

Department of Veterans Affairs FY2025 Appropriations

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Department of Veterans Affairs FY2025 Appropriations

The Department of Veterans Affairs (VA) administers numerous programs that provide benefits and services to eligible veterans and their families. These benefits include medical care, disability compensation, Dependency and Indemnity Compensation (DIC), pensions, education, vocational rehabilitation and employment services, assistance to homeless veterans, home loan guarantees, and administration of life insurance, as well as traumatic injury protection insurance for servicemembers and benefits that cover burial expenses.

On March 11, 2024, President Biden submitted his budget proposal for FY2025. The Biden Administration requested \$339.51 billion for VA. The request included \$129.10 billion in discretionary appropriations and \$210.41 billion in mandatory appropriations. The budget also requested \$376.47 billion in advance appropriations for FY2026, including \$22.80 billion for the Cost of War Toxic Exposures Fund (TEF). TEF funding is categorized as mandatory funding. In its budget submission to Congress, the Administration indicated that the lower discretionary budget request for FY2025 (\$129.10 billion) compared with the FY2024 enacted amount (\$134.77 billion) was based on the nondefense (or “nonsecurity”) discretionary limits (or “caps”) set by the Fiscal Responsibility Act of 2023 (P.L. 118-5).

On June 5, 2024, the House passed its version of the Military Construction, Veterans Affairs, and Related Agencies Appropriations (MILCON-VA) bill for FY2025 (H.R. 8580; H.Rept. 118-528). The House-passed bill would have provided \$339.64 billion for VA for FY2025, which included \$129.22 billion in discretionary appropriations and \$210.41 billion in mandatory appropriations. The House-passed bill (H.R. 8580, 118th Congress) would have provided \$376.47 billion in advance appropriations for FY2026, including \$22.80 billion for TEF.

In July 2024, the then-VA Secretary notified Congress of a funding shortfall of \$2.88 billion for the Veterans Benefits Administration (VBA) for FY2024 for mandatory benefits payments, and a \$12.0 billion shortfall for TEF to cover medical care in FY2025. The Secretary attributed this shortfall to the increased health care services and disability compensation and survivor benefits payments resulting from the Honoring Our PACT Act of 2022 (P.L. 117-168). On September 20, 2024, the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82), was enacted into law. The act provided \$2.286 billion to VBA’s Compensation and Pensions account and \$597.0 million to the Readjustment Benefits account, with both amounts to remain available until expended. Subsequently, after the enactment of P.L. 118-82, VA informed Congress that it ultimately did not need the supplemental appropriation to cover mandatory benefit payments for FY2024 and carried over \$5.1 billion (including the \$2.88 billion supplemental) from FY2024 to FY2025.

On July 11, 2024, the Senate Appropriations Committee held a full committee markup of its version of the MILCON-VA appropriations bill for FY2025 and reported the bill to the Senate (S. 4677; S.Rept. 118-191). The Senate committee-reported bill recommended \$339.59 billion for VA for FY2025, which included \$129.18 billion in discretionary appropriations and \$210.41 billion in mandatory appropriations. On September 26, 2024, the Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83), was enacted into law, which funded some VA accounts at FY2024 levels. This continuing resolution was extended through March 14, 2025 by the Further Continuing Appropriations Act, 2025 (Division A of P.L. 118-158). On March 15, 2025, the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4), was enacted into law. Title I and Title XI of Division A of P.L. 119-4 provide certain anomalies to some VA accounts for FY2025 and continue to fund certain other accounts at levels provided in the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42).

Comparative funding levels for FY2024 (P.L. 118-42; P.L. 118-82) and FY2025 (P.L. 119-4) are listed in the table below (component amounts may not sum to totals due to rounding and adjustments due to rescissions).

FY2024-FY2025 VBA, VHA, NCA, and Veterans Affairs (VA)-Departmental Administration Appropriations

	FY2024 Enacted (P.L. 118-42 and P.L. 118-82)	FY2025 Request	House-Passed (H.R. 8580; H.Rept. 118- 528)	Senate Committee- Reported (S. 4677; S.Rept. 118- 191)	Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4)	Increase (+)/ Decrease (-) and % Change FY2025 Enacted vs. FY2024 Enacted
Veterans Benefits Administration (VBA, including General Operating Expenses)	\$179.60 billion	\$214.77 billion	\$214.77 billion	\$214.77 billion	\$236.90 billion	(+) \$57.30 billion (+31.90%)
Veteran's Health Administration (VHA)	\$120.00 billion	\$113.45 billion	\$113.51 billion	\$113.46 billion	\$113.67 billion	(-) \$6.33 billion (-5.28%)
National Cemetery Administration (NCA)	\$480 million	\$495 million	\$495 million	\$495 million	\$480 million	N/A
Departmental Administration	\$10.10 billion	\$10.80 billion	\$10.80 billion	\$10.86 billion	\$10.67 billion	(+) \$0.57 billion (+5.64%)
Cost of War Toxic Exposure Fund (TEF)	—	—	—	—	\$6.00 billion	N/A
Total VA	\$310.19 billion	\$339.51 billion	\$339.64 billion	\$339.59 billion	\$367.73 billion	(+) \$57.54 billion (+18.55%)
Total Mandatory	\$175.41 billion	\$210.41 billion	\$210.41 billion	\$210.41 billion	\$238.68 billion	(+) \$63.27 billion (+36.07%)
Total Discretionary	\$134.77 billion	\$129.10 billion	\$129.22 billion	\$129.18 billion	\$129.04 billion	(-) \$5.73 billion (-4.25%)

Sources: U.S. Congress, House Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany H.R. 8580, 118th Cong., 2nd sess., May 28, 2024, H.Rept. 118-528, pp. 109-116; U.S. Congress, Senate Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany S. 4677, 118th Cong., 2nd sess., July 11, 2024, S.Rept. 118-191, pp. 106-111; Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82); Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4); and U.S. Congress, House Appropriations Committee, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2026*, report to accompany H.R. 3944, 119th Cong., 1st sess., June 10, 2025, H.Rept. 119-161, pp. 93-100.

