delivery for Veterans exposed to a number of environmental hazards to ensure there is sufficient funding available to cover these costs, without shortchanging other elements of Veteran medical care and benefit delivery. The budget includes \$24.5 billion in mandatory funding for the TEF in 2025, as appropriated by the Fiscal Responsibility Act of 2023 (FRA), which will support an estimated 7,852 FTE, as shown in the tables below. Further details for the TEF are provided in each office description.

TEF Appropriation

(\$ in millions)	2022 Enacted	2023 Enacted	2024 Estimate	2025 Request
Medical Care	34	3,822	17,116	21,455
Medical Research	1	2	46	59
Office of Information Technology	123	656	1,243	1,364
Board of Veterans' Appeals	10	1	4	19
Veterans Benefits Administration	302	482	1,769	1,401
General Administration	30	37	90	62
Contingency Reserve	-	-	1	96
Total Budget Authority	500	5,000	20,268	24,455

TEF FTE

All Funding Sources	2022 Enacted	2023 Enacted	2024 Estimate	2025 Request
Medical Care	-	-	-	-
Medical Research	-	6	113	113
Office of Information Technology	-	12	139	139
Board of Veterans' Appeals	-	-	46	153
Veterans Benefits Administration	-	6,004	8,501	7,072
General Administration	-	45	229	375
Total FTE	-	6,067	9,028	7,852

VA Staffing

The 2025 budget request supports 448,170 FTE (from all funding sources), a decrease of 10,042 from the 2024 estimate level. Most of the decrease, 9,457 FTE, is in the Veterans Health Administration (VHA). The 2025 budget assumes a 2% pay increase for civilian employees in calendar year 2025.

Full-Time Equivalent Employees (FTE)

All funding sources	2023 Enacted	2024 Estimate	2025 Request	2025 vs. 2024 Change	
				#	%
Medical Services	282,426	297,682	290,689	(6,993)	-2.3%
Medical Support & Compliance	59,514	68,072	66,658	(1,414)	-2.1%
Medical Facilities	21,587	26,856	25,839	(1,017)	-3.8%
Veterans Medical Care and Health Fund	10,470	-	-	-	-
Subtotal, Medical Care	373,997	392,610	383,186	(9,424)	-2.4%
DoD-VA Health Care Sharing Incentive Fund	28	31	31	-	0.0%
Joint DoD/VA Demonstration Fund	2,300	2,491	2,491	-	0.0%
Medical Research	4,666	4,762	4,739	(23)	-0.5%
Canteen Service	2,215	2,210	2,200	(10)	-0.5%
Subtotal Veterans Health Administration FTE	383,206	402,104	392,647	(9,457)	-2.4%
Electronic Health Record Modernization	200	313	313	-	0.0%
Information Technology	7,973	8,382	8,544	162	1.9%
Board of Veterans Appeals	1,245	1,442	1,598	156	10.8%
Veterans Benefits Administration	31,584	34,263	32,834	(1,429)	-4.2%
National Cemetery Administration	2,199	2,331	2,358	27	1.2%
General Administration	3,012	4,238	4,542	304	7.2%
Inspector General	1,102	1,125	1,087	(38)	-3.4%
Franchise Fund	2,138	2,722	2,722	-	0.0%
Supply Fund	1,027	1,524	1,525	1	0.1%
Total FTE	433,686	458,444	448,170	(10,274)	-2.2%

* Includes FTE funded by the TEF.

** An additional 13 FTE, not included here, are requested as part of the legislative proposal package.

Secretarial Vision

President Biden has made supporting Veterans a key pillar of his Unity Agenda. Since the beginning of this administration, VA has implemented the historic PACT Act, which expanded VA health care and benefits to millions of Veterans exposed to toxins and other hazards; permanently housed more than 40,000 Veterans two years in a row; expanded life-saving support for Veterans at-risk of suicide; delivered an all-time yearly record number of health care appointments to Veterans; and much more. Key investments of this budget include:

Expanding Health Care, Benefits, and Services for Environmental Exposures

On August 10, 2022, the President signed the PACT Act into law. This once-in-a-generation policy ensures Veterans qualify for benefits to treat illnesses resulting from exposure to toxins. VA is now implementing the PACT Act and delivering its promises to Veterans. VHA is working to treat more Veterans affected by military environmental exposure, conduct additional research on military environmental exposures, and implement the authorities included in the Act to ensure VA hires and retains the best staff possible to treat affected Veterans.

In 2023, VA screened an all-time record 4,599,009 Veterans for toxic exposures, a critical step to catching and treating potentially life-threatening health conditions as early as possible. Also in 2023, 361,042 Veterans were newly enrolled into VA health care, an increase of more than 73,000 from fiscal year 2022. VA's health care enrollment efforts in 2023 focused primarily on bringing in Post-9/11 combat Veterans during a one-year special enrollment period created by section 111 of the PACT Act. This targeted effort contributed to one of the largest health care enrollment growth periods in VA history. The special enrollment period for combat Veterans ended in September 2023, and in that month alone, VHA enrolled 48,763 Veterans in VA health care.

VA is looking forward to widening access to care even further this year through the expedited implementation of Section 103 of the PACT Act. Originally planned to be phased in over several years, VA is making this new health care eligibility effective in its entirety in March. Specifically, all Veterans who were exposed to toxins and other hazards while serving our country – at home or abroad – will be eligible to enroll directly in VA health care without first applying for VA benefits. That includes all Veterans who served in the Vietnam War, the Gulf War, Iraq, Afghanistan, and any other combat zone after 9/11. It includes all Veterans who deployed in support of the Global War on Terror. It also includes Veterans who never deployed but were exposed to toxins or hazards while training or on active duty here at home – by working with chemicals, pesticides, lead, asbestos, certain paints, nuclear weapons, x-rays, and more.

Delivering Timely Access to High Quality Mental Health Care and Preventing Suicide Among Veterans

Preventing suicide is a top VA priority. In 2023, VA supported more Veterans in crisis: The Veterans Crisis Line received 1,002,971 million calls, texts, and chat – surpassing the previous all-

time record by 15.1%. VA also provided no-cost emergency health care to 33,542 Veterans in acute suicidal crises through a new program launched in January.

To continue this support in 2025, the budget invests \$17.1 billion within the VA Medical Care program, to increase access to quality mental health care with the goal of helping Veterans take charge of their treatment and live full, meaningful lives. VA will also expand and strengthen the future mental health provider pipeline in innovative ways through strategic engagement, planning, interagency collaboration, and academic expansion. In addition, the budget provides \$583 million to further advance the Administration's Veteran suicide prevention outreach initiatives, including continued support of the Veterans Crisis Line's 988 and additional support for VA's national Strategy for Preventing Veteran Suicide.

Among the risk factors for suicide, substance use disorder is strongly implicated. In addition, drug overdose fatalities inclusive of suicide have escalated dramatically. Therefore, the need for effective interventions to address substance use cannot be overstated. VA is expanding evidence-based substance use disorder treatment and harm reduction initiatives consistent with the Biden-Harris Statement of Drug Policy Priorities. The 2025 budget invests \$713 million toward opioid use disorder prevention and treatment programs, including using predictive analytics to stratify a patient's risk of overdose, provide augmented care as appropriate, and to support programs authorized in the Jason Simcakoski Memorial and Promise Act.

Delivering More Benefits for Veterans and Building on Success

The request supports the President's commitment to help Veterans build civilian lives of opportunity with the education and jobs worthy of their skills and talents and receive the benefits they have earned by maintaining funding in Veterans Benefits Administration (VBA), the Board of Veterans Appeals (the Board), and National Cemetery Administration (NCA). This will build on the successes VA demonstrated in 2023 when it delivered more care and more benefits to more Veterans than ever before.

The 2025 budget includes \$4.0 billion in discretionary funding for VBA's General Operating Expenses (GOE) account, notably to support the timely processing of claims. This is an increase of \$136 million over the 2024 estimate level and would enable VA to continue to focus on delivering timely benefits and services to Veterans. VBA GOE includes \$2 million to invest the use of Artificial Intelligence (AI). In 2023, VBA delivered \$163 billion in earned benefits, including \$150 billion in compensation and pension benefits, to 1,535,685 Veterans and survivors – all of which are all-time records. VA also processed 1,981,854 Veteran and survivor claims, surpassing the previous all-time record by 15.9%. VBA also encouraged more Veterans to apply for earned benefits: Thanks to the largest outreach campaign in VA history, Veterans submitted 2,433,729 claims applications – an all-time record and 39% more than in 2022. Veterans also submitted 2,299,815 intents-to-file – an all-time record and 62% more than in 2022.

For NCA, the budget includes \$495 million to ensure Veterans and their families have access to exceptional memorial benefits. These funds maintain national shrine standards at the 158 VA-

managed cemeteries and support the operations and maintenance of Mare Island Cemetery transferred in 2023 from the City of Vallejo, California. NCA will build upon its performance in 2023 when it marked a record with 5.4 million people, including 4.1 million Veterans who are buried in VA national cemeteries. NCA will also continue to commemorate Veterans through the Veterans Legacy Memorial program, which through 2023 honored nearly 10 million Veterans with individual commemorative pages – the nation’s first digital platform dedicated to the memory of Veterans and service members. This is an all-time record, reflecting an increase of more than 5 million Veterans over the past year alone.

To further help Veterans receive the benefits they deserve in a timely fashion, the budget also includes \$267 million for the Board, coupled with \$28.7 million in unobligated balances from 2024 (totaling \$295.7 million), to support program operations. The majority of the Board’s budget (91%) funds personnel costs to support 1,445 FTE. In 2025, the Board plans to exceed its record setting performance of 2023, when it processed 103,245 Veteran appeals, an all-time record and 8.3% increase over 2022.

Support Veterans’ Whole Health, their Caregivers, and their Families

VA empowers and equips Veterans to take charge of their health and well-being and live life to the fullest. When VA treats the entire person, and not just a particular symptom or disease, we not only care for a Veteran’s most immediate health concerns, but also consider what the Veteran needs and wants. VA’s Whole Health System of Care is already profoundly impacting Veterans’ health and well-being. VA is striving for an approach to health care that is comprehensive and integrated, while accounting for a Veteran’s living situation, caregivers, and physical and mental health.

The 2025 budget recognizes the important role of family caregivers in supporting the health and wellness of Veterans. The mission of the VHA Caregiver Support Program is to promote the health and well-being of family caregivers who care for the nation’s Veterans, through education, resources, support and services. The \$2.9 billion included in this budget supports staffing, stipend payments, and many other services to help empower family caregivers of eligible Veterans. In addition, this funding allows for potential program changes, allowing VA to reach and support more caregivers than before.

Bolster Efforts to End Veteran Homelessness

VA’s longstanding support for Veterans who are homeless or at risk of homelessness is enhanced through a Whole Health lens. VA is committed to ending homelessness among Veterans because it is our nation’s duty to ensure all Veterans have a place to call home. The effort to prevent and end Veteran homelessness is a partnership of Federal, state, and local government, and most importantly, the local community. No one agency or group can end Veteran homelessness alone. VA works with communities to help them develop the solutions that work best for them and their Veterans.

During calendar year 2023, VA permanently housed 46,552 homeless Veterans, surpassing the goal to house 38,000 Veterans by more than 22%. The 2025 budget increases resources for Veterans' homelessness programs to \$3.2 billion to continue supporting VA's goal of ensuring every Veteran has permanent, sustainable housing with access to high-quality health care and other supportive services to end and prevent future Veteran homelessness. The budget reinforces VA's goal of placing at least 76,000 unique Veterans into permanent housing and ensuring that at least 90% of at-risk Veterans are prevented from becoming homeless by the end of 2025.

