

# DEPARTMENT OF VETERANS AFFAIRS



## FY 2025 PRESIDENT'S BUDGET REQUEST

March 11, 2024

# 2025 Budget Request: By The Numbers

- **Total request of \$369.3 billion** (Discretionary and Mandatory, includes collections and Recurring Expenses Transformational Fund, RETF), +\$32.9 billion (+10%) over 2024.
- **Discretionary request: \$134.0 billion** (with collections and RETF), - \$8.9 billion (-6%) below 2024.
  - **Recurring Expenses Transformational Fund (RETF): \$307 million**, -\$369 million (-55%) below 2024, all for Construction.
- **Mandatory request: \$235.3 billion**, +\$41.8 billion (+22%) over 2024. Includes the Mandatory Benefits (\$210.6 billion), Toxic Exposures Fund (\$24.5 billion) and PACT Act appropriations for leases (\$200 million).

# 2025 VA Request

(\$ in millions)	2023	2024	2025	Change 2025 vs. 2024	
	Enacted	Estimate	Request	\$	%
<b>Discretionary Funding 1/</b>					
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%
<b>Subtotal, Medical Care Appropriations</b>	<b>118,748</b>	<b>121,011</b>	<b>112,582</b>	<b>(8,429)</b>	<b>-7.0%</b>
Medical Care Collections Fund	4,132	4,269	4,390	120	2.8%
<b>Subtotal, Medical Care with MCCF</b>	<b>122,879</b>	<b>125,281</b>	<b>116,972</b>	<b>(8,309)</b>	<b>-6.6%</b>
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%
<b>Subtotal, Non-Medical Care</b>	<b>16,251</b>	<b>16,931</b>	<b>16,698</b>	<b>(233)</b>	<b>-1.4%</b>
<b>Subtotal, Discretionary without MCCF</b>	<b>134,999</b>	<b>137,942</b>	<b>129,280</b>	<b>(8,663)</b>	<b>-6.3%</b>
<b>Subtotal, Discretionary (with MCCF)</b>	<b>139,131</b>	<b>142,212</b>	<b>133,669</b>	<b>(8,542)</b>	<b>-6.0%</b>
Recurring Expenses Transformational Fund (RETF) 2/	969	676	307	(369)	-54.6%
<b>Total, Discretionary (with MCCF and RETF)</b>	<b>140,100</b>	<b>142,888</b>	<b>133,976</b>	<b>(8,911)</b>	<b>-6.2%</b>
<b>Mandatory Funding 3/</b>					
<b>Total, Mandatory</b>	<b>168,685</b>	<b>193,461</b>	<b>235,280</b>	<b>41,820</b>	<b>21.6%</b>
<b>Total Funding</b>					
<b>Total VA (Disc &amp; Mand) without MCCF or RETF</b>	<b>303,684</b>	<b>331,403</b>	<b>364,560</b>	<b>33,157</b>	<b>10.0%</b>
<b>Total VA (Disc &amp; Mand) with MCCF</b>	<b>307,816</b>	<b>335,672</b>	<b>368,950</b>	<b>33,277</b>	<b>9.9%</b>
<b>Total, Disc &amp; Mand Funding (with MCCF and RETF)</b>	<b>308,784</b>	<b>336,348</b>	<b>369,257</b>	<b>32,908</b>	<b>9.8%</b>

Notes:

1/ Discretionary Funding includes non-emergency discretionary appropriations provided in annual Appropriations Acts and 2024 PB.

2/ Displays estimated resources available RETF at start of 2024. Resources do not score as budget authority.

3/ Mandatory Funding includes mandatory appropriations in Appropriations Acts, ARP, PACT Act and TEF. For 2024, estimates consistent with 2025 budget models and communicated to Appropriations Committees in December 2023.



# Mandatory Funding Detail

(\$ in millions)	2023	2024	2025	Change 2025 vs. 2024	
	Enacted	Estimate	Request	\$	%
<b>Mandatory Funding 3/</b>					
<b>Mandatory Benefits</b>					
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	-
<b>Subtotal, Mandatory Benefits</b>	<b>161,805</b>	<b>173,093</b>	<b>210,625</b>	<b>37,532</b>	<b>21.7%</b>
<b>PACT Act</b>					
<b>Section 707 (Major Medical Facility Leases)</b>					
Medical Facilities	1,880	100	200	100	100.0%
<b>Cost of War Toxic Exposures Fund</b>					
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%
<b>Subtotal, Cost of War Toxic Exposures Fund</b>	<b>5,000</b>	<b>20,268</b>	<b>24,455</b>	<b>4,187</b>	<b>20.7%</b>
<b>Subtotal, PACT Act</b>	<b>6,880</b>	<b>20,368</b>	<b>24,655</b>	<b>4,287</b>	<b>21.0%</b>
<b>Total, Mandatory</b>	<b>168,685</b>	<b>193,461</b>	<b>235,280</b>	<b>41,820</b>	<b>21.6%</b>

1/ Credit Reform re-estimates occur after the end of a fiscal year. No appropriations for those are in the budget request.