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Introduction

The history of the present-day Department of Veterans Affairs (VA) can be traced back to July 21, 1930, when President Hoover issued Executive Order 5398, creating an independent federal agency known as the Veterans Administration by consolidating many separate veterans' programs.¹ On October 25, 1988, President Reagan signed legislation (P.L. 100-527) creating a new federal Cabinet-level Department of Veterans Affairs to replace the Veterans Administration, effective March 15, 1989. The department provides a range of benefits and services to veterans who meet certain eligibility criteria.² These benefits and services include, among other things, hospital and medical care;³ disability compensation⁴ and pensions;⁵ education;⁶ vocational rehabilitation and employment services;⁷ assistance to homeless veterans;⁸ home loan guarantees; administration of life insurance, as well as traumatic injury protection insurance for servicemembers; and death benefits that cover burial expenses.⁹

The department carries out its programs nationwide through three administrations and the Board of Veterans Appeals (BVA). The Veterans Health Administration (VHA) is responsible for health care services and medical and prosthetic research programs. The Veterans Benefits Administration (VBA) is responsible for, among other supports, providing compensation, pensions, and education assistance. The National Cemetery Administration (NCA)¹⁰ is responsible for maintaining national veterans cemeteries; providing grants to states and other entities for establishing, expanding, and improving state veterans cemeteries;¹¹ and providing memorial benefits such as headstones and markers for the graves of eligible persons. The BVA reviews all appeals made by veterans or their representatives for entitlement to veterans' benefits, such as claims for service connection, increased disability ratings, pensions, insurance benefits, and educational benefits.

Scope and Limitations of This Report

This report provides an overview of the FY2025 President's budget request for VA (generally, Title II of the Military Construction, Veterans Affairs, and Related Agencies [MILCON-VA])

¹ In the 1920s, three federal agencies, the Veterans Bureau, the Bureau of Pensions in the Department of the Interior, and the National Home for Disabled Volunteer Soldiers, administered various benefits for the nation's veterans.

² For details on basic criteria, including the statutory definition of "veteran," see CRS Report R47299, *U.S. Department of Veterans Affairs: Who Is a Veteran?*

³ For more information on health care programs, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

⁴ For more information on disability benefit programs, see CRS Report R44837, *Benefits for Service-Disabled Veterans*, and CRS In Focus IF12799, *Veteran Disability Compensation and Pension Exams*.

⁵ For information on pension programs, see CRS Report R46511, *Veterans Benefits Administration (VBA): Pension Programs*.

⁶ For a discussion of education benefits, see CRS Report R42785, *Veterans' Educational Assistance Programs and Benefits: A Primer*.

⁷ For details on VA's vocational rehabilitation and employment, see CRS Report RL34627, *Veterans' Benefits: The Veteran Readiness and Employment Program*.

⁸ For detailed information on homeless veterans programs, see CRS Report RL34024, *Veterans and Homelessness*.

⁹ For more information on burial benefits, see CRS Report R46813, *Department of Veterans Affairs: Burial Benefits and the National Cemetery Administration*.

¹⁰ Established by the National Cemeteries Act of 1973 (P.L. 93-43).

¹¹ P.L. 116-315, Section 2205 expanded eligibility of these grants to include counties under certain conditions. See 38 U.S.C. §2408.

appropriations bill) and subsequent congressional action. Throughout this report, the terms “President’s budget” and “Administration’s budget” refer to the budget submitted by President Biden and his Administration. It begins with a discussion of the appropriations and funds that constitute VA’s budget, followed by a brief overview of the FY2024 congressional appropriations process and enacted amounts for FY2024. It then discusses the President’s request for FY2025 for care, benefits, and services for veterans and administration of the department, followed by congressional action on the FY2025 request. The report provides funding levels for the accounts as presented in the MILCON-VA appropriations bill; it does not provide funding levels at the subaccount, program, or activity levels. Generally, VA accounts are purpose specific rather than program specific. For example, VHA’s supply chain modernization program could include funding from the medical support and compliance account and the information technology account. **Table 9** provides account level details of FY2024-FY2025 VA appropriations and FY2026 advance appropriations from the FY2024 Consolidated Appropriations Act, 2024 (P.L. 118-42); the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82); and the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4).

The Department of Veterans Affairs Budget

Certain budgetary concepts related to mandatory (or direct) spending, appropriated entitlements, and discretionary spending are useful in understanding the various accounts that fund VA’s benefits and services, as well as funding provided in the Cost of War Toxic Exposures Fund (TEF; see section on “Cost of War Toxic Exposures Fund (TEF)” later in this report)¹² established by the Honoring our PACT Act of 2022 (P.L. 117-168).

Mandatory (Direct) Spending

Mandatory spending, also known as direct spending, is generally characterized as spending that is provided or effectively controlled through authorizing legislation.¹³ “The fundamental characteristic of mandatory spending is the lack of annual discretion to establish spending levels. Instead, mandatory spending usually involves a binding legal obligation by the [federal government] to provide funding for an individual, program, or activity.”¹⁴ There are several types of mandatory (direct) spending, and one such category is entitlement authority. Entitlement authority generally meets a three-part test:

1. **Specified benefits:** The program’s authorizing legislation specifies particular sums of money to be paid;
2. **Specified beneficiaries:** The payments are to be made to a class of persons or governments who meet specified eligibility requirements; *and*
3. **Federal government has a legal obligation to pay which is not subject to appropriations:** The payment is not discretionary, i.e., the legislation obligates the United States to make the specified payments to the eligible class and the legal obligation to make

¹² 38 U.S.C. §324.