Support Cancer Moonshot and Advancements in Precision Oncology

The budget invests \$45 million within VA research programs, together with \$215 million within the VA Medical Care program, for precision oncology and to provide access to the best possible cancer care for Veterans. Funds also support research and programs that address cancer care, rare cancers, and cancers in women, as well as genetic counseling and consultation that advance tele-oncology and precision oncology care to improve Veterans' health outcomes.

Since the first Moonshot in 2016, VA established the foundations for high quality oncology care and improved care access. This effort included conducting clinical trials and overall building a learning health care system model for integrating clinical care and research. Subsequently, precision oncology is a high priority in the VHA. The Office of Research and Development (ORD) has had a history of landmark trials in cancer with increased emphases on its ability to conduct and participate in large national clinical trials. Initial efforts for precision oncology targeted prostate and lung cancer, which are the two most common non-skin cancers in VA. Research is now expanded to include other cancers such as bladder, ovarian, breast, head and neck, and hematologic malignancies (B-cell).

Starting in 2021, Congressional appropriations focused on cancer clinical trials and precision oncology by establishing new studies and cancer trials networks capable of providing more access to Veterans across the nation. In collaboration with the national oncology office, VA Research established supporting infrastructure to provide a system of excellence in cancer care that incorporates clinical trials and research. The work in precision oncology maps to all ORD strategic priorities as it systematically generates data and uses the data to establish evidence to enhance quality and value of the care while fostering innovation and impact.

Support Women's Health

In 2025 VA will invest \$13.7 billion for women Veterans' health care, which includes \$1.1 billion toward women's gender-specific care. More women are choosing VA health care than ever before, with women accounting for over 30 percent of the increase in enrolled Veterans over the past five years. These investments support comprehensive specialty medical and surgical services for women Veterans, improve maternal health outcomes, increase access to infertility counseling and assisted reproductive technology, and eliminate copayments for contraceptive coverage. The budget also improves the safety of women Veterans seeking health care at VA facilities by supporting implementation of the zero- tolerance policy for sexual harassment and assault.

Hire Faster and More Competitively

One of VHA's top priorities is to continue to improve the VA hiring process. Fulfilling VA's mission to provide the top-notch care that Veterans deserve is only possible with an enterprise-wide team of the best and brightest in their respective fields. To hire the best, VHA must speed up the hiring process. VHA cannot lose quality candidates to competitors because it took too long to make an offer. To retain the best, VHA must take care of its employees with competitive wages and benefits so they can focus on taking care of Veterans.

Since March 2022, VA has updated nearly 400 pay tables and increased salaries for more than 7,000 employees, due to the "Department of Veterans Affairs Nurse and Physician Assistant Retention and Income Security Enhancement Act (RAISE Act, PL 117-103). VHA has increased inclusivity, diversity, equity, and access in VHA recruiting and established partnerships with Minority Serving Institution colleges and universities. Through authorities provided in the PACT Act, VA is implementing new hiring and retention authorities to strengthen and maintain a diverse, talented workforce with a shared mission to provide more care and more benefits to more Veterans.

In 2023, VHA achieved a record hiring of 61,490 new staff, a growth of nearly 7.4% in 2023, while also improving retention. Due to this record hiring, VA has the nationwide staffing level to accomplish the important objective of making sure that – whenever possible – all Veterans have an opportunity to receive care from a VA provider. VHA will continue to strategically focus its hiring in key areas, such as mental health, to provide Veterans with high-quality and timely health care services.

In 2024, VHA launched the Mental Health Optimization and Outpatient Staffing Enhancement and the Mental Health Staffing Pipeline Project to ensure mental health programs remain adequately staffed. Through these initiatives, VHA is projecting demand for mental health services, proactively anticipating and addressing staffing gaps, and ensuring our staffing pipeline trains an interdisciplinary workforce optimal to providing the quality mental health care Veterans deserve.

The 2025 request builds upon these efforts and continues to support VHA's goals to onboard employees faster, accelerate training for human resources specialists, and invest in VA employees.

VA Facilities

The budget includes \$2.8 billion for construction and expansion of critical infrastructure and facilities. This includes \$2.1 billion for major construction, \$380 million for minor construction, and \$307 million from the RETF. The medical care budget also includes \$2.0 billion for base non-recurring maintenance (NRM) projects to address infrastructure deficiencies and better equip VHA to deliver timely, quality care across the enterprise.

The construction funding supports two major investments that modernize and expand existing medical facilities and one cemetery expansion. In addition, VA would make improvements and

alterations to existing medical facilities, further expanding health care capacities. These capital investments enable the delivery of high-quality health care, benefits, and services for Veterans.

VA operates the largest integrated health care, member benefits and cemetery system in the Nation, with more than 1,700 hospitals, clinics, and other health care facilities. The VA infrastructure portfolio consists of approximately 187 million owned and leased square feet—one of the largest in the Federal Government.

Legislative Proposals

Authorization Proposals

Legislative proposals are described in detail in Volume I of the 2025 Budget Submission. The proposals convey the key VA legislative priorities for this budget year which include Excellence in Delivering Mental Health Care and Services; Enhancing VA's Infrastructure, Recruitment and Retention of a Talented Workforce; and Ensuring the Continuity of Mission Support Operations.

Central to the Department's legislative priorities is the Veteran. Several proposals underpin the need for a talented and enduring workforce. VA is also proposing increased flexibility in lease authority to increase health care access for VA medical care facilities. To protect Veterans from predatory claims representation, VA proposes legislation that would reinstate the penalties for directly or indirectly soliciting, contracting for, charging, or receiving, or attempting to solicit, contract for, charge, or receive, any fee or compensation with respect to the preparation, presentation, and prosecution of claims for Veterans.

Trust is central to serving Veterans, families, caregivers, and survivors. A core business discipline at VA is an institutionalized focus on the voice of the customer and the customer experience. This is why VA is seeking to codify the Veterans Experience Office (VEO), a critical component of modernizing the Department to meet the needs and expectations of our customers. Finally, because the Medal of Honor represents extraordinary and distinctive service, it should be permanently and distinctly memorialized for all recipients, regardless of the individual's dates of service. VA is proposing legislation to be able to furnish a headstone or marker for any Medal of Honor recipient, regardless of the dates of the recipient's service.

VA looks forward to working with the Congress on these and other proposals.

Appropriations Proposals

The FY 2025 President's Budget includes a proposed administrative provision for the FY 2025 appropriations bill to provide VA with greater transfer authority between discretionary accounts. VA currently has limited authority to transfer funds between accounts in the year of execution. If funding problems arise the only solution is to seek new congressional authority to transfer funds for certain accounts. This authority would provide VA with transfer authority similar to what other agencies have, such as the Department of Defense, to meet emerging needs in the year of execution. Total transfer authority would be limited to 1% of the total discretionary authority.

Veterans Health Administration Medical Care

Discretionary and Mandatory Appropriations and Collections

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request	2026 Request
Medical Services	70,584	69,071	71,000	75,039
Medical Community Care	28,457	31,091	20,382	34,000
Medical Support and Compliance	11,073	12,300	11,800	12,700
Medical Facilities	8,634	8,549	9,400	9,700
Subtotal, Medical Care Appropriations	118,748	121,011	112,582	131,439
Medical Care Collections	4,132	4,269	4,390	4,517
Toxic Exposures Fund (Mandatory)	3,822	17,116	21,455	22,800
Section 707 (Major Medical Facility Leases)	1,880	100	200	400
Total, Mandatory and Discretionary	128,582	142,497	138,626	159,156

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request	2026 Request
Medical Services	282,426	297,682	290,689	290,372
Medical Support & Compliance	59,514	68,072	66,658	66,589
Medical Facilities	21,587	26,856	25,839	25,790
Veterans Medical Care and Health Fund	10,470	-	-	-
Toxic Exposures Fund	-	-	-	-
Total FTE	373,997	392,610	383,186	382,751

*Medical Services, Medical Support & Compliance, and Medical Facilities includes Choice Sec 801 FTE.

In 2025, the budget includes discretionary funding of \$112.6 billion for VA Medical Care programs, as requested as advance funding in the 2024 President's Budget. There is no second bite request for 2025. For 2026, the request includes \$131.4 billion in discretionary advance appropriations for Medical Care programs. The budget also reflects enactment of the PACT Act, which established the TEF to ensure that there is sufficient funding available to cover costs associated with providing health care and benefits to Veterans exposed to environmental hazards. Consistent with the PACT Act and the enactment of the FRA, which provided appropriations to the TEF for 2024 and 2025, VA's Medical Care budget reflects \$17.1 billion in 2024 and \$21.5 billion in 2025 in enacted TEF funding. The 2025 budget also includes a 2026 advance appropriation request of \$22.8 billion in the TEF for Medical Care.

When combining the requests for mandatory and discretionary appropriations across 2025 and 2026, this budget request fulfills the Administration's commitment to provide reliable and timely resources to support the delivery of accessible and high-quality medical services for Veterans. The 2025 Medical Care estimated total obligations level is \$149.5 billion and the 2026 Medical Care estimated total obligations level is \$158.9 billion, afforded by the discretionary and mandatory appropriations requests combined with collections, reimbursements, transfers, and unobligated balances.

Medical Care program as its own category of discretionary funding

Starting in 2026, the budget separates VA medical care as a third category within the discretionary budget based on a recognition that VA medical care has grown much more rapidly than other discretionary spending over time, largely due to systemwide growth in health care costs. The Administration's proposal to create a third category of discretionary spending would allow the Congress to consider the funding needs for Veterans' health care holistically, considering both discretionary and mandatory funding streams. Setting a separate budget allocation for VA medical care accomplishes two important goals. First, it helps ensure adequate funding for Veterans' health care without adversely impacting other critical programs, whether inside or outside of VA. Second, it ensures that other critical priorities--both defense and non-defense--won't adversely impact Veterans' health care.

TEF Request

The 2025 budget includes mandatory funding appropriated to the TEF in the FRA for 2024 and 2025. The 2025 budget includes medical care funding in the TEF of \$17.1 billion in 2024 and \$21.5 billion in 2025. The 2025 budget also includes a 2026 advance appropriation request of \$22.8 billion in the TEF for Medical Care. The PACT Act authorized the TEF to support incremental costs above 2021 for health care associated with environmental hazards and for any expenses incident to the delivery of health care and benefits associated with exposure to environmental hazards, as well as medical research relating to exposure to environmental hazards. Consistent with the law, the budget limits the 2026 TEF request to those increases only and excludes costs not associated with exposure to environmental hazards. The budget requests that all other funding needs be provided in the traditional discretionary appropriations to ensure that Veterans have the care and benefits they earned.

Toxic Exposures Fund (TEF), Medical Care Funding by Account

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request	2026 Request
Medical Services	3,822	9,525	11,684	11,800
Medical Community Care	-	6,740	9,771	11,000
Medical Support and Compliance	-	850	-	-
Medical Facilities	-	-	-	-
Total, VHA TEF	3,822	17,116	21,455	22,800

VHA Depends on Multiple Funding Sources

Multiple Funding Sources: VHA medical care depends on multiple funding sources each year. The annual discretionary appropriation and carryover from prior years provides the bulk of annual funding (approximately 82% in 2025), but TEF has now become an important funding source as well (approximately 17% in 2025).