U.S. Department  
of Veterans Affairs

# A Few Points to Start: General Trends in Budget

- **VA is serving more Veterans:**
  - VBA completed more than 1.9 million disability compensation and pension claims in 2023, breaking the previous year's record by nearly 16%.
  - In 2023 VHA delivered more than 118 million clinical appointments, while serving Veterans with quality and trust
    - nearly 70% of VA hospitals received 4 or 5 stars in the annual CMS Hospital ratings, compared to just 41% of non-VA hospitals;
    - more than 91% of the Veterans we serve trust VA with their care, a level unmatched anywhere in the private sector
- **Continued focus on implementing the PACT Act:** Veterans are responding to the PACT Act in record numbers:
  - Received more than 1.3 million PACT Act-related claims and completed over 967,000 claims as of January 2024
  - Enrolled 361,042 new Veterans into VA healthcare in 2023, an increase of more than 73,000 from 2022.
- **Multiple Funding Streams:** VA has always had multiple funding streams, but they are growing in size and importance, including:
  - Toxic Exposures Fund (TEF), \$24.5 billion (+\$4.2 billion, +21% from 2024) provides funding to cover increases in costs above the FY 2021 level associated with providing care or benefits to Veterans exposed to environmental hazards without shortchanging other elements of Veteran medical care and benefit delivery.
  - Medical Care Collections: \$4.4 billion (+\$120 million, +3% from 2024) from 3<sup>rd</sup> party insurance and other sources.
  - Carryover: \$12.7 billion in planned carryover from 2024 for use in 2025 for medical care (adjusted from \$14.6 billion shown in 2025 PB for 2024 minibuss rescission of \$1.9 billion).
- **Fiscal Responsibility Act of 2023:** Discretionary funding decrease of \$8.9 billion from 2024 reflects the Fiscal Responsibility Act of 2023, which set overall non-Defense discretionary budgetary ceilings.

# A Few Points to Start: General Trends in Budget (cont'd)

- **Budgetary Execution Flexibility:** VA currently has limited flexibility to meet emerging needs in the year of execution. The budget proposes new transfer authority to give VA the ability to move funds between accounts to meet emerging needs, similar to authority of other agencies such as DoD.
- **VA Facilities:** VA medical facilities are old and inadequate to meet modern healthcare needs. While the median age of U.S. private sector hospitals is roughly 13 years, VA hospitals are roughly 60 years and lack resiliency and long-term sustainability. Budget requests \$2.8 billion for construction (including \$2.5 billion base and \$307 million RETF) to continue recapitalizing aging infrastructure.
  - An increase of \$519 million (+23%) for base + RETF combined from 2024
  - VA still faces critical infrastructure deficiencies.
- **Third Budget Category:** Discretionary medical care is requested as a third category of discretionary spending in FY 2026, recognizing that VA medical care has grown more than other discretionary spending, due to growth in health care costs. The third category of discretionary spending allows Congress to consider funding for VA medical care holistically, accounting for both discretionary and mandatory resources. A separate budget allocation for medical care would ensure adequate funding for health care without adversely impacting other critical programs, whether inside or outside of VA.
- **Health Care Costs:** Health care trends (Inflation, Intensity, and Utilization) remain a key cost driver for medical care.

# A Closer Look

# Medical Care

(\$ 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
<b>Subtotal, Medical Care Appropriations</b>	<b>118,748</b>	<b>121,011</b>	<b>112,582</b>	<b>131,439</b>
Medical Care Collections	4,132	4,269	4,390	4,517
Toxic Exposures Fund (Mandatory)	3,822	17,116	21,455	22,800
PACT Section 707 (Major Medical Facility Leases)	1,880	100	200	400
<b>Total, Mandatory and Discretionary</b>	<b>128,582</b>	<b>142,497</b>	<b>138,626</b>	<b>159,156</b>

- No Discretionary Second Bite; additional resources provided in TEF and expected carryover
- Supports key VHA priorities
  - Hiring faster and more competitively, using legislative flexibilities to strategically focus hiring in key areas
  - Connecting Veterans to the Soonest and Best Care, whether in a VA facility, through a community partner, or via Telehealth and ensuring all Veterans have an opportunity to receive care from a VA provider whenever possible
  - Serving Veterans with Military Environmental Exposures, consistent with the PACT Act
  - Accelerating VA's Journey to a High Reliability Organization, in pursuit of Zero Harm
  - Supporting Veterans' Whole Health, their Caregivers, and their Survivors
  - Preventing Veteran Suicide



# The Story of Medical Care Funding in 3 Tables

Medical Care Total Obligations						
(\$ in millions)	2023	2024	2025	2024 to 2025		2026 Request
	Enacted	Estimate	Request	\$	%	
Medical Services	74,578	82,244	86,498	4,254	5%	90,093
Medical Community Care	31,831	36,540	40,939	4,399	12%	45,819
Medical Support and Compliance	10,214	11,549	12,074	525	5%	12,720
Medical Facilities	9,596	9,207	10,009	802	9%	10,250
<b>Total, Obligations by Account</b>	<b>126,220</b>	<b>139,540</b>	<b>149,519</b>	<b>9,980</b>	<b>7%</b>	<b>158,883</b>
% change, year over year	12.9%	10.6%	7.2%			6.3%

Total funding continues to grow

Medical Care Obligations by Source						
(\$ in millions)	2023	2024	2025	2024 to 2025		2026 Request
	Enacted	Estimate	Request	\$	%	
Discretionary	121,944	121,915	123,330	1,415	1%	135,480
American Rescue Plan	4,179	-	-	-		-
Toxic Exposures Fund	15	17,382	25,030	7,648	44%	22,800
PACT Leases (Sec 705 & 707)	70	225	849	624	277%	603
All other (Choice, others)	12	18	310	292	1661%	-
<b>Total, Obligations by Funding Source</b>	<b>126,220</b>	<b>139,540</b>	<b>149,519</b>	<b>9,980</b>	<b>7%</b>	<b>158,883</b>

Funding sources are diversifying

Expected Unobligated Balance at Year End						
(\$ in millions)	2023	2024	2025	2024 to 2025		2026 Request
	Enacted	Estimate	Request	\$	%	
Discretionary*	5,766	6,791	14	(6,776)	-100%	14
American Rescue Plan	20	20	20	-		20
Toxic Exposures Fund	3,842	3,575	-	(3,575)	-100%	-
PACT Leases (Sec 705 & 707)	2,086	1,961	1,312	(649)	-33%	1,108
All other (Choice, others)	328	310	-	(310)	-100%	-
<b>Total, Unobligated Balance at Year</b>	<b>12,041</b>	<b>12,657</b>	<b>1,346</b>	<b>(11,311)</b>	<b>-89%</b>	<b>1,143</b>