¹³ U.S. Congress, Senate Committee on Finance, *Program Descriptions and General Budget Information for Fiscal Year 1995*, committee print, prepared by the Staff for the Use of the Committee on Finance, United States Senate, 103rd Cong., 2nd sess., May 1994, S.Prt.103-80 (Washington: GPO, 1994), p. 132. Also see, 2 U.S.C. §900(c)(8) “The term ‘direct spending’ means—(A) budget authority provided by law other than appropriation Acts; (B) entitlement authority; and (C) the Supplemental Nutrition Assistance Program.”

¹⁴ U.S. Congress, Senate Committee on the Budget, *The Congressional Budget Process: An Explanation*, committee print, 105th Cong., 2nd sess., December 1998, S.Prt.105-67 (Washington: GPO, 1998), p. 5.

the specified payments to the eligible class of recipients is not contingent on appropriations being enacted. Therefore, if insufficient appropriations are available, the government may presumably be sued for payment of the benefits.¹⁵

Although the appropriations for some entitlement programs, such as Medicare and Social Security, are provided on a permanent basis in the authorizing laws establishing such programs, some entitlement programs (e.g., veterans disability compensation, veteran survivor's Dependency and Indemnity Compensation [DIC] program, and pensions) require funding provided in annual appropriations legislation. These types of entitlement programs are known as appropriated entitlements, and the budget authority provided to fund them is considered mandatory (or direct) spending, even though it is provided in appropriations legislation.

Appropriated Entitlements¹⁶

Generally, appropriated entitlements receive funding through the annual appropriations process, but they are not subject to annual appropriations decisions of the congressional appropriations committees. "The Appropriations Committees have little or no discretion as to the amounts they provide."¹⁷ "Even though this funding is included in an appropriations bill, it is still considered mandatory spending rather than discretionary spending."¹⁸ For example, through the annual Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, Congress provides monthly, tax-free disability compensation payments to eligible veterans with disabilities due to disease or injury incurred or aggravated during military service. However, the actual funding level for disability compensation is determined by the "entitlement" criteria in Chapter 11, Title 38, of the *U.S. Code*.¹⁹ The appropriations act appropriates the sums necessary to cover the cost of disability compensation payments.

Discretionary Spending²⁰

Discretionary spending is generally defined as spending provided and controlled through appropriations legislation. "If the Appropriations Committees decide to lower funding for a [discretionary program] they can simply reduce the annual appropriation, notwithstanding the authorized funding level sought by the authorizing committee. Unlike entitlement programs, no formulas need to be changed to alter funding levels for discretionary spending."²¹

¹⁵ U.S. Congress, Senate Committee on Finance, *Program Descriptions and General Budget Information for Fiscal Year 1995*, committee print, prepared by the Staff for the Use of the Committee on Finance, United States Senate, 103rd Cong., 2nd sess., May 1994, S.Prt.103-80 (Washington: GPO, 1994), p. 133.

¹⁶ For more details, see CRS Report RS20129, *Entitlements and Appropriated Entitlements in the Federal Budget Process*. For an overview of mandatory spending, see CRS Report R44641, *Trends in Mandatory Spending*.

¹⁷ CRS Report 98-720, *Manual on the Federal Budget Process* (nondistributable but available from the authors to congressional clients), p. 26.

¹⁸ U.S. Congress, Senate Committee on the Budget, *The Congressional Budget Process: An Explanation*, committee print, 105th Cong., 2nd sess., December 1998, S.Prt.105-67 (Washington: GPO, 1998), p. 6.

¹⁹ See 38 U.S.C. §1110; §1121; §1131; §1141. Basic entitlement.

²⁰ 2 U.S.C. §900(c)(7) the term "discretionary appropriations" means budgetary resources (except to fund direct-spending programs) provided in appropriation Acts." For more information, see CRS Report R41726, *Discretionary Budget Authority by Subfunction: An Overview*.

²¹ U.S. Congress, Senate Committee on Finance, *Program Descriptions and General Budget Information for Fiscal Year 1995*, committee print, prepared by the Staff for the Use of the Committee on Finance, United States Senate, 103rd Cong., 2nd sess., May 1994, S.Prt.103-80 (Washington: GPO, 1994), p. 131.

VA Funding

VA's budget includes both mandatory and discretionary funding. The accounts for VA's mandatory programs (appropriated entitlements) fund disability compensation for veterans, the survivor's Dependency and Indemnity Compensation (DIC) program, pensions, Veteran Readiness and Employment (VR&E), education programs (such as the Post 9-11 GI Bill), life insurance, housing (guarantee of VA acquired direct home loans), clothing allowances, automobile grants, adaptive equipment, and burial benefits (such as burial allowances, grave liners, outer burial receptacles, and headstones and markers), as well as expenses related to veterans' health care associated with exposure to environmental hazards (funded from the Cost of War Toxic Exposures Fund), among other benefits and services.