Funding Source, Total Obligations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request	2026 Request
Discretionary	121,944	121,915	123,330	135,480
American Rescue Plan	4,179	-	-	-
Toxic Exposures Fund	15	17,382	25,030	22,800
PACT Leases (Sec 705 & 707)	70	225	849	603
All other (Choice, others)	12	18	310	-
Total, Obligations by Funding Source	126,220	139,540	149,519	158,883
% change, year over year	12.9%	10.6%	7.2%	6.3%

Carryover: Congress recognizes the complexities of estimating medical funding needs several years into the future. The annual budget request is for a single amount by appropriation account, but Congress provides VA with certain flexibilities to carryover funds from one year to the next to help smooth out funding to provide additional funding flexibility if needed. The 2025 budget assumes carryover of discretionary and TEF funding into 2025 to address requirements in 2025, and the 2025 budget describes planned obligations against all sources of funding, including carryover. In addition, the 2025 budget assumes carryover of funding appropriated by the PACT Act for major medical facility and enhanced use leases. By plan, these leases can take several years to execute and thus a certain amount of the PACT Act lease funds show as carryover from year to year.

Expected Annual Unobligated Balance at Year End (Carryover)

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request	2026 Request
Discretionary*	5,766	6,791	14	14
American Rescue Plan	20	20	20	20
Toxic Exposures Fund	3,842	3,575	-	-
PACT Leases (Sec 705 & 707)	2,086	1,961	1,312	1,108
All other (Choice, others)	328	310	-	-
Total, Unobligated Balance at Year End	12,041	12,657	1,346	1,143

*Adjustment made to reflect rescission of unobligated balance of \$1.952 billion from 2024 Minibus.

Obligations from all Sources: These multiple funding sources managed across fiscal years enable VA to continue to deliver health care to all Veterans in need, as shown in the table below for obligations by account.

Total Medical Care Obligation by Account

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request	2026 Request
Medical Services	74,578	82,244	86,498	90,093
Medical Community Care	31,831	36,540	40,939	45,819
Medical Support and Compliance	10,214	11,549	12,074	12,720
Medical Facilities	9,596	9,207	10,009	10,250
Total, Obligations by Account	126,220	139,540	149,519	158,883
% change, year over year	12.9%	10.6%	7.2%	6.3%

Modeling Health Care Needs

VA uses three actuarial models to support formulation of most of the VA health care budget, to conduct strategic and capital planning, and to assess the impact of potential policies and changes in a dynamic health care environment. The three actuarial models are the VA Enrollee Health Care Projection Model (EHCPM), the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) Model, and the Program of Comprehensive Assistance for Family Caregivers (PCAFC) Model.

The EHCPM, which was first developed in 1998, is a sophisticated health care demand projection model that uses actuarial methods and approaches to project Veteran demand for VA health care. The EHCPM projects enrollment, utilization, and expenditures for the enrolled Veteran population in more than 140 categories of health care services 20 years into the future. In projecting future Veteran demand for VA health care, the EHCPM accounts for the unique characteristics of the Veteran population and the VA health care system, as well as environmental factors that impact Veteran enrollment and use of VA health care services.

The 2023 EHCPM (Base Year 2022) supports approximately 89% of the 2025 and 2026 Medical Care budget. See additional details in the section “Impact of the 2023 EHCPM Update” in the Actuarial Models chapter in Volume II.

Historically, growth in expenditure requirements to provide care to enrolled Veterans was primarily driven by health care trends, the most significant of which is medical inflation. Health care trends are key drivers of annual cost increases for all health care providers – Medicare, Medicaid, commercial providers, and the VA health care system. Health care trends increase VA’s cost of care independent of any growth in enrollment or demographic mix changes. Enrollment dynamics contribute to a portion of the expenditure growth; however, their impact varies significantly by the type of health care service. An assumption that VA’s level of management of health care delivery will improve over time reduces the cost of providing care to enrollees.

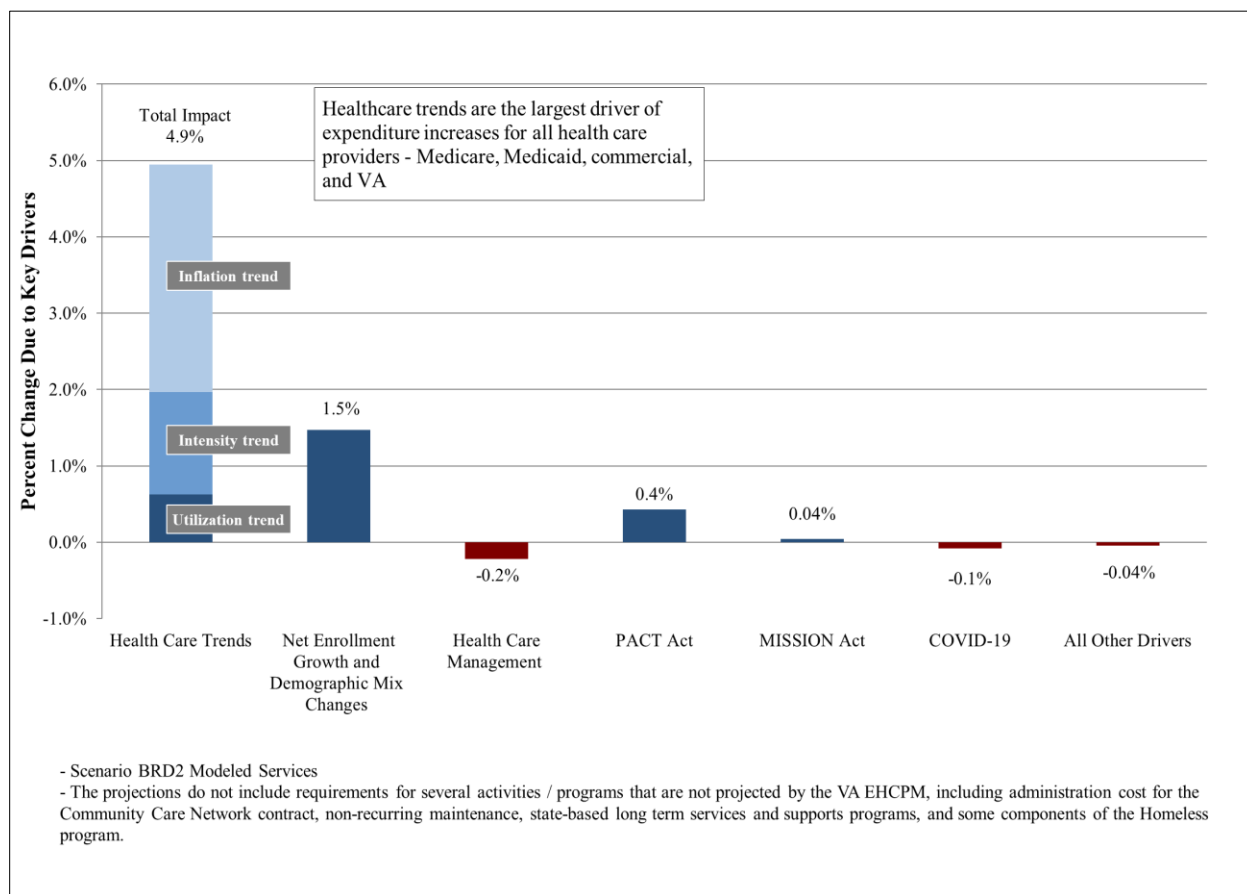
The EHCPM also accounts for how enacted legislation and other contextual factors affect expenditure requirements. Since its implementation in June 2019, the MISSION Act (P.L. 115-182) impacted the VA health care system by driving growth in the use of VA health care services. The 2023 EHCPM incorporated the actual experience and projected impact of the MISSION Act,

including changes to eligibility to receive care in the community based on geographic access standards, best medical interest provision, wait time standards, and urgent and emergency care benefits. Signed in August 2022, the PACT Act expanded benefits for Veterans exposed to certain toxins in the course of their military service, with a focus on Gulf War era Veterans as well as new groups of Vietnam Veterans who were exposed to Agent Orange. The 2023 EHCPM projects enrollment and utilization for Title I, which changes enrollment eligibility timelines, and Titles III and IV, which expand eligibility based on conditions presumed to be associated with hazardous exposures.

The EHCPM also accounted for the evolving impacts of the COVID-19 pandemic in 2022. VA enrollment rates and health care utilization in many service areas, including ambulatory and acute inpatient care, returned to pre-pandemic expected levels (or close to it), or settled at a “new normal” that reflects a longer-term shift in health care utilization. However, for other service areas, particularly mental health care, LTSS, and inpatient rehabilitation care, the effects of COVID-19 deferred care remain, and it is expected that there will be continued recovery of health care utilization in 2023 and beyond.

Figure A quantifies the key drivers of the projected increase in the modeled requirements from 2024 to 2025.

Figure A: Key Drivers of Projected Model Requirements, FY 2024 – FY 2025



Veteran Patient Workload

VA administers its comprehensive medical benefits package through a patient enrollment system. The enrollment system is based on priority groups to ensure health care benefits are available to all enrolled Veterans. VA's goal is to ensure these enrolled Veterans receive the finest quality health care, regardless of the treatment program or the location. Enrollment in the VA health care system provides Veterans with the assurance that comprehensive health care services will be available when and where they are needed.

The budget expands health care services for Veterans while building an integrated system of care that both strengthens services within VA and improves VA and Veterans' relationships with community providers. The 2025 request supports the treatment of 7.3 million patients, a 0.7% increase above 2024, and 142.6 million outpatient visits, an increase of 2.1% above 2024.

Patients, Enrollees, Treatments and Visits

	2023 Actual	2024 Estimate	2025 Request	2026 Advance Request
Number of Unique Patients	7,182,952	7,241,554	7,295,028	7,342,919
Number of Unique Veterans Enrolled in VA Health Care	9,097,859	9,070,776	9,094,031	9,107,940
Number of Inpatient -Treated	1,123,659	1,136,000	1,153,489	1,167,124
Number of Outpatient Visits	131,255,000	139,679,000	142,615,000	147,137,000

Medical Care Facilities

As of September 30, 2023, VHA operates approximately 5,593 owned buildings with a total of 153.1 million square feet of space on 16,025 acres of land. The portfolio also includes 1,714 leases with a total of 23.1 million square feet of space. The 2025 request supports the operation and maintenance of these VA hospitals, Community-Based Outpatient Clinics (CBOCs), community living centers, domiciliary facilities, Vet Centers, and the health care corporate offices.

Medical Care Facilities

Facilities	2023 Actual	2024 Estimate	2025 Request	2026 Advance Request
Veterans Integrated Service Networks (VISN)	18	18	18	18
VA Medical Centers (VAMC), Total	173	173	173	173
<i>Included in total VAMC:</i>				
<i>VA Hospitals</i>	<i>144</i>	<i>144</i>	<i>144</i>	<i>144</i>
<i>Community Living Centers (CLC)</i>	<i>135</i>	<i>135</i>	<i>136</i>	<i>137</i>
<i>Mental Health Residential Rehabilitation Treatment Programs (MH RRTP)</i>	<i>120</i>	<i>125</i>	<i>126</i>	<i>128</i>
<i>VA Medical Center-Based Outpatient Care</i>	<i>173</i>	<i>173</i>	<i>173</i>	<i>173</i>
Health Care Centers (HCC)	12	12	12	12
Community-Based Outpatient Clinics (CBOC)	733	736	741	741
<i>Included in total CBOC:</i>				
<i>Multi-Specialty CBOC</i>	<i>311</i>	<i>311</i>	<i>312</i>	<i>312</i>
<i>Primary Care CBOC</i>	<i>422</i>	<i>425</i>	<i>429</i>	<i>429</i>
Other Outpatient Service (OOS) Sites	423	423	423	423
<i>Included in total OOS:</i>				
<i>Dialysis Centers</i>	<i>70</i>	<i>70</i>	<i>70</i>	<i>70</i>
<i>Community Resource and Referral Centers (CRRC)</i>	<i>33</i>	<i>33</i>	<i>33</i>	<i>33</i>
Vet Centers	302	303	303	303
Moble Vet Centers	84	86	86	86
Vet Center Outstations	20	21	21	21

Medical Care Areas of Focus

The following table provides obligations in areas of focus for VA medical care. Summary explanatory descriptions for selected programs are also provided.