Carryover is an important funding source

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

# VHA TEF Funding

(\$ 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	-	-	-	-
<b>Subtotal, Medical Care TEF</b>	<b>3,822</b>	<b>17,116</b>	<b>21,455</b>	<b>22,800</b>
Medical Research, TEF	2	46	59	NA
<b>Total, VHA TEF</b>	<b>3,824</b>	<b>17,162</b>	<b>21,514</b>	<b>22,800</b>

- \$21.5 billion for medical care in TEF, the special fund designated by Congress for health care, research and benefits delivery above the FY 2021 level for Veterans exposed to environmental hazards.
- Medical Care TEF funds represents the estimated health care costs above the 2021 baseline for providing medical care to Veterans exposed to environmental hazards during their military service.
- The TEF is available to fund the following VHA activities:
  - the provision of Veterans’ health care associated with exposure to environmental hazards in service (section 805 of the PACT Act, codified at 38 U.S.C. § 324(c)(1));
  - expenses incident to delivering health care and benefits to Veterans associated with exposure to environmental hazards in service, including administrative expenses, such as information technology and claims processing and appeals (38 U.S.C. § 324(c)(2));
  - medical and other research relating to exposure to environmental hazards (38 U.S.C. § 324(c)(3)),
- The TEF is not legally available for construction or non-recurring maintenance projects.
- VHA has developed a methodology for determining allowable costs, approved by OMB and published in VA Financial Policy

# Medical Care Highlights

**Suicide Prevention:** Suicide Prevention is VA's top clinical priority and VA is implementing a comprehensive public health approach to reach all Veterans.

- \$583 million for suicide prevention outreach (+\$11.6 million, +2% over 2024).
  - Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program for grants for community-based suicide prevention efforts (\$55 million).
  - Veteran Crisis Line (\$307 million).
  - Governor's Challenge to further bolster suicide prevention efforts under section 303 of the STRONG Veterans Act of 2022 (\$10 million).

**Women Veterans Health:** More women are choosing VA for health care than ever before, accounting for over 30% of the increase in Veterans served over the past five years. Women Veterans using VA services has more than tripled since 2001, growing from 159,810 to more than 600,000 as of Sept 2023. To meet this growing demand, budget includes:

- \$264 million for women's health and childcare programs (+\$6.7 million, +3% over 2024).
  - Enhances hiring women's health personnel to fill gaps in capacity, including primary care providers, gynecologists, mental health providers, and care coordinators.
  - Provides funding for childcare benefits across the country.
  - Funds clinical equipment needs such as those for mammography, exam tables designed for women with low mobility, and breastfeeding privacy pods.

# Medical Care Highlights

**Homelessness:** To ensure every Veteran has permanent, sustainable housing with access to high-quality health care and other services to prevent and end Veteran homelessness. Continue success of 2023, VA permanently housed 46,552 homeless Veterans, surpassing CY 2023 goal to house 38,000 Veterans by more than 22%.

- \$3.2 billion for Veterans Homeless Programs (+\$42 million, +1% over 2024) to:
  - Fund the design and development of expanded services for aging and disabled Veterans.
  - Support the VA Grant and Per Diem (GPD) program to increase per diem rates to community partners actively supporting VA's effort to end Veteran homelessness.
  - 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.

**Caregivers:** VA expanded its Program of Comprehensive Assistance for Family Caregivers (PCAFC) to eligible family members and Veterans of all eras on October 1, 2022. The 2025 budget includes \$2.9 billion for Caregivers Support Program, +\$491 million (+20%) from 2024. This will support growth consistent with the actuarial model and potential program changes.

**Facilities:** \$2 billion for base non-recurring maintenance (NRM) projects to address infrastructure deficiencies and better equip VHA to deliver timely, quality care across the enterprise. This includes \$500 million for NRM projects to prepare facilities for EHRM rollout.

# Medical And Prosthetic Research

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

- \$927 million in total appropriations (\$868 million discretionary) for research focused on high priority areas of Veteran’s health.
- \$59 million TEF for research related to exposure to environmental hazards.
- Funding (all sources) supports high priority areas:
  - Military Environmental Exposures Research: \$59.0 million.
  - Precision Oncology: \$48 million (including \$44.9 million for Cancer Moonshot).
  - Traumatic Brain Injury: \$52 million.
  - Suicide Prevention and Mental Health: \$30 million including continued support for the Commander John Scott Hannon Mental Care Improvement Act.
  - Artificial Intelligence (AI) in Research: \$10 million

# Veterans Benefits Administration (VBA)

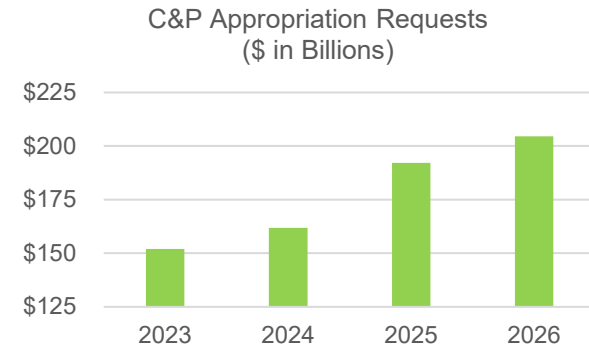
(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request	2026 Request
<b>General Operating Expenses (Discretionary)</b>	3,863	3,899	4,035	NA
Loan Administrative Funds (Discretionary)	250	320	326	NA
<b>Subtotal, Discretionary</b>	<b>4,113</b>	<b>4,219</b>	<b>4,361</b>	<b>NA</b>
Toxic Exposures Fund (Mandatory)	482	1,769	1,401	NA
<b>Subtotal Operations, Discretionary and TEF</b>	<b>4,595</b>	<b>5,988</b>	<b>5,762</b>	<b>NA</b>
<b>Mandatory Benefits</b>				
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)	(2)	NA
<b>Subtotal, Mandatory Benefits</b>	<b>161,805</b>	<b>173,093</b>	<b>210,625</b>	<b>222,228</b>
<b>Total, Mandatory and Discretionary</b>	<b>166,400</b>	<b>179,081</b>	<b>216,388</b>	<b>222,228</b>