Discretionary appropriations fund medical care (which comprises medical services, medical community care, medical support and compliance, and medical facilities accounts), medical research, construction programs (which comprise major construction, minor construction, grants for state-extended care facilities, and grants for state cemeteries accounts), information technology, the Veterans Electronic Health Record (EHR), the Office of Inspector General, BVA, NCA, and general operating expenses, among other accounts. These accounts are further supplemented by revolving funds, such as the Canteen Service Revolving Fund; the Pershing Hall Revolving Fund and Franchise Fund; trust funds, such as the Department of Veterans Affairs Cemetery Gift Fund and the General Post Fund; and special funds, such as the Medical Care Collections Fund, Capital Asset Fund, and Recurring Expense Transformational Fund.²²

Advance Appropriations²³

VA has advance appropriation authority for specified medical care and benefits accounts. In 2009, Congress enacted the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), authorizing advance appropriations for three of the four VHA accounts: medical services, medical support and compliance, and medical facilities.²⁴ In 2014, Congress passed the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2015 (Division I of H.R. 83; P.L. 113-235), which amended Title 38, Section 117, of the *U.S. Code* and included three more accounts to the list of accounts identified for advance appropriations. This act authorized advance appropriations for three mandatory VA benefits programs within the Veterans Benefits Administration: compensation and pensions, readjustment benefits, and veterans insurance and indemnities. Beginning with the FY2016 Military Construction and Veterans Affairs, and Related Agencies Appropriations Act (P.L. 114-113), those accounts received advance appropriations for the first time for FY2017, in addition to the three VHA accounts already authorized to receive advance appropriations.

Section 4003 of the VA Budget and Choice Improvement Act (Title IV of P.L. 114-41) required the establishment of a separate account for medical community care beginning with the FY2017

²² For more details about these funds, see Department of Veterans Affairs, *FY2024 Congressional Budget Submission*, "Burial and Benefits Programs and Departmental Administration," vol. 3 of 5, March 2023. For definitions about "revolving funds," "trust funds," and "special funds," see Executive Office of the President, Office of Management and Budget (OMB), OMB Circular No. A-11, *Section 20- Terms and Concepts*, available at <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf> (accessed April 16, 2025).

²³ In general, advance appropriations refer to budget authority provided in an appropriations act that becomes available for obligation one or more fiscal years after the year covered by the act. For a detailed discussion of advance appropriations, see CRS Report R43482, *Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations*.

²⁴ Codified at 38 U.S.C. §117.

appropriations cycle. The Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016 (P.L. 114-315) authorized advance appropriations for the medical community care account.

Congress had authorized (through P.L. 111-81, P.L. 113-235, and P.L. 114-315) advance appropriations of new budget authority for the aforementioned VBA and VHA accounts to prevent potential delays in the delivery of care and benefits to veterans that may have arisen in the event of a funding lapse.

Generally, VA's budget estimates for advance appropriations included in its annual budget request are developed using data that are typically three to four years old.²⁵ For example, the advance appropriation estimates for FY2026 included in the FY2025 annual budget request to Congress were developed by VA from about May through July 2023 using FY2022 workload levels and "available high-level FY 2023 workload and expenditure data."²⁶ The Government Accountability Office (GAO) has stated that the

process to develop these estimates is inherently complex, as it requires making assumptions based on imperfect information to predict obligations for VA health care 3 and 4 years into the future. For this reason, VA's budget estimate is prepared in the context of uncertainties about the future—including changes in veterans' needs, future economic conditions, and shifting leadership priorities.²⁷

Furthermore, VA's Office of Inspector General (OIG) has found that

because estimating the financial resources VHA needs to provide medical care for a forthcoming fiscal year begins several years before that period starts, there is inherent uncertainty in the process about future conditions. These include surges in costs and in the use of services, new mandates in congressional legislation, and unforeseen economic events.²⁸

Therefore, the department updates its annual budget request each year to reflect the most recent health care utilization data, actual program experience, and "other factors, such as economic trends in unemployment and inflation."²⁹ This revised request, also known as a "second bite" for the upcoming fiscal year, is displayed as additional funding over the advance appropriation amount requested in the previous year's President's budget submission to Congress, if applicable.

Under present budget scoring guidelines, advance appropriations are scored as new budget authority in the fiscal year in which they first become available for obligation, not in the fiscal year the appropriations are enacted, and are required to be counted for the purpose of enforcing any statutory discretionary spending limits in effect for the fiscal year they first become available.³⁰ Therefore, the advance appropriations numbers noted in the tables of this report are labeled "memorandum" and appear in the corresponding fiscal year column.

²⁵ Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, "Medical Programs," vol. 2 of 5, March 2024, p. VHA-428.

²⁶ Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, "Medical Programs," vol. 2 of 5, March 2024, p. VHA-451.

²⁷ U.S. Government Accountability Office, *VA Health Care: Additional Steps Could Help Improve Community Care Budget Estimates*, GAO-20-669, September 2020, p. 3.

²⁸ Department of Veterans Affairs, Office of the Inspector General, *The Causes and Conditions That Led to a \$12B Supplemental Funding Request*, VA OIG 24-03127-66, March 27, 2025, p. 3.

²⁹ Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2025*, "Budget Appendix," March 2024, p. 961.

³⁰ Executive Office of the President, Office of Management and Budget (OMB), OMB Circular No. A-11, *Section 20-* (continued...)