**Veteran Medical Care: Key Focus Areas
Total Obligations by Program**

(\$ in millions)	2023 Actual	2024 Estimate	2025 Request	2026 Advance Request
Mental Health	\$14,424	\$15,969	\$17,054	\$18,213
Suicide Prevention/Outreach Programs	\$517	\$571	\$583	\$586
Veterans Homelessness Programs	\$2,953	\$3,169	\$3,210	\$3,235
Connected Care Program	\$289	\$408	\$440	\$440
Caregiver Support Program	\$1,676	\$2,422	\$2,913	\$3,500
Women Veterans Gender-Specific Care	\$851	\$941	\$1,060	\$1,166
Women's Health and Childcare Programs	\$112	\$257	\$264	\$264
Opioid Prevention, Treatment and Program Costs	\$637	\$695	\$713	\$731
Rural Health Initiative	\$297	\$337	\$337	\$337
Health Outcomes and Military Exposures (HOME)	\$49	\$82	\$83	\$83
Precision Oncology (Medical Care only)	\$146	\$215	\$215	\$215

Mental Health and Preventing Veteran Suicide

Funding for mental health, including suicide prevention, is \$17 billion in 2025, and an additional \$583 million for suicide prevention outreach programs. VHA's top clinical priority is preventing Veteran suicide and that will require a full public health approach, combining community and clinical based interventions. The National Strategy for Preventing Veteran Suicide, clinical practice guidelines for VA and Department of Defense (DoD), and the White House Strategy on Reducing Military and Veteran Suicide provide the foundation for VA's suicide prevention initiatives including Suicide Prevention (SP) 2.0 and SP Now. VA is calling on all partners, stakeholders, and communities to help us reach Veterans and reduce Veteran suicide. VA will never give up the fight to combat Veteran suicide, but we cannot win this fight alone.

Suicide is a complex issue with no single cause or solution. Addressing suicide requires a comprehensive approach that focuses on community and clinical interventions beyond individual care that focuses exclusively on mental health. Maintaining the integrity of VA's mental health care system is vitally important, but it is not enough. We know some

Mental Health Highlights

Women Veterans: Since 2005, VA has seen a more than threefold increase in the number of women Veterans accessing VHA mental health services. In 2023, over 271,000 women Veterans received VHA mental health care (up from 223,000 in 2022), representing about 47% of all women VHA patients (up from 42% in 2022).

More Veterans receiving care: Veteran demand for VHA mental health care continues to grow, with approximately 1.96 million Veterans (32% of all VHA patients) receiving mental health services in a VHA specialty mental health setting in 2023, (up from 29% in 2022).

Veterans may not receive any health care services from VA, which highlights VA alone cannot end Veteran suicide. This requires a nationwide effort.

In September 2023, the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP) awarded \$52.5 million to 80 community-based organizations in 43 states, the District of Columbia, and American Samoa. These organizations provide or coordinate the provision of suicide services for Veterans and their families. VA has provided technical assistance to grantees, who have begun providing suicide prevention services in January 2023. Twenty-one (21) grantees serve tribal lands including Navajo Nation, Cherokee Nation, Choctaw Nation, Alaskan Native tribes and others. Funding decisions reflect VA's authority to prioritize the distribution of grants to rural communities, Tribal lands, Territories of the United States, medically underserved areas, areas with a high number or percentage of minority Veterans or women Veterans, and areas with a high number or percentage of calls to the Veterans Crisis Line. In alignment with VA's National Strategy for Preventing Veteran Suicide, this grant program assists in further implementing a public health approach that blends community-based prevention with evidence-based clinical strategies through community efforts.

Women's Health

As described in the Secretarial Vision, VA is committed to providing high quality, equitable care to women Veterans at all sites of care. The budget requests \$264 million for women's health and childcare programs, a 2.6% increase over 2024. This increase supports \$210 million for the Women's Health Innovation and Staffing Enhancement Initiative. VA is strategically enhancing services and access for women Veterans by hiring women's health personnel nationally to fill any gaps in capacity across all Veterans Integrated Service Networks. In 2024, VA is providing funding for a total of over 1,000 women's health personnel nationally: primary care providers, gynecologists, mental health providers, and care coordinators. VA is also expanding childcare benefits beyond the current pilot sites as well as addressing clinical equipment needs such as those for mammography, exam tables designed for women with low mobility, and breastfeeding privacy pods. Finally, VA is furthering its support for pregnant and postpartum Veterans in addition to enhancing lactation service capacity and care coordination for preventative care.

Connect Veterans to the Soonest and Best Care

To deliver the soonest and best care possible to Veterans, VHA is incorporating technology into all aspects of the health care experience from setting appointments to meeting with a provider. Technology allows Veterans to benefit from more convenient, patient-centered care. This includes access to electronic health records from home or through a mobile device via MyHealtheVet, as well as telehealth solutions that ensure Veterans get the right care in the right place at the right time, from a location of their choice.

In 2023 VA delivered more than 118 million clinical appointments to Veterans. Veterans continue to receive the majority of their outpatient care from VA providers. Veterans today have more options for care than ever. VA has over 1,300 sites that deliver care for Veterans, including 173

medical centers and 733 community-based outpatient clinics. VA offers care in-person, over the phone or through video appointments as clinically appropriate. VA's community care network has more than 1.3 million community care providers across all 50 States and U.S. Territories. Enrolled Veterans also have access to community urgent care. Additionally, Veterans in suicidal crisis can now receive the free, world-class emergency health care they deserve – no matter where they need it, when they need it, or whether they're enrolled in VA care.

In 2023, peer-reviewed studies showed that VA health care is better than or equal to non-VA health care; nearly 70% of VA hospitals received 4 or 5 stars in the annual CMS Hospital ratings, compared to just 41% of non-VA hospitals; VA hospitals outperformed non-VA hospitals in all 10 patient satisfaction metrics in Medicare's latest survey of patients; and – most importantly of all – more than 91% of the Veterans we serve trust VA with their care, a level unmatched anywhere in the private sector.

To fulfill this priority, VA will build upon its access initiatives by supporting telehealth usage, resolving access gaps in underserved communities, and matching rare clinical expertise to Veterans with unique clinical needs. VHA will also improve the Veteran's journey from the point where care is identified to the time care is received by enhancing care coordination practices and will optimize coordination of care through patient identification and management. Finally, VHA will strengthen the referral coordination initiative to help build trust and improve Veteran experience by providing the Veteran more timely access to convenient and appropriate health care options.

Homeless Programs

VA's longstanding support for Veterans who are experiencing homelessness or at risk of homelessness is enhanced through a Whole Health lens. VA will ensure Veterans who are housed in VHA programs do not return to homelessness by implementing a case management model to mitigate risk factors. VHA will also leverage its existing programs through targeted outreach to reduce the number of unsheltered Veterans.

The 2025 budget increases resources for Veterans' homelessness programs to \$3.2 billion, with the goal of ensuring every Veteran has permanent, sustainable housing with access to high-quality health care and other supportive services to end current and prevent future Veteran homelessness. This budget includes funds to assist with the design and development of expanded services for aging and disabled Veterans, a growing need and area of focus for the Department of Housing and Urban Development (HUD) – VA Supportive Housing (VASH) program. In addition, funds will be used to provide a medical home model and population tailored approach to provide in-home primary care and wrap around services to Veterans actively enrolled in the HUD-VASH program, provide additional resources to increase outreach and community engagement efforts, as well as expansion of Veteran justice services, such as treatment courts and Veteran focused criminal justice initiatives. Funding will also support the VA Grant and Per Diem (GPD) program to adhere to recent modified statutory authority, that increases per diem rates to community partners actively supporting VA's effort to end Veteran homelessness.

Serve Veterans with Military Environmental Exposures

The 2025 budget supports continued implementation of the PACT Act to support VA's efforts to ensure every eligible Veteran receives the benefits and health care they have earned. It includes funding to support regular screening of enrolled Veterans for military-related toxic exposures, \$59 million for Military Occupations and Environmental Exposures research in the Medical and Prosthetic Research appropriation, and \$83 million for the Health Outcomes Military Exposures (HOME) program to continue its surveillance and studies on Veteran's health and health care outcomes related to exposures to contaminants and environmental hazards during military service.

Support Veterans' Whole Health

In 2023, 29% of all Veterans receiving care through VA also received Whole Health services. This translates to 1.8 million Veterans and 6.3 million Whole Health encounters. Also in 2023, 135,547 Veterans participated in 663,263 telehealth Whole Health encounters, an increase of 28% unique Veterans and 18% encounters over 2022. Robust formal evaluations continue to focus on outcomes for Veterans and employees, which includes a review of specific cost avoidance that is traceable to implementation of Whole Health Services (e.g., opioid use reduction, decrease in spinal procedures). The 2025 budget includes \$119 million for Whole Health. VA is fully committed to making the Whole Health approach an integral part of how we deliver care to Veterans and how we care for our employees.

In support of Whole Health, VHA will embed diversity, equity, and inclusion in everything we do while ensuring that providers are racially and ethnically diverse and trained in delivering culturally competent care; improve VHA's culture to further support the overall well-being of every employee by supporting VHA Reduce Employee Burnout and Optimizing Organizational Thriving (REBOOT) recommendations and employee whole health and well-being; promote healing environments that support Veterans, caregivers, and family members; provide world-class care while leveraging cutting-edge research in areas such as Long COVID; and expand access to Whole Health offerings via telehealth and for Veterans transitioning from active duty.

Veterans Health Administration Medical and Prosthetic Research

Appropriation and Other Resources

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Medical and Prosthetic Research (Discretionary)	916	938	868
Toxic Exposures Fund (Mandatory)	2	46	59
Total Appropriated	918	984	927
Medical Care Support	778	836	788
Federal and Non-Federal Resources	540	540	497
Reimbursements	61	61	61
Total, Budget Authority	2,297	2,421	2,273

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Medical and Prosthetic Research (Direct and Reimbursable)	4,537	4,649	4,626
American Rescue Plan (ARP)	123	-	-
Toxic Exposures Fund	6	113	113
Total FTE	4,666	4,762	4,739

The 2025 request for the Medical and Prosthetic Research appropriation is \$868 million, a decrease of \$70 million, or 8%, from the 2024 level (discretionary only). Additionally, VA requests \$59 million, an increase of \$13 million or 28% above the 2024 request, from the TEF to support medical and other research relating to exposure to environmental hazards.

The requested funding level is based on where VA Research's investment can make the largest impact of scientific discovery that improves Veterans' health. Targeted investment is focused in areas where the research will make a difference in well-being as well as problems faced by Veterans, clinicians, and the entire health care system.

The funding request supports VA in fulfilling one of its key missions, research and development, and sustains investments in several critical areas of research important to the Veteran community. This funding request will enable ORD to fund approximately 2,784 intramural research projects (a decrease of 228 projects over the 2024 estimate) and support 4,570 FTE.

VA Research uses a combination of VA appropriated resources and other resources to deliver on our promise to improve Veterans' health through medical research which includes Intramural Research, Veterans Equitable Resource Allocation (VERA), Research Support, Extramural Funding, and Reimbursable Resources. In 2025, grants from other federal organizations, such as the National Institutes of Health (NIH), DoD, and the Centers for Disease Control and Prevention (CDC) combined with funding from other non-federal sources is estimated to total \$496.8 million.

Request Highlights

VA Research is uniquely positioned to address the biomedical and health ecosystem research needs of Veterans, VA, and the nation by leveraging its capabilities and resources as part of the largest integrated health care system in the country. The requested funding below is based on where VA Research's investment can make the largest impact of scientific discovery that improves Veterans' health. Targeted investment is focused in areas where the research will make a difference in well-being as well as problems faced by Veterans, clinicians, and the entire health care system. It also considers the relative resource needs consistent with the overall balance for all needs across the administration.