- \$4.0 billion (+\$136 million, +3.5%) VBA General Operating Expenses supports:
  - 25,762 FTEs working to deliver \$212 billion in benefits and services to Veterans and other beneficiaries
  - \$43 million increase in overtime to support timely processing of claims during periods of claims influx
  - \$2 million for investment in Artificial Intelligence technology
- \$326 million (+\$6 million, +1.9%) Loan Administrative Funds supports:
  - \$3.1 million increase to support Native American Direct Loans
- \$1.4 billion (-\$368 million, -21%) Toxic Exposures Fund supports:
  - 6,933 FTEs to process toxic exposure-related claims

# VBA Growth in Mandatory Benefits

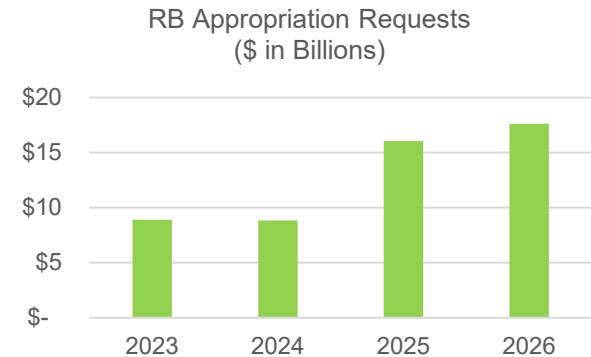
## Compensation and Pension (C&P)

- In 2023, driven by the PACT Act, payments to Veterans increased by \$22.3 billion (+17%), the highest annual increase in VBA's history. This trend is expected to continue through 2024, with payments to Veterans increasing by \$25.8 billion (+17%).
- In 2023 and 2024, the C&P account had a large unobligated balance available from prior years. This is not expected to happen again in 2025 or 2026, which also contributes to the increase in appropriation requests.
- Increased funding requirements are also associated with cost-of-living adjustments, continued increases in disability ratings, and corresponding average payments for Veterans compensation.



## Readjustment Benefits (RB)

- In 2023, beneficiaries using the Post-9/11 GI Bill increased for the first time since 2019, and more individuals utilized both Veteran Readiness and Employment and the Survivors' and Dependents' Educational Assistance Program based on new eligibility resulting from the PACT Act. These trends are expected to continue in subsequent years.
- In 2023 and 2024, the RB account had a large unobligated balance available from prior years. This is not expected to happen again in 2025 or 2026, which results in a significant increase in appropriation requests.



## Credit Reform

- The Credit Reform appropriations fund subsidies for VA credit programs. The credit programs improve the lives of Veterans through affordable home mortgages. This includes the VA Servicing Purchase Program for additional Veteran debt relief with a mandatory funding impact of \$2.3 billion in 2025.

# Board of Veterans' Appeals

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

- \$267 million base, -\$20 million (-7.0%) below 2024 request.
  - Supports 1,445 base FTEs, 49 (+3.5%) FTE above 2024. 91% of Board budget is devoted to personnel.
  - Assumes 10% unobligated balance from 2024 available in 2025 (\$29 million).
    - Will evaluate impact of rescission in 2024 minibus.
  - Base appropriation and carryover will support \$296 million total obligations in 2025
  - \$19 million available in TEF funds. Board is evaluating TEF methodology.
- Planned Outcomes
  - 118,000 total appeals decisions (+6.3%, comparing 2024 plan to 2025 plan), a new record.
    - Resolution of legacy appeals continues; majority (>99%) pending are return remands.
    - ~80% of decisions dedicated to the Veteran Appeals Improvement and Modernization Act of 2017 (AMA) appeals.
  - Number of AMA appeal receipts expected to grow ~24% in 2025 compared to 2023 actual.
  - Collaborative effort with OIT to identify funding for solutions and enhancements to the appeals Caseflow system.



# National Cemetery Administration (NCA)

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
<b>Operations and Maintenance</b>	430	480	495
Grants for Veterans Cemeteries	50	60	60
Major and Minor Construction requested for NCA locations	297	295	249
<b>Total, Budgetary Resources</b>	<b>777</b>	<b>835</b>	<b>804</b>

Base funding only. Excludes carryover. Facility Operations, Gift Funds, and Compensation and Pension funds not shown

- **\$495 million for Operations and Maintenance, +\$15.0 million (+3.1%) over 2024 to:**
  - Maintain almost 4.4 million gravesites, provide 137,440 interments at 158 national cemeteries and 35 other cemetery installations.
  - Add 41 FTEs to support existing cemeteries facing increased workload and project expansions in 2025; and for the operations and maintenance of Mare Island Naval Cemetery transferred to NCA in 2023 from the City of Vallejo.
  - Support implementation of NCA's long-range goals:
    - 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 NCA's customers; and
    - Modernizing Memorialization: Use innovation to connect to new audiences and modernize memorialization.
- **\$60 million for Veteran Cemetery Grants, same level as 2024**
- **\$249 million for Construction, -\$46 million (-15.6%) from 2024**
  - \$75 million for Major Construction, including \$45 million for Fort Logan, CO gravesite expansion and \$30 million for future project designs.
  - \$174 million for Minor Construction