Cost of War Toxic Exposures Fund (TEF)

On August 10, 2022, President Biden signed the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022, or “Honoring our PACT Act of 2022” (P.L. 117-168). Section 805(a) of this act established the Cost of War Toxic Exposure Fund, to be administered by the VA Secretary.³¹ The Honoring our PACT Act of 2022 appropriated \$500 million for the Cost of War Toxic Exposures Fund for FY2022, to remain available until September 30, 2024, and further authorized appropriations (such sums as are necessary over the FY2021 level) to this fund for FY2023 and each subsequent fiscal year for expenses associated with the delivery of health care associated with exposure to environmental hazards during active military service.³² Additionally, funds from the TEF may be used for costs associated with medical and other research related to environmental hazards, administrative expenses related to benefits (including information technology), benefit claims processing, and adjudicating appeals from veterans.³³ The act states that appropriations provided for the Cost of War Toxic Exposure Fund will be considered “direct spending” and will be treated as an “appropriated entitlement.” Furthermore, the law states that the fund is exempt from mandatory sequestration pursuant to Section 256(h) of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended. TEF funding does not pay the disability compensation or survivor benefit payments related to Honoring our PACT Act of 2022 presumptions and other service-connected disabilities based on exposure to environmental hazards. These are paid from the Compensation and Pension account. Additionally, TEF funds cannot be used for “the delivery of health care and benefits that are not associated with exposure to environmental hazards.”³⁴

As shown in **Table 1**, aside from the initial \$500 million provided in the Honoring our PACT Act of 2022, Congress has provided funding for TEF in the following measures:

- The Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023 (Division J of P.L. 117-328), provided \$5.0 billion for TEF, to remain available until September 30, 2027.
- The Fiscal Responsibility Act (FRA) of 2023 (P.L. 118-5) provided \$20.27 billion for TEF that became available on October 1, 2023, and is to remain available until September 30, 2028, and \$24.46 billion that became available on October 1, 2024, and is to remain available until September 30, 2029.
- The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$6.00 billion for TEF to remain available until expended.

Terms and Concepts, available at <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>; also see OMB Circular No. A-11, *Appendix A -Scorekeeping Guidelines*, available at <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>. (accessed April 16, 2025).

³¹ 38 U.S.C. §324.

³² For details on the allocation of initial appropriation of \$500 million of TEF funds, see Department of Veterans Affairs, Office of the Inspector General, Office of Audits and Evaluations, *VA’s Allocation of Initial PACT Act Funding for the Toxic Exposures Fund*, Report #23-02377-35, Washington, DC, January 11, 2024.

³³ 38 U.S.C. §324 note: “The Secretary of Veterans Affairs may use, from amounts appropriated to the Cost of War Toxic Exposures Fund ... such amounts as may be necessary to continue the modernization, development, and expansion of capabilities and capacity of information technology systems and infrastructure of the Veterans Benefits Administration, including for claims automation, to support expected increased claims processing for newly eligible veterans pursuant to this Act.”

³⁴ Department of Veterans Affairs, *Financial Policy Documents, Volume XI - Unique Fund Accounts Chapter 06 – Toxic Exposures Fund*, June 12, 2024, <https://department.va.gov/financial-policy-documents/financial-document/chapter-06-toxic-exposures-fund/> (accessed April 9, 2025).

In total, \$56.22 billion has been provided for TEF from FY2022 through FY2025. **Table 2**, **Table 3**, **Table 4**, and **Table 5** show the allocation of TEF funding by account.

Table 1. Cost of War Toxic Exposures Fund (TEF), FY2022-FY2025

(\$ in thousands)

Act	FY2022	FY2023	FY2024	FY2025
Honoring our PACT Act of 2022 (P.L. 117-168)	\$500,000	—	—	—
Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023 (Division J of P.L. 117-328)	—	\$5,000,000	—	—
Fiscal Responsibility Act (FRA) of 2023 (P.L. 118-5)	—	—	\$20,268,000	\$24,455,000
Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4)	—	—	—	\$6,000,000
Total	\$500,000	\$5,000,000	\$20,268,000	\$30,455,000

Source: Table prepared by CRS.

Table 2. Honoring our PACT Act (P.L. 117-168) TEF Allocations, FY2022

(\$ in thousands)

VA Account	Final Allocation
Veterans Medical Care	
Medical Services	\$8,075
Medical Support and Compliance	\$26,049
<i>Subtotal Medical Care</i>	<i>\$34,124</i>
Medical and Prosthetic Research	\$650
Office of Information & Technology	\$123,053
Veterans Benefits Administration (VBA) - General Operating Expenses (GOE)	\$302,018
Office of General Counsel	\$4,374
Human Resources and Administration/Operations, Security and Preparedness	\$11,550
Office of Public and Intergovernmental Affairs	\$18,100
Office of Enterprise Integration	\$3,335
Office of the Secretary	\$224
PACT Act Program Management Office	\$2,572

VA Account	Final Allocation
<i>Subtotal, Medical and Prosthetic Research and General Administration</i>	\$465,876
Total	\$500,000

Source: Table prepared by CRS based on Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, “Supplemental Information and Appendices,” vol. I of 5, March 2024, p. Appendix-126, and reports to Congress required by the Honoring our PACT Act of 2022 (P.L. 117-168).

Table 3. Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023 (Division J of P.L. 117-328), TEF Allocations FY2023

(\$ in thousands)

VA Account	Estimated Allocation
Veterans Medical Care	
Medical Services	\$3,841,141
<i>Subtotal Medical Care</i>	<i>\$3,841,141</i>
Medical and Prosthetic Research	\$1,830
Office of Information & Technology	\$656,000
Veterans Benefits Administration (VBA) - General Operating Expenses (GOE)	\$482,362
Office of General Counsel	\$11,708
Human Resources and Administration/Operations, Security and Preparedness	\$629
Office of Public and Intergovernmental Affairs	\$692
Office of Enterprise Integration	\$2,510
Office of the Secretary	\$338
PACT Act Program Management Office	\$2,790
<i>Subtotal, Medical and Prosthetic Research and General Administration</i>	<i>\$1,158,859</i>
Total	\$5,000,000

Source: Table prepared by CRS based on Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, “Supplemental Information and Appendices,” vol. I of 5, March 2024, p. Appendix-126, and reports to Congress required by the Honoring our PACT Act of 2022 (P.L. 117-168).