Key investments include:

- **Military Environmental Exposure (MEE) (\$59 Million)**

Expand translational MEE Research involving laboratory, epidemiology, and medical investigations. By using Scientific MEE experts, including core scientific capabilities in data science, biospecimen collection and use, and exposure assessment, ORD will improve the quality of first-time research proposals to improve MEE Research. This includes rare cancers will continue to be a focus of MEE research.

In addition, ORD will implement of Section 501 of the PACT Act and the Toxic Exposure Research Work Group (TERWG). The TERWG consists of members from VA, DoD, Department of Health and Human Services (HHS), Environmental Protection Agency (EPA), and other federal partners involved in research activities regarding the health consequences of toxic exposures experienced during active military, naval, air, or space service.

- **Precision Oncology (\$48 million, including \$44.9 million for the Cancer Moonshot)**

VA plays a major role in the President's Cancer Moonshot efforts, and ORD is a central player in these efforts. ORD will continue to invest in cancer and precision oncology research to build a more robust cancer knowledge base that integrates genetic and clinical data to identify better treatments, guide care decisions, and identify opportunities for further investigation.

- **Million Veteran Program (MVP) and Precision Medicine (\$88.4 million)**

In 2025, MVP will build upon the recent success of the one millionth Veteran enrolled in 2024. MVP will continue enrollment but with a focus on better inclusion of under-represented populations, including rural Veterans, women, and minorities. Focused recruitment/enrollment of women and Hispanic Veterans will begin in 2025, including developing a plan for translating MVP documents into Spanish. In addition, MVP will begin collecting, new data, on military exposures to advance research on genetics, exposures, and health outcomes. Lastly, MVP will initiate clinical translation projects to advance precision medicine.

- **Suicide Prevention and Mental Health (\$30 million)**

This request supports mental health and suicide prevention research, including the Commander John Scott Hannon Mental Health Care Improvement Act (Hannon Act). Specific funding priorities in the 2025 request include the Army Study to Assess Risk and Resilience in Servicemembers (STARRS) that will establish a researcher in residence program to provide opportunities for VA investigators to be embedded within the STARRS investigative team. ORD continues to support investigator initiated lethal means safety projects.

- **ORD Enterprise and Infrastructure (\$135.8 million)**

The request supports the VA research enterprise initiative to efficiently improve the well-being of Veterans through research while respecting the investment of taxpayer dollars. This initiative is achieved by equipping the VA Research system to function as a coordinated whole rather than independent VA medical centers.

- **Infectious Diseases and Pandemic Preparedness (\$54.6 million)**

Request will include funding for a comprehensive biorepository and genomic sequencing infrastructures that work to advance research and public health surveillance and to improve diagnostic and therapeutic capabilities. This will include funding for the: Veterans Affairs Science and Health Initiative to Combat Infectious and Emerging Life-Threatening Diseases (VA Shield) and Sequencing Collaborations United for Research and Epidemiology (VA SeqCURE). Additional funding will support targeted Long COVID Research.

- **Traumatic Brain Injury TBI (\$52 million)**

Continue investment in TBI research to improve the accuracy of diagnosing remote TBI, enhance chronic care of TBI and its complex comorbidities, and develop treatments for the longer-term consequences most relevant to Veterans. ORD continues to focus on developing objective tools and resources to improve the diagnosis and monitoring of brain health in Veterans who have sustained a TBI. ORD will also focus on the improving the medical, mental health, and rehabilitative needs of Veterans with a lifetime history of one or more TBIs.

- **Investing in Artificial Intelligence (AI) in Research (\$10 million)**

Investment supports the real-world impact of VA research by providing a mechanism for directly translating new evidence into practice and by pilot testing novel tools and solutions to revolutionize clinical care. ORD is actively invested in leading groundbreaking, interdisciplinary research in AI through novel discoveries in data science, implementation science, systems science, and science of Veteran and other stakeholder engagement to create, validate, and apply computable biomedical knowledge in real-world practice.

Electronic Health Record Modernization

Appropriations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
EHR Contract	1,119	1,186	375
Infrastructure Support	441	424	191
Program Management	199	253	328
Total Appropriated	1,759	1,863	894
Rescission of prior year funding	(150)		
Total Appropriations	1,609	1,863	894

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Total FTE	200	313	313

The budget request includes \$894 million for the Veterans Electronic Health Record (EHR), a decrease of \$969 million (-52%) relative to the 2024 President's Budget. As part of an Electronic Health Record Modernization (EHRM) Program Reset (Reset) announced in April 2023, VA deferred work on future deployments of the Federal EHR, with the exception of the joint VA and DoD deployment at the Captain James A. Lovell Federal Health Care Center (FHCC), while the Department prioritizes improvements at the five sites and twenty-two clinics that currently use the Federal EHR. The purpose of the Reset is to optimize the current state of the Federal EHR; closely examine and address the issues that clinicians and other end users are experiencing; and position VA for future deployment success. VA is seeing incremental, but accelerating progress as it addresses the issues that clinicians and other end users are experiencing and as it optimizes the current state of the EHR system to ensure the enterprise-wide foundation is in place for success when deployments resume.

The 2025 budget of \$894 million supports Reset and sustainment/maintenance of the 6 sites. This includes:

- **\$375 million for EHR Contract** – This aligns with VA's revised Electronic Health Record Modernization Integration Office (EHRM-IO) deployment strategy that optimizes resources, provides flexibility, and restarts deployment activities. The funding will support enterprise integration and site implementation support, as well as sustainment for the current five sites and the FHCC.
- **\$191.1 million for Infrastructure Readiness** – Funds will aid in supplying deployment sites with updated computers and network infrastructure capable of supporting the federal EHR system six to eighteen months in advance of scheduled deployment. The funding will also support system interfaces and cybersecurity efforts.

- **\$327.9 million for Project Management Office (PMO)** – The funding will support personnel supporting effective change management as the federal EHR system is implemented throughout the nation. The goal is also to retain qualified experts who understand VA’s legacy systems, computer programming languages and interfaces. The request supports VHA experts that are critical to change management and effective deployment. EHRM will support the Federal Electronic Health Record Modernization (FEHRM) program office for \$23.4 million; part of this request includes federal staff pay, contract support staff, funding for travel, training, equipment, and supplies.

Office of Information and Technology

Discretionary and Mandatory Appropriations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Development	142	126	1
Operations and Maintenance	4,146	4,668	4,544
Staffing and Administrative Support Services	1,494	1,607	1,686
Subtotal, Discretionary Funds	5,782	6,401	6,232
Toxic Exposures Fund (Mandatory)	656	1,243	1,364
Total, Budget Authority	6,438	7,644	7,595

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Direct and Reimbursable (Discretionary)	7,961	8,243	8,405
Toxic Exposures Fund (Mandatory)	12	139	139
Total FTE	7,973	8,382	8,544

The 2025 discretionary request for IT Systems is \$6.2 billion, \$169 million (-2.6%) below the 2024 request. This funding level will:

- Support expansion of select Development, Enhancement, and Modernization projects needed to reduce technical debt and mitigate cybersecurity threats to fully support the operations and maintenance of aging and legacy systems necessary to sustain current Veterans services.
- Strategically invest in the Federal Chief Information Officer (CIO) Key Priorities working to bolster investments in the areas of IT Modernization, Cybersecurity, and IT Workforce needed to drive digital transformation across the Federal enterprise increasing opportunity for seamless Veteran digital experience.
- Adamantly maintain Standard IT Investments which represent the critical core and bedrock systems serving as the structural backbone of the VA digital ecosystem – especially in areas like the Infrastructure Readiness Program (IRP) and Application Services which support VA’s infrastructure refresh and hardware and software maintenance.

The judicious use of budgetary resources associated with discretionary and TEF resources will require a carefully balance of funding streams across health, benefits, and memorial programs to ensure IT investments reflect VA’s vision of a seamless Veterans experience.

The 2025 request for Development, Enhancement, and Modernization is \$960,000 (-\$125 million, -99.2%), \$45 million (-\$318 million, -87.7%), and \$267 million (-\$531 million, -66.5%),

respectively. Across the U.S. Government, agencies are undertaking IT modernization and digital transformation efforts in pursuit of more efficient and impactful service delivery. The 2025 request supports limited, controlled investment in IT modernization.

The 2025 request will focus on the operations and maintenance of aging and legacy systems necessary to meet the current needs of VA stakeholders including VHA, VBA, NCA, and VA Staff Offices. VA will invest in key Federal initiatives including Zero Trust Architecture, Artificial Intelligence, and Section 508 Compliance. VA will continue to invest in development, enhancement, and modernization activities needed to reduce technical debt, adequately secure the digital environment, and expand the IT workforce in support of VA employees and Veterans.

IT Modernization

VA remains dedicated to the improvement and scaling of modern technologies needed to ensure a stable and secure digital ecosystem. VA recognizes IT Modernization must be an on-going process rather than a single standalone event to allow for continuous modernization rather than costlier sporadic “catch ups.” VA is making investments in IT Modernization and initiatives such Financial Management and Supply Chain Management to support an end-to-end enterprise approach to modernization.

IT Workforce

Investing in the IT workforce makes VA an attractive employer for top talent that better delivers services to Veterans. The 2025 budget supports the Special Salary Rate (SSR) authorized pursuant to the PACT Act for IT technical positions. This investment is balanced by VA’s ability to maximize these incentives while concurrently tempering staffing levels. The 2025 budget supports targeted expansion of IT services – including Artificial Intelligence. Today, 32% of OIT’s workforce are retirement eligible and 46% are retirement eligible in the next 3 to 5 years. VA must continue investing in the IT workforce, developing career tracks, establishing apprenticeship programs, and evolving talent acquisition strategies to deliver world-class IT products and services to millions of Veterans, their families, and caregivers.

Mission Delivery IT Investments

The 2025 budget for Mission Delivery IT Investments is \$1.149 billion, which is \$5 million (-0.5%) below the 2024 estimate. Mission Delivery investments directly support the delivery of VA’s mission and are linked to the department’s strategic and annual performance plan having high executive visibility, high costs, or unusual funding mechanisms. VA’s Mission Delivery IT Investments directly impact VA’s ability to provide critical services to Veterans and their families.

In 2025, VA will heavily invest in the Memorial Affairs portfolio (\$48 million; +\$2 million, + 5.4% above the 2024 estimate) ensuring the technology services needed to provide Veterans and their families with burial benefits and memorial services – at no cost to the family and with customer satisfaction ratings leading all public and private organizations in the nation – remain a top priority in the department.

Investments in the Veterans Benefits portfolio will be \$52 million, which is \$36 million (-40.8%) below the 2024 estimate. A substantial number of systems in this portfolio, however, provide direct benefits or are incidental to the delivery of benefits for toxic exposed Veterans, and therefore VA plans to use a significant amount of TEF resources to support this portfolio - \$635 million, which is \$136 million (+\$27.3%) above the 2024 estimate in accordance with the PACT Act, VA financial policy, and recent Office of Inspector General (OIG) operational reviews. The total investment of discretionary and TEF funds results in an increased investment.

VA will maintain a steady investment in the Health and Social Services portfolio - \$1.049 billion, which is \$28 million (+2.8%) above the 2024 estimate. The Health & Social Services portfolio provides advanced technology solutions positioned to ensure modern, high quality and efficient medical care delivery capabilities to our Nation's Veterans. Key investments include:

- Supply Chain Management (\$98 million; -\$20 million; -17.1%) which ensures the continued sustainment of the Supply Chain Enterprise Solution needed to support efficient logistics across VA; and
- Health Management Platform (\$431 million; -\$32 million, -7.0%) which impacts an estimated 5,300 active Veterans by improving their quality of care and reducing health care costs, including accessing medical services in foreign locations.