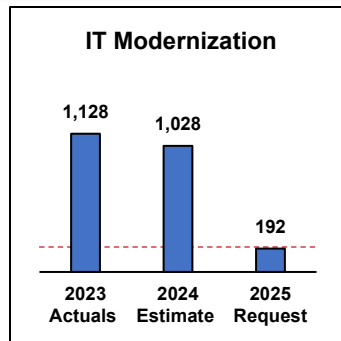
# Office of Information & Technology (OIT)

(\$ 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
<b>Base Discretionary Funds</b>	<b>5,782</b>	<b>6,401</b>	<b>6,232</b>
Toxic Exposures Fund (Mandatory)	656	1,243	1,364
<b>Total, Budget Authority</b>	<b>6,438</b>	<b>7,644</b>	<b>7,595</b>

Note: Numbers may not add due to rounding

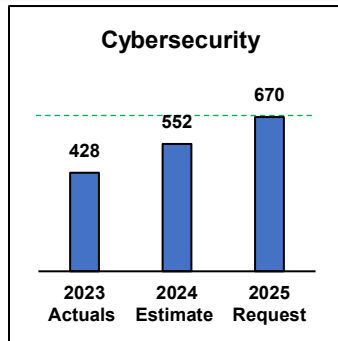
- **Base Discretionary Funds:** \$6.2 billion (-\$169 million, -2.6% below 2024) will support a seamless digital experience for Veterans by:
  - Supporting limited development (\$1 million; -\$125 million, -99.2%), enhancement (\$45 million; -\$318 million, -87.7%), and modernization (\$267 million; -\$531 million, -66.5%) resources that VA will allocate to the most critical efforts in IT Modernization (i.e., Infrastructure Readiness Program; Financial Management), Cybersecurity, and IT Workforce.
  - Supporting the maintenance and recurring operations of existing aging and legacy systems (\$4.2 billion; +\$725 million, +20.7%) including Supply Chain Management that provides cost-effective logistics and ensures the delivery of world-class health care and benefits to Veterans
  - Supporting investments in the IT workforce (\$1.7 billion; +\$82 million, +5.1%) to make VA an attractive employer for top talent that can better deliver services to Veterans targeted Standard IT Investments
  - Allowing VA key investments in Federal initiatives, including Zero Trust Architecture (\$310 million; +\$49.2 million, +18.9%) Artificial Intelligence (\$20 million; +\$4 million, +28.2%) and Section 508 Compliance (\$32 million; +\$18 million, +201.8%).
- **Toxic Exposures Fund (TEF):** \$1.4 billion (+\$121 million, +9.7% above 2024) will support modernizing legacy systems and infrastructure for increased claims processing (\$286 million; +\$29 million, +11.2%), benefits payments (\$68 million; +\$20 million, +42.1%), benefits appeals (\$51 million; +\$20 million; +65.0%), and improved Veterans experience (\$346 million, +\$11 million, +\$3.3%).

# OIT Budget Request – Federal CIO Priorities



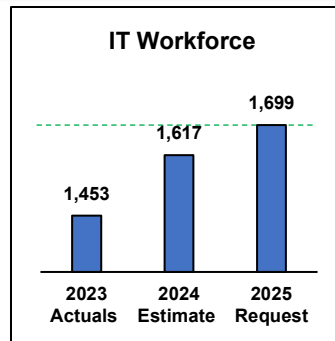
**\$192 Million**  
 (-\$836 Million, -81.3%)

2025 Request Relative to 2024 Estimate



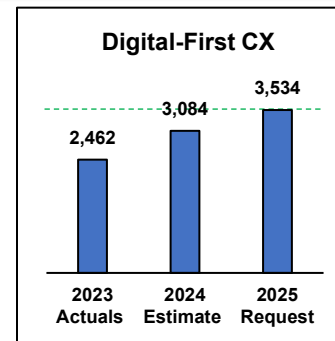
**\$670 Million**  
 (+\$118 Million, +21.3%)

2025 Request Relative to 2024 Estimate



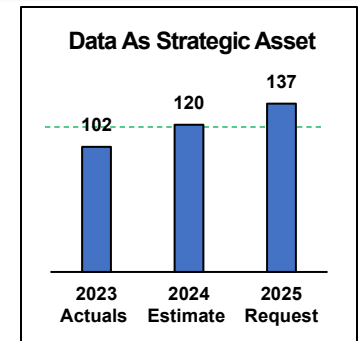
**\$1.699 Billion**  
 (+\$82 Million, +5.1%)

2025 Request Relative to 2024 Estimate



**\$3.534 Billion**  
 (+\$449 Million, +15.6%)

2025 Request Relative to 2024 Estimate



**\$137 Million**  
 (+\$17 Million, +14.3%)

2025 Request Relative to 2024 Estimate

**IT Modernization: \$191.8 Million (-\$835.8 Million, -81.3%)**

- Reduces the time for Veterans to receive benefits through NCA by streamlining cemetery management and self-service capabilities for over 160,000 Veterans, spouses, and dependent children annually.
- Ensures limited and controlled investment in the Infrastructure Readiness Program (IRP) needed to mitigate the risk of accumulating technical debt.
- Ensures limited, but continued, modernization of VA's financial system.

**Cybersecurity: \$669.9M (+\$117.7M, +21.3%)**

- Ensures National Cybersecurity Strategy (NCS) compliance, threat detection and incident response services, vulnerability identification and management, facility assurance management services, penetration testing, and system assessments.
- VA's Zero Trust Architecture acceleration effort delivers a robust and resilient security posture for over 9 million Veterans.

**IT Workforce: \$1,699.0M (+\$81.7M, +5.1%)**

- Invests in Special Salary Rate for IT specialist so VA can recruit and retain talent and maximizes incentives for targeted expansion of IT services.