Table 4. Fiscal Responsibility Act of 2023 (P.L. 118-5), TEF Allocations FY2024

(\$ in thousands)

VA Account	Estimated Allocation
Veterans Medical Care	
Medical Services	\$9,525,428
Medical Community Care	\$6,801,538
Medical Support and Compliance	\$850,000
<i>Subtotal Medical Care</i>	<i>\$17,176,966</i>
Medical and Prosthetic Research	\$46,000
Office of Information & Technology	\$1,243,000

VA Account	Estimated Allocation
Veterans Benefits Administration (VBA) - General Operating Expenses (GOE)	\$1,768,586
Board of Veterans Appeals	\$4,000
Office of General Counsel	\$10,660
Human Resources and Administration/Operations, Security and Preparedness	\$6,350
Office of Public and Intergovernmental Affairs	\$3,500
Office of Enterprise Integration	\$1,690
Office of the Secretary	\$250
PACT Act Program Management Office	\$6,998
<i>Subtotal, Medical and Prosthetic Research and General Administration</i>	<i>\$3,091,034</i>
Total	\$20,268,000

Source: Table prepared by CRS based on Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, "Supplemental Information and Appendices," vol. I of 5, March 2024, p. Appendix-127, and reports to Congress required by the Honoring our PACT Act of 2022 (P.L. 117-168).

Table 5. Fiscal Responsibility Act of 2023 (P.L. 118-5), TEF Allocations FY2025
(\$ in thousands)

VA Account	Estimated Allocation
Veterans Medical Care	
Medical Services	\$11,683,896
Medical Community Care	\$9,894,178
<i>Subtotal Medical Care</i>	<i>\$21,578,074</i>
Medical and Prosthetic Research	\$59,000
Office of Information & Technology	\$1,363,601
Veterans Benefits Administration (VBA) - General Operating Expenses (GOE)	\$1,401,105
Board of Veterans Appeals	\$8,897
Contingency Reserve	\$20,000
Office of General Counsel	\$9,604
Office of Public and Intergovernmental Affairs	\$3,500
Office of Enterprise Integration	\$3,254
Office of the Secretary	\$190
PACT Act Program Management Office	\$7,775
<i>Subtotal, Medical and Prosthetic Research and General Administration</i>	<i>\$2,876,926</i>
Total	\$24,455,000

Source: Table prepared by CRS, based on reports to Congress required by the Honoring our PACT Act of 2022 (P.L. 117-168).

TEF and Future Authorizing Legislation

On December 7, 2022, the Congressional Budget Office (CBO) issued a statement on how certain provisions of the TEF affect how the agency plans to score future veterans' benefits and programs authorizing legislation:

The TEF will provide support for five kinds of activities: health care, processing disability claims, medical research, modernizing information technology (IT) programs, and other services. Some future authorizing bills may affect the costs of those types of activities, both for veterans generally and for veterans with toxic exposures. As a result, some of those costs could now be paid in part from the TEF (thereby increasing mandatory spending) and some could be paid, as they have been previously, from discretionary appropriations (thereby increasing discretionary authorization levels). CBO would therefore include the effects of both types of payments in its cost estimates for such legislation.... CBO would allocate 21 percent of the added costs of subsequent legislation to the TEF in 2023; that amount would grow to 42 percent by 2032. Those amounts would be shown as mandatory spending in CBO's cost estimates.³⁵

Furthermore, according to CBO, TEF would affect certain benefits and services funded through the following VA accounts: medical services; medical community care; medical support and compliance; information technology systems; Veterans Benefits Administration, general operating expenses; veterans electronic health care record; medical and prosthetic research; general administration; and Board of Veterans Appeals.³⁶

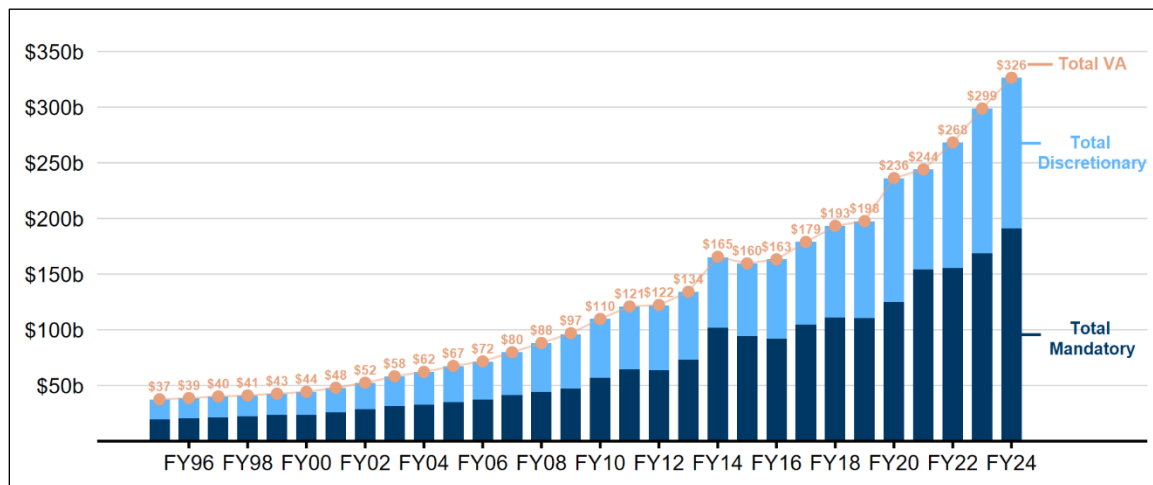
Historical Perspective

Figure 1 illustrates funding trends, in nominal dollars (not adjusted for inflation), for mandatory, discretionary, and total VA-enacted appropriations from FY1995 (a year before significant VA health care eligibility reform with the enactment of the Veterans' Health Care Eligibility Reform Act of 1996; P.L. 104-262) through FY2024. Between FY1995 and FY2024, total mandatory appropriations grew from \$19.45 billion to \$191.18 billion; this amount includes Cost of War Toxic Exposures Fund and excludes the FY2024 supplemental appropriations of \$2.88 billion provided in Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82). During this same period, discretionary appropriations grew from \$18.02 billion to \$135.20 billion. The total VA appropriations from FY1995 through FY2024 grew from \$37.47 billion to \$326.38 billion.