Mission Support IT Investments

The 2025 budget for Mission Support IT Investments is \$872 million, which is \$44 million (-4.8%) below the 2024 estimate. Mission Support investments capture activities that are common across all federal agencies and include functional areas such as financial management, human capital, acquisitions, and grants management. These IT investments indirectly affect how VA operates to meet the needs of Veterans and their families.

Mission Support investments capture the entirety of the Corporate Services portfolio (\$872 million; -\$44 million, -4.8%). Corporate Services consist of the back-office operations that is a major contributor to running the business lines of the Department and support for the Office of Management; Office of Acquisition, Logistics and Construction; Office of General Counsel; and Human Resources and Administration/Operations, Security and Preparedness. Key investments include:

- Financial Management (\$52 million; -\$88 million, -62.9%) which enables compliance with financial management legislation, ensure continuity of the implementation schedule, and improve services to those who serve the Veteran; and
- Other Corporate IT Systems (\$116 million; -\$37 million, -24.1%) which supports Human Resources projects such as Employee Performance Management modernization which would support the transition of VA from the legacy Talent Management System (TMS) to the new Enterprise Learning Management Solution (ELMS) modernizing VA's system of record for learning and employee development.

Standard IT Investments

The 2025 budget for Standard IT Investments is \$2.524 billion, which is \$199 million (-7.3%) below the 2024 estimate. Standard investments are related to costs associated with the VA's enterprise IT systems infrastructure, security, and IT management which service as the structural backbone of VA's digital ecosystem. Key investments include:

- **Infrastructure Readiness Program** (\$135 million; -\$256 million; -65.6%) which is a high visibility initiative that supports VA's ability to maintain modern and operational infrastructure required to ensure reliable functionality and telephony services, supports ongoing IT operations by providing technical refresh for end-of-life servers/storage, and reduces latency in system performance; and
- **IT Operations** (\$1.068 billion; -\$183 million; -14.7%) which include Application Services (\$82 million; -\$109 million, -56.9%) which support the continued maintenance of critical VA hardware such as Active Directory, VistA Imaging NetApp, data centers, networks, servers, and NetApp Converged Infrastructure (CVI) that ensures the integrity and security of VA's infrastructure, as well as the maintenance of critical VA software.

Board of Veterans' Appeals

Discretionary and Mandatory Appropriations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Board of Veterans' Appeals (Discretionary)	285	287	267
Toxic Exposures Fund (Mandatory)	1	4	19
Total Budget Authority	286	291	286

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Base Funded	1,212	1,396	1,445
American Rescue Plan	33	-	-
Toxic Exposures Fund	-	46	153
Total FTE	1,245	1,442	1,598

The Board requests \$267.0 million, coupled with \$28.7 million in unobligated balances from 2024 (totaling \$295.7 million), to support program operations. The majority of the Board's budget (91%) funds personnel costs to support 1,445 FTE. The 2025 funding request and the planned unobligated balance will fund a projected pay raise of 2.0%, while also positioning the Board to continue to recruit and train the Veterans Law Judges (VLJs), decision writing attorneys, and administrative staff vital to achieving its mission-critical goal of adjudicating 118,000 appeals. The budget request supports continued resolution of legacy appeals and adjudication of the appeals associated with the Veterans Appeals Improvement and Modernization Act of 2017 (AMA), P.L. 115-55. In 2025, the Board will adjudicate an increased percentage of AMA appeals and will decide most of its appeals under the AMA (compared to legacy appeals), to include new appeals received because of the PACT Act. The Board also projects to reduce pending appeals inventory from the 2024 level.

The remaining \$26.4 million (9%) of non-pay costs includes \$8.4 million in lease expenses associated with the Board's office in Washington, D.C. Another \$2.3 million of the request is for planning and preparing for a potential relocation, with the current lease expiring in June 2026. The requested amount was recommended by the VA Office of Administration to fund potential furniture and equipment costs associated with a move. The Board also maintains several contracts (~\$5.7 million) to provide services to Veterans including research tools, books, periodicals, and transcription services. Non-pay costs also include interagency agreements (~\$8.3 million), which support functions such as human resources and labor relations, building security, and financial service center support. This budget request will help VA meet Veterans' expectations, maintain the quality assurance goals for appeal decisions, and improve trust scores administered and collected through the VEO VSignals customer experience surveys. The Board is focused on increasing the number of appeals adjudicated to support the Department's prioritization to draw down the pending inventory of Legacy appeals while simultaneously adjudicating appeals under the AMA.

Veterans Benefits Administration

Appropriations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request	2026 Request
General Operating Expenses (Discretionary)	3,863	3,899	4,035	NA
Loan Administrative Funds (Discretionary)	250	320	326	NA
Subtotal, Discretionary	4,113	4,219	4,361	NA
Toxic Exposures Fund (Mandatory)	482	1,769	1,401	NA
Subtotal Operations, Discretionary and TEF	4,595	5,988	5,762	NA
Mandatory Benefits				
Compensation and Pensions*	152,017	161,851	192,131	204,482
Insurance Benefits*	110	134	135	132
Readjustment Benefits*	8,907	8,827	16,057	17,614
Credit Reform Upward Reestimates and Subsidy**	775	2,285	2,304	NA
Veterans Housing Liquidating Account	(3)	(3)	(3)	NA
Subtotal, Mandatory Benefits***	161,805	173,093	210,625	222,228
Total, Mandatory and Discretionary	166,400	179,081	216,387	222,228

* Includes advance and annual appropriations in years where amounts in addition to advance appropriations were requested.

**2023 and 2024 include upward re-estimates. The 2025 request does not include re-estimates, which are calculated at the fiscal year end.

*** Does not include trust funds, proprietary receipts, or intragovernmental transactions.

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request	2026 Request
General Operating Expenses	25,580	25,762	25,762	NA
Toxic Exposures Fund	6,004	8,501	7,072	NA
Total FTE	31,584	34,263	32,834	NA

The VBA 2025 budget requests \$4.4 billion in discretionary funding to provide Veterans, their dependents and survivors a variety of benefits and services. This includes \$4.0 billion for VBA General Operating Expenses (GOE), which is \$136 million (3.5%) above 2024. This request delivers \$212 billion in mandatory benefit payments and services to Veterans and other beneficiaries (including the TEF), at an operating cost of about five cents for every dollar of benefits delivered. The 2025 GOE request includes an increase of 2% in pay and 2% for non-pay inflation.

Of the requested increase, \$2 million will be used to address risks associated with rights and safety-impacting government AI use cases. This AI investment will support continued data curation for data sets utilized in the training of AI models. Data curation is critical to the development of AI systems as it ensures the quality, relevance, and integrity of the data used in training and operationalizing AI products. Proper curation helps mitigate biases, enhance accuracy, and build trustworthy AI systems by minimizing the risk of unintended consequences in rights-impacting

applications like the delivery of disability benefits. Additionally, this investment will support expanded auditing of AI systems to ensure robust, reliable, repeatable, and standardized evaluations. Effective AI auditing techniques involve code reviews, testing for security vulnerabilities, and implementing bias detection tools. This auditing framework will become the foundation that builds ethical frameworks and governance policies for AI development that promote transparency and accountability through the lifecycle of AI systems.

Key Discretionary Investments

Compensation and Pension (C&P) Claims Modernization (\$115.2 million): This initiative automates components of the C&P claims process from submission to decision. Without changes to the underlying process, the number of claims for disability benefits would significantly outpace the ability to complete them. C&P Claims Modernization focuses on gaining efficiencies for certain types of claims through a suite of automation capabilities, increasing VA's capability to deliver fast, accurate, and consistent claim decisions for Veterans. All claim decisions are still made by a VBA employee, but this initiative maximizes automated tasks, allowing employees to focus on key decision-making functions such as claims authorization.

Claims Processing Overtime (\$95.9 million): Funding will be used for overtime expenses in 2025 to support timely processing of claims during periods of claims influx. This reflects an increase of \$43.0 million over 2024.

Loan Administrative Funds (\$326.0 million): The 2025 request reflects an increase of \$6.0 million over 2024, \$3.1 million of which is to support Native American Direct Loans. Funding will be used for increased FTE and outreach efforts.

Key TEF Investments

Toxic Exposures Fund: VBA plans to obligate \$1.4 billion in TEF resources in 2025, which will support 7,072 FTE. TEF funds will support timely processing of the additional Compensation and Pension workload resulting from the PACT Act. Even with aggressive hiring strategies and advancements in automated decision support, the claims backlog has grown because of the PACT Act. The funding investment in claims processing will enable VA to return to a stable backlog level of around 100,000 in 2025. Operational costs include \$1.2 billion in payroll; \$180.4 million in non-pay costs to include training, equipment, travel, and contracts; and \$12.6 million in reimbursements to the VEO for Contact Center operations.

Payments to Veterans and Beneficiaries

The number of direct benefits payments to Veterans has increased annually because of legislation, expanding Veterans' benefits and VA's successful efforts to adjudicate claims more quickly. 2025 is expected to follow this trend, as shown in the Number of Beneficiaries table below.

Veterans Benefits: Direct Payments

(\$s in 000s)	2023 Enacted	2024 Estimate	2025 Request	2026 Advance Request
Compensation	146,021,729	170,780,746	184,292,367	196,967,961
Pensions	3,504,174	3,240,186	3,024,836	2,834,067
Education Benefits	10,821,394	12,079,939	13,445,370	14,476,466
Veteran Readiness and Employment	1,641,900	1,927,655	2,407,674	2,924,850
Total	161,989,197	188,028,526	203,170,247	217,203,344

Excludes contract exams, OBRA payments to GOE, burial obligations, and other costs.

Overview of VBA Workload

VBA continues to serve millions of Veterans across multiple benefits programs. The following chart shows the historical and projected growth across VBA's primary lines of business.

Number of Beneficiaries

	2023 Enacted	2024 Estimate	2025 Request	2026 Advance Request
Compensation Beneficiaries	6,035,938	6,493,232	6,871,039	7,156,003
Pensions Beneficiaries	280,223	249,357	224,302	202,428
Education Program Trainees	859,119	924,809	981,229	1,023,924
Veteran Readiness and Employment Beneficiaries	95,571	115,463	134,580	154,523
New Housing Loans and Refinancings	386,045	411,029	432,764	456,048
Insured Persons	5,554,764	5,581,074	5,568,218	5,556,233

Disability Compensation: VBA has increased claims production through process optimization and automation to help keep pace with increases in claims receipts. The following table provides a summary of workload projections:

Projected Compensation Workload and FTE Requirements

	2023 Enacted	2024 Estimate	2025 Request
Compensation Direct Labor FTE	16,662	15,966	15,966
Rating Receipts Compensation Claims	2,302,517	1,964,855	2,096,954
Rating Production Compensation Claims	1,863,615	2,295,171	2,351,133
Year-End Inventory Compensation Claims	1,038,835	708,519	454,340

Pension, Dependency and Indemnity Compensation (DIC), Burial and Fiduciary Programs:

The following table provides a summary of the VBA pension and DIC rating workload and FTE

projections. This summary includes data for only pension and DIC claims considered to be part of VBA’s overall disability claims inventory, i.e., “rating claims.”