**Digital-First CX: \$3,533.7M (+\$449.9M, +14.6%)**

- Invests in VA's Flagship Mobile Application designed to bring new functionalities to Veterans such as video conferencing capabilities.
- Brings key digital capabilities to Veterans such as secure messaging with their care team, checking status of claims, and accessing benefit letters.
- Invests in the Section 508 Program ensuring conformance to accessibility standards is incorporated into all VA's Information Communication Technology (ICT) products and services.

**Data as a Strategic Asset: \$137.2M (+\$17.2M, +14.3%)**

- Invests in data initiatives like VA Informatics and Computing Infrastructure (VINCI) which supports big data science and improves researchers' access to data while ensuring Veterans' privacy and data security.
- Invests in the Million Veteran Program (MVP), where researchers can use genetic, health, lifestyle, and military background information to understand how genes affect health and illness.

Note: Amounts reflect base funding only



U.S. Department of Veterans Affairs

# Electronic Health Record Modernization (EHRM)

(\$ 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
<b>Total Appropriated</b>	<b>1,759</b>	<b>1,863</b>	<b>894</b>
Rescission of prior year funding	(150)		
<b>Total Appropriations</b>	<b>1,609</b>	<b>1,863</b>	<b>894</b>

- \$894 million, decrease of \$969 million (-52%) from 2024 request, recognizing the EHRM program Reset. Funds will support the operation and implementation of the federal electronic health record in VA, including:
  - Enterprise integration, including change management and training supporting optimization and sustainment of federal EHR for six sites (five existing sites and Captain James A. Lovell Federal Health Care Center (FHCC)).
  - Enterprise support costs for interfaces and infrastructure at VA medical centers and their associated sites.
  - Sustaining 313 direct staff and 53 detailed reimbursable federal support staff and other program management costs (travel, training, equipment, and supplies).
  - There are no deployment funds included in this request.

# General Administration

(\$ 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
<b>Total Appropriated (Discretionary)</b>	<b>433.00</b>	<b>475.00</b>	<b>457.00</b>
Toxic Exposures Fund (Mandatory)	36.73	89.80	61.67
<b>Total Budget Authority, All Funds</b>	<b>469.73</b>	<b>564.80</b>	<b>518.67</b>

- \$457 million base funds (-\$18 million, -4% from 2024) will:
  - Generally sustain services provided in 2023, and support pay raises and inflation, but
    - Through attrition, will reduce a net of 104 FTE across GenAd Offices
    - Reduce contracts
  - Transition HR Services to Human Resources Service Center
  - Provide legal and litigation support for the VA intellectual property
- \$62 million in TEF funds to sustain staff and services initiated in 2023, primarily in OGC and HRA/OSP

# Capital Programs

(\$ in millions)	2023 Enacted	2024 Estimate	2025 Request
Major Construction	1,372	881	2,069
Minor Construction	626	680	380
<b>Subtotal, Construction Appropriation (Discretionary)</b>	<b>1,998</b>	<b>1,561</b>	<b>2,449</b>
<b>Recurring Expenses Transformational Fund (RETF)</b>			
Construction, Major Projects	805	676	-
Construction, Minor Projects	88	-	307
Medical Facilities, Non-Recurring Maintenance	75	-	-
<b>Subtotal, RETF Investments</b>	<b>968</b>	<b>676</b>	<b>307</b>
<b>Total, Discretionary and RETF Appropriations</b>	<b>2,966</b>	<b>2,237</b>	<b>2,756</b>

- \$2.8 billion total (including RETF), +\$519 million (+23%) over 2024 for discretionary funding
  - No funding provided for VA \$1.3 billion mandatory construction funding request in 2024 for St. Louis VAMC recapitalization.
- Major Construction provides \$2.1 billion for two medical facility (West LA, CA and Dallas, TX) and one cemetery project (Denver, CO) providing approximately 473,000 square feet in clinical space and 34,100 additional burial options.
- Minor Construction provides \$687 million to fund 74 new project starts and complete prior year projects.
  - Includes \$307 million from the Recurring Expenses Transformational Fund allocated to minor construction.
- Major Medical Facility Leases – Nine leases requesting Congressional resolution totaling over 1.9M square feet.
- All 2025 projects (including leases) provide approximately 2.7 million in clinical space and 73,600 additional burial options.

# Legislative Priority Themes

The FY 2025 Budget Submission includes 26 legislative proposals to enhance VA service to Veterans, families, caregivers and survivors. They are grouped by these major themes:

## Infrastructure

- Enhanced flexibility for major medical facility leasing.
- Alignment of land acquisition agility for VHA.

## Delivery of Healthcare and Benefits

- Increased access to telehealth and mental health care services.
- Expanding avenues to increase the pipeline of well-trained healthcare providers.

## VA Workforce

- Greater agility in human capital management and strategies to attract and retain high-quality professionals.
- Improved flexibility to address and resolve employment discrimination cases.

## Mission support operations

- Protecting Veterans through guardianship authorities and reinstatement of criminal penalties for claims agents.
- Institutional commitment to customer experience and enhancing delivery of burial and cemetery services.

# Questions



# Additional Details Back-up

# 2026 Advance Appropriation (AA)

**An Advance Appropriation provides an assurance of funding levels two years out, enabling improved planning and ensuring operations in the event of a government shutdown.**

## ***VHA Medical Care***

- 2026 Medical Care Advance Appropriation is \$131.4 billion discretionary and \$22.8 billion in the TEF.