³⁵ Congressional Budget Office, *Statement for the Record Regarding How CBO Would Estimate the Effects of Future Authorizing Legislation on Spending From the Toxic Exposures Fund*, December 7, 2022, pp. 1-2, <https://www.cbo.gov/publication/58843> (accessed May 6, 2025).

³⁶ Congressional Budget Office, *Statement for the Record Regarding How CBO Would Estimate the Effects of Future Authorizing Legislation on Spending From the Toxic Exposures Fund*, December 7, 2022, p. 2, <https://www.cbo.gov/publication/58843> (accessed May 6, 2025).

Figure I.VA Appropriations, FY1995-FY2024
(budget authority, in billions)



Source: Prepared by CRS, based on figures from the Department of Veterans Affairs, Office of Management, Office of Budget.

Notes: Amounts in nominal, or noninflation-adjusted, dollars. Discretionary funding excludes offsetting collections deposited in the Medical Care Collections Fund (MCCF). Mandatory funding excludes Housing Benefit Program Fund Credit Subsidy Reestimates and includes Cost of War Toxic Exposure Fund (TEF) amounts.

FY2009: American Recovery and Reinvestment Act (P.L. 111-5) provided supplemental funding. VHA received \$1.0 billion for the medical facilities account, and the \$700 million was for the economic recovery payments. The supplemental \$700 million is not included in the discretionary subtotal but is included in overall VA total.

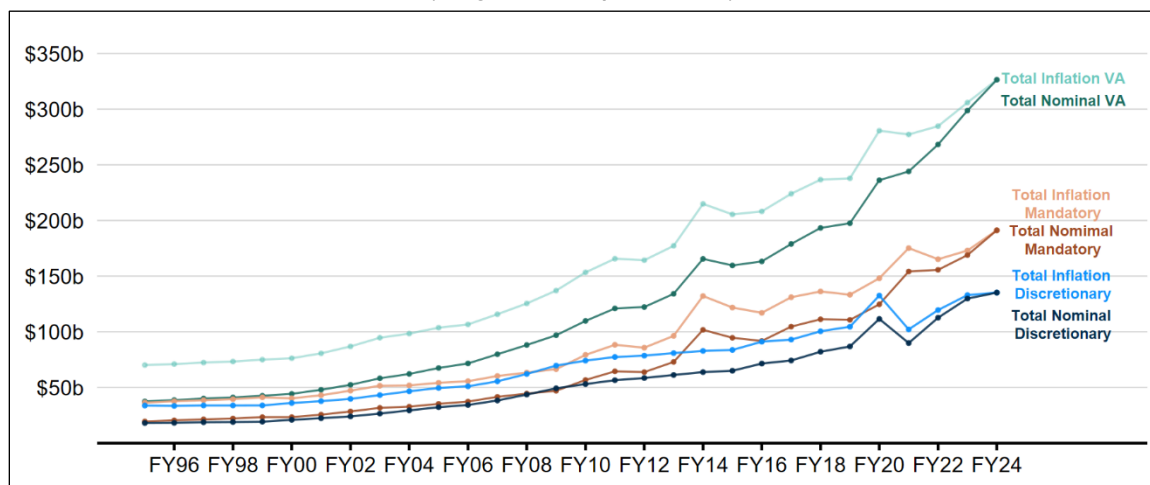
FY2014: Amounts include \$15 billion in mandatory funding provided in the Veterans Choice Act (P.L. 113-146).

FY2021: Amounts include American Rescue Plan Act of 2021 (ARPA) (P.L. 117-2) funding.

FY2022 and FY2023: Amounts include unobligated balances of expired discretionary funds transferred to the Recurring Expenses Transformational Fund.

FY2024: Amounts include enacted appropriations provided in the Consolidated Appropriations Act, 2024 (P.L. 118-42), but exclude supplemental funding for FY2024 provided in the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82).

Figure 2.VA Appropriations: Nominal and Inflation-Adjusted FY1995-FY2024
(budget authority, in billions)



Source: Prepared by CRS, based on figures from the Department of Veterans Affairs, Office of Management, Office of Budget. FY2024 amounts exclude supplemental funding for FY2024 provided in the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82).

Notes: Nominal (or current) dollar values are adjusted to real (constant) dollars using the Gross Domestic Product (GDP) Price Index Series deflator, where 2024 = 100. U.S. Bureau of Economic Analysis, "Table I.1.4. Price Indexes for Gross Domestic Product." Discretionary funding excludes offsetting collections deposited in the Medical Care Collections Fund (MCCF). Mandatory funding excludes Housing Benefit Program Fund Credit Subsidy Reestimates and includes Cost of War Toxic Exposure Fund (TEF) amounts.