Projected Pension, DIC & Burial Workload and FTE Requirements

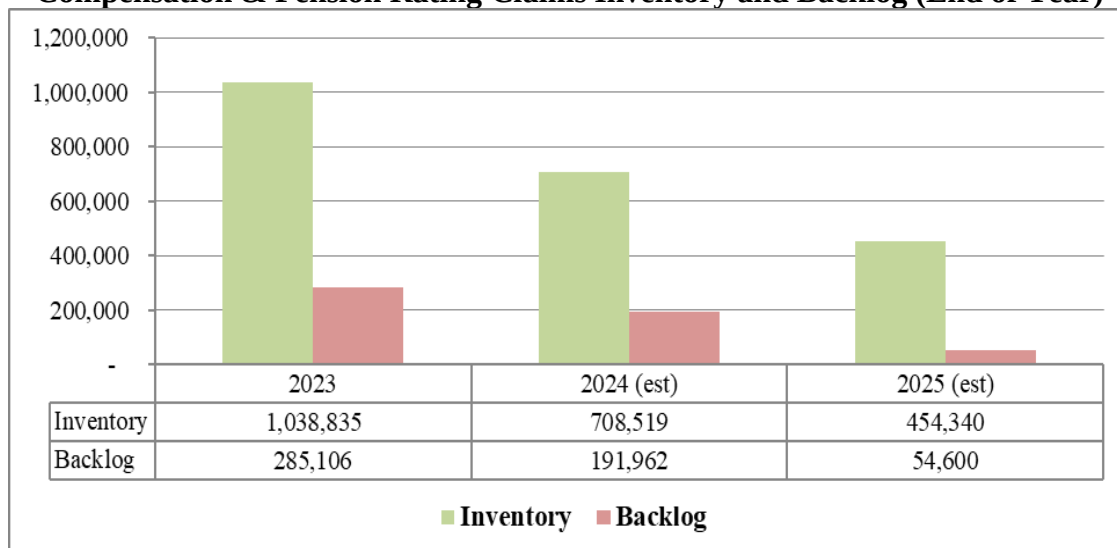
	2023 Enacted	2024 Estimate	2025 Request
Pension, DIC & Burial Direct Labor FTE	890	890	890
Total Receipts Pension, DIC & Burial Claims	131,212	126,038	134,999
Rating Production Pension, DIC & Burial Claims	118,239	131,741	144,090
Year-End Inventory Pension, DIC & Burial Claims	53,018	47,315	38,224

Projected Fiduciary Workload and FTE Requirements

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Direct Labor FTE	1,135	1,335	1,335
Field Examinations			
Initial Appointment Field Examinations	30,774	30,513	30,427
Follow-up Field/Alternate Examinations	46,724	45,935	45,288
Total Field Examinations	77,498	76,448	75,715
<i>Initial Appointments as a Percentage of Total</i>	<i>39.71%</i>	<i>39.91%</i>	<i>40.19%</i>
Accountings	34,724	34,138	33,945
Fund Usage Reviews	16,958	16,672	16,577

Compensation & Pension Rating Claims Inventory and Backlog: The backlog of claims older than 125 days peaked at over 400,000 in 2024 as a result of the PACT Act’s expansion in eligibility for benefits. The inventory of claims and the backlog is expected to decline in 2025 as a result of the aggressive hiring and claims processing automation, partially funded by the TEF.

Compensation & Pension Rating Claims Inventory and Backlog (End of Year)



Compensation & Pension Appeals: The Office of Administrative Review works to reduce VBA's legacy remand inventory, administer VBA's higher-level review (HLR) program, and oversee VBA's Decision Review Operations Centers, which processes AMA higher-level reviews, higher-level review returns, and Board remands and grants. VBA and the Board share a total of 47,108 compensation and pension legacy appeals still pending. Fewer than 33,804 are at VBA. VBA forecasts the FTE required to process legacy appeals will decrease as it eliminates the non-remand inventory. The table below projects the reduction of VBA's C&P legacy appeals inventory through 2025. For the AMA HLR inventory, VBA has experienced exponential growth of HLR receipts since the beginning of 2021 and projected continuation for this workload's receipts through 2026.

Compensation & Pension Appeals Workload

	2023 Enacted	2024 Estimate	2025 Request
Legacy Appeals Inventory	33,356	24,272	3,375
HLR Receipts	171,526	232,518	257,035
HLR Inventory	53,104	71,807	64,862
HLR Average Days to Complete (FYTD)	77.1	106.1	90.2

National Cemetery Administration

Budgetary Resources

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Operations and Maintenance	430	480	495
Grants for Veterans Cemeteries	50	60	60
Major Construction	140	112	75
Minor Construction	157	183	174
Facilities Operations and National Cemetery Gift Funds	1	1	1
Compensation and Pension (Headstones & Markers, Graveliners, Burial Receptacles, Caskets & Urns)	121	109	114
Total, Budgetary Resources	899	945	919

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Total FTE	2,199	2,331	2,358

VA honors Veterans and their family members with final resting places in national shrines with lasting tributes that commemorate their service and sacrifice to our Nation. The 2025 budget positions NCA to meet Veterans’ emerging burial and memorial needs in the decades to come through the continued implementation of the following policies in support of six overarching goals:

1. Veterans and eligible family members will have increased access to burial benefits.
2. More Veterans and eligible family members will use VA burial and memorial benefits.
3. Veterans will be memorialized through enhanced tributes befitting their service and sacrifice to the Nation.
4. Stakeholders will place greater trust in NCA based on enhanced accountability.
5. Stakeholders will be served more efficiently and effectively by NCA’s internal capacity.
6. NCA will be recognized as an organization committed to diversity and inclusion.

NCA long range goals support the following four key priorities.

- Access: Provide 95% of Veterans with access to a burial option within 75 miles of their home.
- Outcomes: Meet or exceed “NCA Operational Standards and Measures” at all VA national cemeteries.
- Customer Service: Deliver world class customer service to all of NCA’s customers; and
- Modernizing Memorialization: Use innovation to connect to new audiences and modernize memorialization.

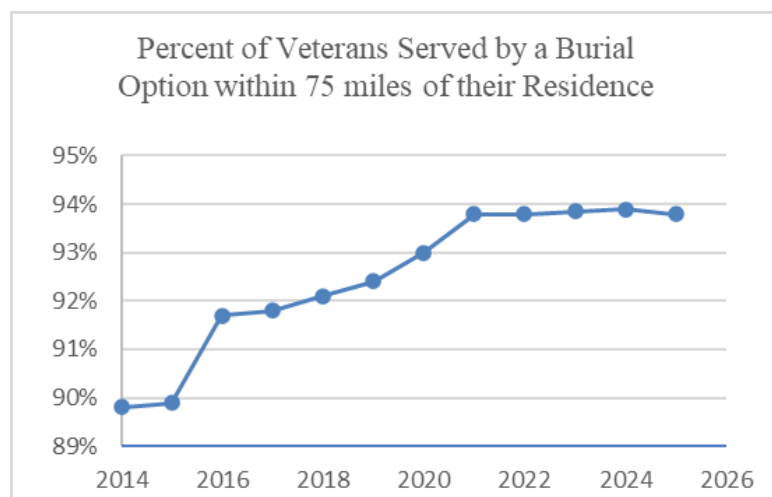
VA requests \$495 million for the NCA Operations and Maintenance account. The Operations and Maintenance appropriation will fund the operation of 158 national cemeteries and 35 other cemeterial installations, as well as their maintenance as national shrines. It also funds the costs of administering seven related programs: Veterans Cemetery Grant Program (VCGP), Headstone, Marker and Medallion program, Presidential Memorial Certificate (PMC) program, First Notice of Death (FNOD) program, Casket & Urn reimbursements, Outer Burial Receptacle (OBR) program and Cremation Urns and Commemorative Plaques. The purchase and transportation costs of the headstones and markers, medallions, pre-placed crypts and OBRs, casket and urn reimbursements and cremation urns and commemorative plaques are financed from the Compensation and Pensions appropriation.

VA's 2025 request includes funding to support 2,358 FTE. Approximately 71% are Veterans and nearly 87% are in the field providing direct support to Veterans and their families ensuring they receive dignified, respectful and courteous service.

In 2025, VA requests \$248,000 for the operations and maintenance of Mare Island Naval Cemetery transferred in 2023 from the City of Vallejo, California to include the costs of grounds maintenance and utilities.

VA also requests \$5.3 million and 41 FTE for existing cemeteries facing workload increases and project expansions in 2025. The number of interments at VA national cemeteries is expected to be 137,440 in 2025 and will decline gradually. While the number of interments is expected to slowly decline, NCA must maintain the accumulation of gravesites in perpetuity. The total number of gravesites increased from nearly 3.7 million in 2018 to over 4.2 million in 2024. The number of gravesites is expected to be nearly 4.4 million in 2025. NCA maintains more than 24,600 acres with the total developed acreage projected to reach nearly 10,100 in 2025, an increase over the 9,992 developed acreage in 2024. As NCA's workload continues to increase, this request is essential for NCA to maintain its position as the most highly regarded organization, in both public and private sectors, in terms of customer satisfaction.

VA is nearing its goal to provide 95% of Veterans with access to a burial option in a national, state or tribal Veterans cemetery within 75 miles of their homes. In 2025, 93.8% of the Veteran population will be served with such access. Increasing and maintaining the availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable



access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands.

NCA Construction

Major Construction: Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land. In 2025, NCA requests \$75 million in major construction funds which includes \$45 million to complete Phase 1 gravesite development project on new land at Fort Logan National Cemetery. These funds will be used specifically to address the cemetery dams/spillways and perform all specialized work associated with the lakes and drainageways. An additional \$30 million is requested for advanced planning and design activities such as master planning and design for new cemeteries and expansions to maintain access to existing national cemeteries.

Minor Construction: NCA requests \$174 million in the 2025 minor construction budget to provide funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. NCA is committed to reducing the number of critical Facility Condition Assessment (FCA) infrastructure deficiencies related to safety and/or compliance and will partially address the growing list of FCA deficiencies rated D and F through the Minor Construction account.

NCA Grants for Construction of Veterans Cemeteries

NCA seeks to increase the availability of state, territory and tribal Veterans cemeteries which serve as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In 2025, NCA requests \$60 million for Grants for Construction of Veterans Cemeteries to provide additional establishment, expansion and improvements grants to state, territory and tribal organizations in support of increasing or improving burial access. The Grants program plays a crucial role in achieving NCA's strategic target of providing 95% of Veterans with reasonable access to a burial option. In addition, the Grant program is a cost-effective alternative to VA construction and recurring operating expenses. With the number of state, territory, and tribal Veterans cemeteries increasing from 80 to 122 over the last 10 years, the need to provide expansion grants for existing cemeteries has also grown, in both number and dollar amounts.

General Administration

Appropriations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Office of the Secretary	17.32	19.17	18.16
Office of General Counsel	136.35	149.28	142.31
Office of Management	78.06	88.42	81.23
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	111.39	120.90	121.73
Office of Enterprise Integration	36.23	38.94	37.82
Office of Public and Intergovernmental Affairs	15.76	17.99	16.30
Office of Congressional & Legislative Affairs	9.55	9.98	9.90
Office of Acquisition, Logistics and Construction	-	-	-
Veterans Experience Office	-	-	-
Office of Accountability and Whistleblower Protection	28.33	30.33	29.56
Total Appropriated (Discretionary)	433.00	475.00	457.00
Toxic Exposures Fund (Mandatory) /1	36.73	89.80	61.67
Total Budget Authority, All Funds	469.73	564.80	518.67

/1 This reflects the total allocations for General Administration from amounts appropriated to the TEF from the Consolidated Appropriations Act, 2023, appropriated \$5.0 billion to the TEF in 2023; the Fiscal Responsibility Act of 2023 appropriated \$20.3 billion to the TEF in 2024 and \$24.5 billion to the TEF in 2025.