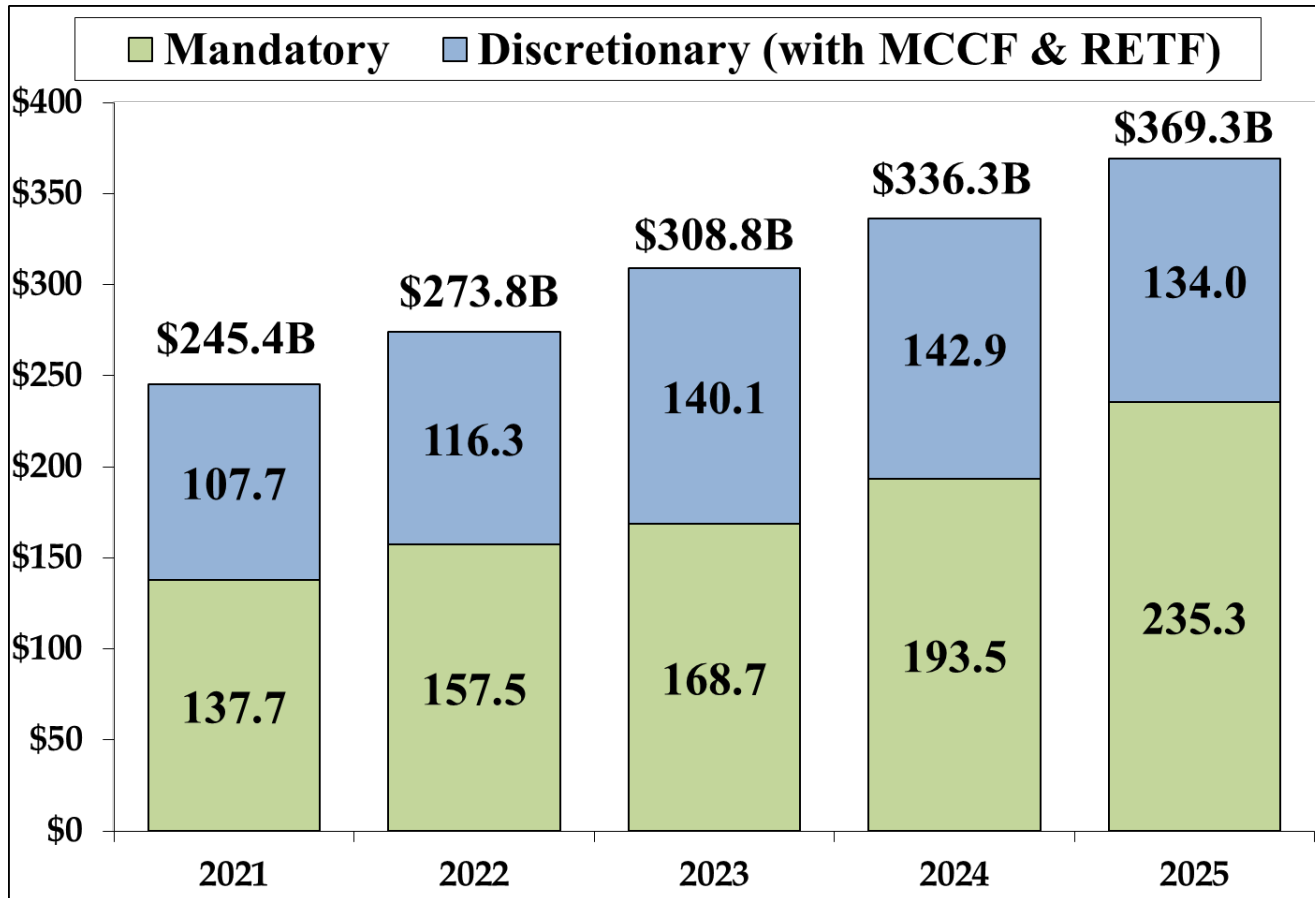
## ***VBA Benefits***

- 2026 Advance Appropriation for the mandatory Veterans Benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities accounts) is \$222.2 billion.

***2026 Advance Appropriation requests reflects the President's steadfast commitment to Veterans.***

# Base Budget Over Past Five Years

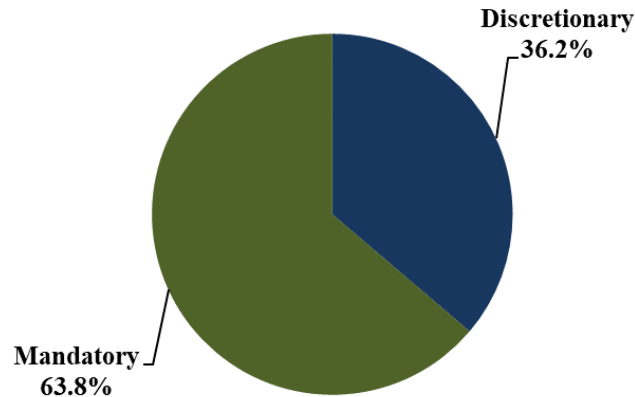
**+\$123.9 Billion or 50.4% increase from 2021**



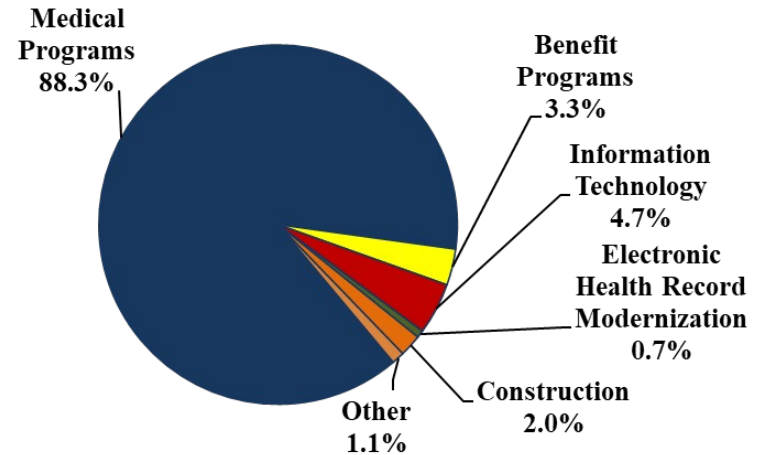
Funding levels in all years include only regular mandatory and discretionary (non-emergency) appropriations, plus medical care collections and Recurring Expenses Transformational Fund.