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Office of the Secretary	75	83	78
Office of General Counsel	666	737	686
Office of Management	262	334	284
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	332	357	397
Office of Enterprise Integration	70	109	109
Office of Public and Intergovernmental Affairs	73	81	73
Office of Congressional & Legislative Affairs	44	46	45
Office of Acquisition, Logistics and Construction			
Veterans Experience Office			
Office of Accountability and Whistleblower Protection	125	141	139
Total Direct Funded FTE	1,647	1,888	1,811
Reimbursable FTE, all offices	1,320	2,121	2,356
Subtotal Direct and Reimbursable FTE	2,967	4,009	4,167
TEF FTE, all offices	45	229	375
Total General Administration FTE	3,012	4,238	4,542

VA requests \$457 million and 3,937 FTE for the General Administration (GenAd) account. This FTE request includes 1,811 direct funded FTE and 2,126 reimbursable FTE. The appropriation request is 3.8% percent (\$18 million) below the 2024 estimate which is realized through a net decrease of 77 FTE in various Staff Offices. The 2025 request will continue to provide leadership, program management, budgetary oversight, accountability, and process improvements throughout the Department.

Highlights of the GenAd Staff Office requests for 2025 are:

- \$18.2 million in budget authority and 111 total FTE to the Office of the Secretary to provide executive direction for all VA programs to transform VA into a premiere customer experience organization that delivers care and benefits to Veterans. The request includes reimbursable funds to support 33 FTE in the Office of Employment Discrimination Complaint Adjudication that report directly to the Secretary.
- \$142.3 million in budget authority and 869 total FTE for the Office of General Counsel. The request includes a 51 FTE decrease (\$10 million) to comply with the FRA while continuing efforts to address an expanding legal workload. These include an increasing number of cases before the United States Court of Appeals for Veterans Claims (CAVC), and legal and litigation support for VA Intellectual Property
- \$81.2 million in budget authority and 290 total FTE for the Office of Management. To meet budgetary targets, OM will absorb a net decrease of 50 FTE decrease (\$10.6 million). In addition, OM will strategically realign resources to support a centralized grant management office, enhance support for audit tasks relating to the new financial system, improve Strategic Capital Investment Planning, expand Enhanced Use Lease program, and increase staff for actuarial analysis and modeling.
- \$121.7 million in budget authority and 1,316 total FTE for HRA/OSP. The request includes a \$4.2 million and 27 FTE increase for the Human Resources Service Center; this funding is being realigned from Staff Offices and has a net zero effect on GenAd's total budget. HRA/OSP's increase is offset by a \$5.2 million decrease from decreases to facilities operations management and furniture contracts. The full budget request supports inspections of 144 Police units across the nation and criminal investigations of serious incidents.
- \$37.8 million in budget authority and 109 total FTE for OEI. The request includes an increase of \$2.3 million for a pay raise and non-pay inflation. The increases are offset by decreases in contract spending. OEI will invest in its employees to continue to provide analysis, advice, and recommendations to senior leaders on VA plans, programs, resource estimates, and alternative solutions to complex problems.
- \$16.3 million in budget authority and 78 total FTE for the Office of Public and Intergovernmental Affairs. The budget request decreases its staff by eight FTE (\$1.5 million) and continues to fund outreach activities, Tribal government conferences, and Public Affairs Training Academy. Outreach activities enable VA to communicate

effectively with Veterans and the public and local governments by positively enforcing its commitment and readiness to serve America's Veterans of all generations.

- \$9.9 million in budget authority and 45 FTE for the Office of Congressional and Legislative Affairs. The budget request reduces its staff by one FTE (\$203,000) through attrition to fund pay raise and benefit increases in 2025, and to maintain existing core workloads that improve relationships and communications with associations representing state and local governments and with elected officials.
- \$220.4 million in reimbursable authority to support 613 FTE for the Office of Acquisition, Logistics, and Construction. Funding will be provided from VA's Major Construction appropriation and will support planning, designing, constructing, and acquiring facilities and real property, and setting design and construction standards.
- \$134.8 million in reimbursable authority and 367 in reimbursable FTE for the Veterans Experience Office. The office has been designated as Lead Agency Partner for the President's Management Agenda Cross Agency Priority Goal on Improving Customer Experience with Federal Services.
- \$29.6 million in budget authority to support 139 FTE for the operation of the Office of Accountability and the Whistleblower Protection. The budget request reduces its staff by two FTEs (\$410,000) to fund pay raise and benefit increases in 2025. The office will continue to implement the oversight and compliance requirements within the VA Accountability and Whistleblower Protection Act of 2017.

General Administration TEF Investments

Toxic Exposures Fund (TEF), General Administration Funding by Account

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Cost of War Toxic Exposures Fund (TEF)			
Office of the Secretary	0.34	0.19	0.19
Office of General Counsel	11.71	37.73	9.60
Office of Management	-	-	-
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	11.27	37.35	37.35
Office of Enterprise Integration	2.51	3.25	3.25
Office of Public and Intergovernmental Affairs	0.69	3.50	3.50
Office of Congressional & Legislative Affairs	-	-	-
PACT Act Program Management Office	10.21	7.78	7.78
Total, Mandatory Appropriations	36.73	89.80	61.67

/1 This reflects the total allocations for General Administration from amounts appropriated to the TEF from the Consolidated Appropriations Act, 2023, appropriated \$5.0 billion to the TEF in 2023; the Fiscal Responsibility Act of 2023 appropriated \$20.3 billion to the TEF in 2024 and \$24.5 billion to the TEF in 2025.

Toxic Exposures Fund (TEF), General Administration FTEs

TEF FTEs	2023 Enacted	2024 Estimate	2025 Request
Office of the Secretary	0	1	1
Office of General Counsel	30	124	239
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	13	92	122
Office of Enterprise Integration	-	4	4
PACT Act Program Management Office	2	9	9
Total Toxic Exposures Fund FTEs	45	229	375

The TEF will provide \$61.7 million for GenAd Staff Offices in 2025, which is \$28.1 million less than the 2024 estimate.

Highlights of the GenAd Staff Office TEF requests for 2025 are:

- \$190,000 in budget authority and 1 FTE for the Office of the Secretary. The request is to: support one limited-term Senior Executive Service (SES) FTEs who leads the PMO; and ensure deliverables are implemented.
- \$9.6 million in budget authority and 239 FTE for the Office of General Counsel. Funding is to meet growing workload in the Court of Appeals Litigation group as BVA's anticipated increases in PACT Act appeals output drives a corresponding growth in OGC. The increase also funds expanding workload in preventative and personnel law as VA hires additional employees. Benefits Law and Health Care Law are also affected as OGC assists in developing regulations, interpreting novel provisions of the PACT Act, and assessing process changes and policy proposals.
- \$37.3 million in budget authority and 122 FTE for HRA/OSP. Funding is to support development or revision of policies stemming from the PACT Act; workload increases in response to VA's HR community increases; modeling within manpower management office; and oversight of VA police in response to increases in security requirements.
- \$3.3 million in budget authority and 4 FTE for OEI. OEI projects an increase in integration, coordination, monitoring, and reporting due to the PACT Act. It will need contract support in program management and administration, policy and strategic analysis, enterprise synchronization, data engineering, and qualitative data analysis.
- \$7.8 million in budget authority and 9 FTE for the PACT Act Project Management Office (PMO). The office is currently housed under OEI with leadership direction from the OSVA. The office will centralize strategic functions to integrate and support all PACT Act activities:
 - Ensures legislative objectives to expand benefits and enhance access to care are met.
 - Tracks risk, scope, schedule, requirements, and cost.
 - Provides traceability and transparency for senior leaders on implementation progress, including timely identification of implementation roadblocks.

- \$3.5 million in budget authority for OPIA. With existing FTE, OPIA will coordinate, plan, implement and assess several complex communication actions, including advertisements to inform Veterans of the specifics of the Act and the benefits they may be entitled to.

Construction

Discretionary and Mandatory Appropriations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Major Construction	1,372	881	2,069
Minor Construction		680	380
Subtotal, Construction Appropriation (Discretionary)	1,372	1,561	2,449
Transformational Fund (TF) Investments			
Construction, Major Projects	805	676	-
Construction, Minor Projects	88	-	307
Medical Facilities, Non-Recuring Maintenance	75	-	-
Subtotal, TF Investments	968	676	307
Total, Discretionary and TF Appropriations	2,340	2,237	2,756
PACT Act Section 707 (Major Medical Facility Leases)			
Medical Facilities	1,880	100	200
Total, Discretionary, TF, and Mandatory Appropriations	4,220	2,337	2,956

The appropriations request for construction is \$2.45 billion, including \$2.07 billion for major construction and \$380.5 million for minor construction. When the major and minor construction funds are combined with \$307 million from the RETF, a total of \$2.76 billion will be available in 2025.

Major Construction projects include funding for:

- Build New Critical Care Center, Central Utility Plant, Demolition and Renovations to Building 500, West Los Angeles, California
- Clinical Expansion for Mental Health, Expansion of Parking Facilities and Land Acquisition, Dallas, Texas
- Expanded cemetery in Denver, Colorado

VA's capital requirements are primarily driven by Veterans' need for care in modern facilities that are safe, secure, sustainable, and accessible. VA's Strategic Capital Investment Planning (SCIP) process has served as the basis for prioritizing VA capital investment funding decisions since the 2012 budget. Projects prioritized for funding through the SCIP process will correct critical seismic and safety deficiencies and address other performance gaps at VA facilities.

Office of Inspector General

Appropriations

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Total, Budget Authority	273	296	296

Base funding only. Excludes carryover, CARES Act and American Rescue Plan funding.

FTE

All Funding Sources	2023 Enacted	2024 Estimate	2025 Request
Total FTE	1,102	1,125	1,087

The OIG requests \$296 million for 1,087 FTE in 2025 to fulfill statutory oversight requirements for all VA programs, services, and operations, including health care and benefits delivery, procurements and acquisitions, information technology and security, construction, leadership and governance, and financial stewardship. The budget supports a spectrum of audits, inspections, and reviews that identify potential improvements to VA program outcomes, strengthen the integrity of high-risk activities, and deter misconduct. These programs also support and enhance the OIG's capacity to detect criminal activity and conduct timely and thorough investigations when serious instances of fraud, waste, and abuse are discovered.

The previous President's Budget request of \$296 million for 2024 allows the VA OIG to pay for all mandatory pay and benefits increases as well as hire staff at the authorized level without using carryover funding. However, the same budget level of \$296 million in 2025, coupled with another mandatory payroll and benefits increase of 2% would require the use of carryover funding. Approximately \$4 million is estimated for the pay raise in 2025. Significant carryover is required given the uncertainty of appropriations and possible government shutdowns.

Recurring Expenses Transformational Fund

Planned Use of RETF

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Construction, Major Projects	805	676	-
Construction, Minor Projects	88	-	307
Medical Facilities, Non-Recurring Maintenance	75	-	-
Transformational Fund	968	676	307

2025 will be the fourth year in which resources become available in the RETF, authority for which was enacted in the Consolidated Appropriations Act, 2016 (P.L. 114–113). Unobligated balances of expired non-emergency discretionary funds appropriated in 2016 or any succeeding fiscal year may be transferred to the RETF at the end of the fifth fiscal year after the last fiscal year for which such funds are available for the purposes for which appropriated. The RETF is available for facilities infrastructure improvements, including nonrecurring maintenance, at existing VHA hospitals and clinics, and for information technology systems improvements and sustainment.

In 2022 a total of \$820 million in the RETF was rescinded and \$670 million was reappropriated to Information Technology Systems and \$150 was reappropriated to Medical Facilities. In 2023, \$968 million in total was appropriated for execution from the RETF. In 2024, \$676 million is planned for execution from the RETF in support of major construction projects.

The 2025 budget anticipates a transfer of \$307 million in unobligated balances into the RETF to address minor construction projects that improve VHA facilities infrastructure.

Department of Veterans Affairs
Office of the Assistant Secretary for Management
www.va.gov/budget