# 2025 VA Budget Request

## Discretionary vs. Mandatory Funding



## Discretionary Funding

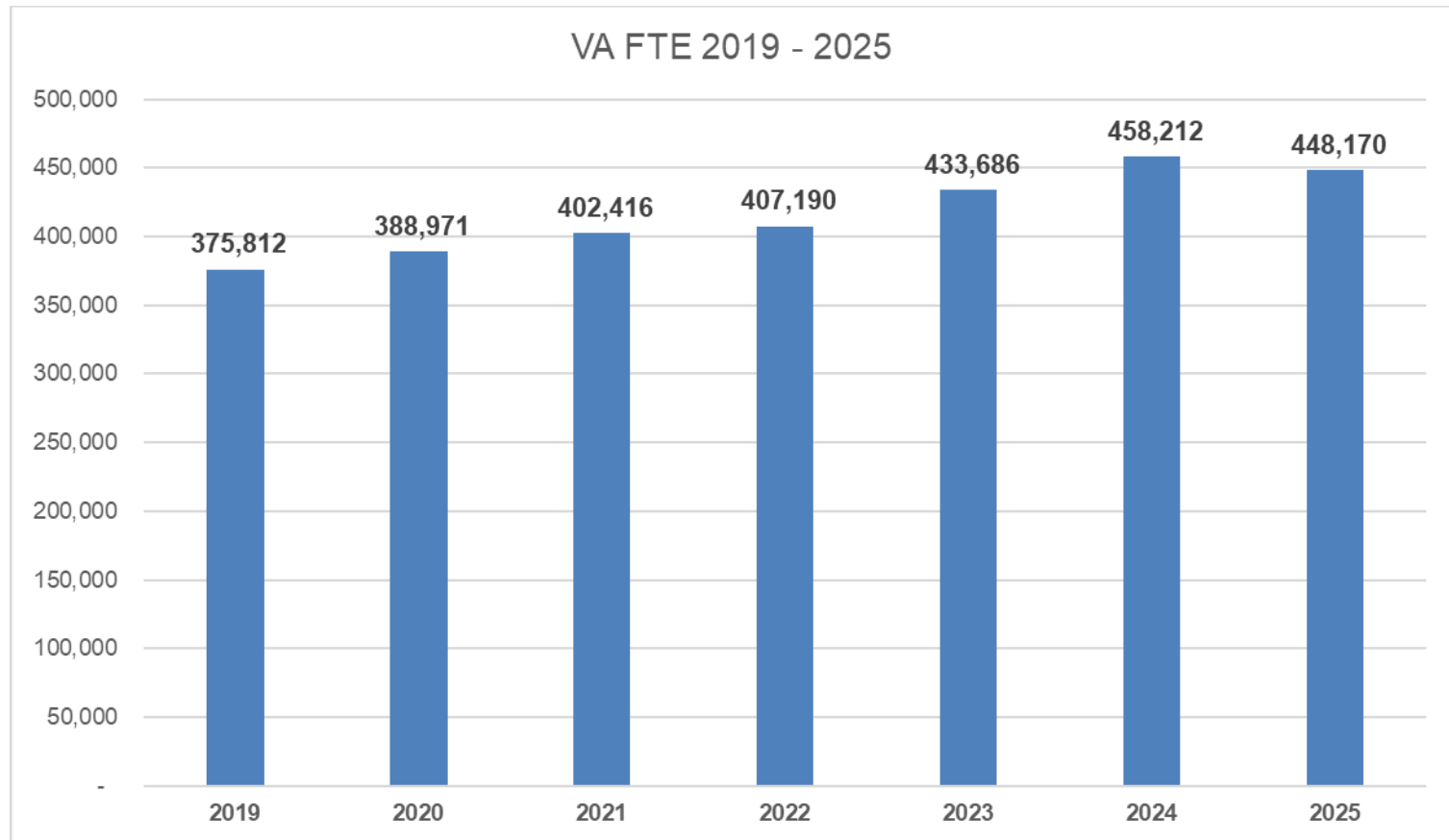


## 2025 President's Budget \$369.3 Billion

*(includes collections of \$4.4 billion in collections and \$307 million for Transformational Fund)*

**Mandatory: \$235.3 billion      Discretionary: \$134 billion**

# VA FTE Change Over Time



*Since 2019, VA has added 72,358 FTE to better serve Veterans.*

# Major Construction Projects

## VA Major Construction Funding (\$ millions)

Location	Description	2025 Request
West Los Angeles, CA	Build New Critical Care Center, Central Utility Plant, Demolition and Renovations to Building 500	1,344.81
Dallas, TX	Clinical Expansion for Mental Health, Expansion of Parking Facilities and Land Acquisition	13.30
Denver, CO	Fort Logan NC - Gravesite Expansion	45.00
Major Construction Support	Advanced Planning & Design, staff support, US Army Corps of Engineers (USACE) fees, etc.	665.89
<b>Total Request</b>		<b>2,069.00</b>

# Enrollee Health Care Projection Model (EHCPM)

VA EHCPM supports approximately 89% of the VA medical care budget. The model, 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. These approaches are consistent with the actuarial methods employed by the Nation's insurers and public providers, such as Medicare and Medicaid.

- Health care trends continue to be most significant cost driver, primarily medical inflation.
- Health care trends (inflation, utilization, and intensity) represent anticipated changes in health care utilization and cost due to advances in technology, including new diagnostics, drugs, and treatments, as well as price inflation.
  - Utilization trends reflect expected changes in utilization of services due to changes in health care practice, such as updates to the clinical guidelines for preventive screenings.
  - Intensity trends reflect changes in costs for services as technology advances; for example, the newer high-cost PCSK9 inhibitor drugs offer an alternative cholesterol management option for patients who do not respond well to less expensive conventional statin treatments, which increases VA's prescription drug costs.
- 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.