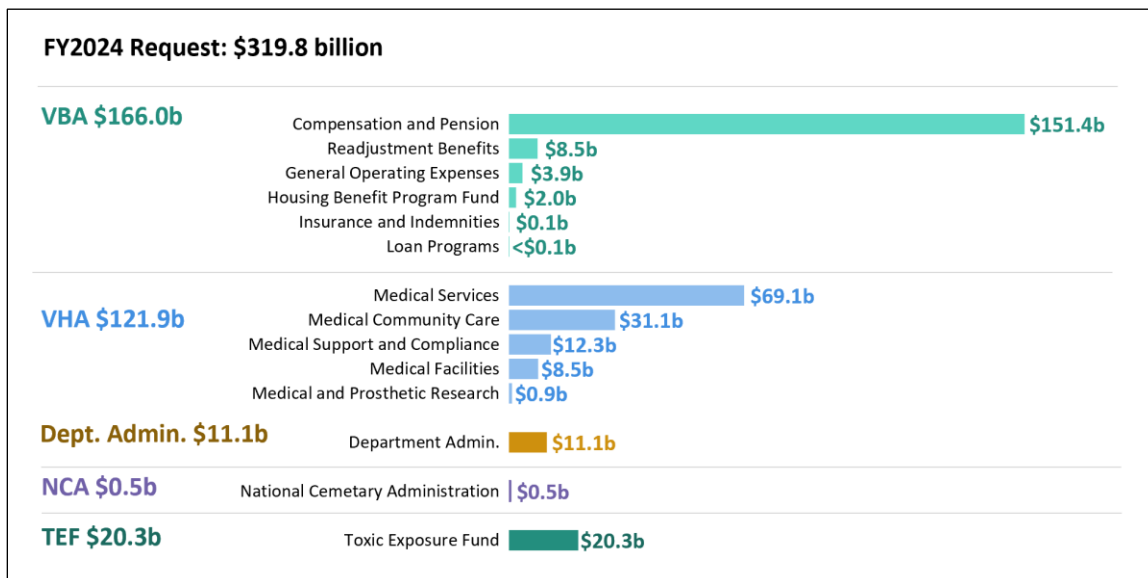
Figure 2 shows funding trends for mandatory, discretionary, and total VA-enacted appropriations from FY1995 through FY2024, in both nominal and inflation-adjusted dollars. Between FY1995 and FY2024, total mandatory appropriations, when adjusted for inflation, grew from \$36.38 billion to \$191.18 billion in 2024 dollars, an increase of 426%. During this same period, discretionary appropriations grew from \$33.71 billion to \$135.20 billion, a 301% increase in real (in 2024 dollars) terms. The total VA appropriations from FY1995 through FY2024 grew from \$70.10 billion to \$326.38 billion in 2024 dollars, a 366% increase in real terms.³⁷

FY2024 Budget Summary

On March 9, 2023, President Biden submitted his budget request for FY2024. The President's request for VA was \$319.76 billion. The request included \$137.76 billion in discretionary appropriations and \$182.01 billion in mandatory appropriations. The mandatory appropriations included \$20.27 billion for the Cost of War Toxic Exposures Fund (TEF) (see **Figure 3**).

³⁷ As noted by the Congressional Budget Office (CBO), after a period of slow growth from 1980 to 1999, "VA's budget has more than quadrupled in real terms [after adjusting for inflation] since 1999. The budgets for income security and medical care account for most of that growth ... VA's funding has grown since 2000, though the number of veterans has been declining. Furthermore, the number of combat veterans has been decreasing as a share of veterans who receive disability compensation—even though the United States was engaged in operations in Iraq and Afghanistan for more than 10 years. Because of policy changes, veterans who served after 9/11 (known as Gulf War II veterans) are more likely to get benefits, whether they served in combat or not." For additional details, see Congressional Budget Office, *Atlas of Military Compensation*, 2024, January 30, 2025, <https://www.cbo.gov/publication/60886> (accessed May 6, 2025).

Figure 3. FY2024 VA Budget Request
(budget authority, in billions)



Source: Prepared by CRS, based on U.S. Congress, House Committee on Appropriations, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2024*, report to accompany H.R. 4366, 118th Cong., 1st sess., June 27, 2023, H.Rept. 118-122; and U.S. Congress, Senate Committee on Appropriations, *Military Construction, Veterans Affairs, and Related Agencies Appropriation Bill, 2024*, report to accompany S. 2127, 118th Cong., 1st sess., June 22, 2023, S.Rept. 118-43.

Notes: Total budget authority excludes offsetting collections deposited in the Medical Care Collections Fund (MCCF). The FY2024 request does not include the request of \$2.883 billion in additional funding in FY2024 for mandatory benefits payments submitted by the then-VA Secretary Denis McDonough on July 19, 2024. VBA=Veterans Benefits Administration; VHA=Veterans Health Administration; NCA=National Cemetery Administration; TEF=Cost of War Toxic Exposure Fund.

On July 27, 2023, the House passed its version of the FY2024 MILCON-VA appropriations bill (H.R. 4366, 118th Congress). The House-passed bill provided \$299.49 billion for VA for FY2024, an amount that included \$161.74 billion in mandatory funding and \$137.75 billion in discretionary appropriations.

On June 22, 2023, the Senate Committee on Appropriations held a markup of its version of the FY2024 MILCON-VA appropriations bill and reported it out of committee (S. 2127; S.Rept. 118-43). On September 6, 2023, Senate Appropriations Chair Patty Murray and Ranking Member Susan Collins announced the Senate Appropriations Committee's plans for full Senate consideration of the first package of appropriations bills.³⁸ Among the appropriations bills included in the three-bill package was the FY2024 MILCON-VA appropriations bill (S. 2127; S.Rept. 118-43).³⁹ On September 7, S.Amdt. 1092 was introduced by Senator Patty Murray and Senator Susan Collins as an amendment in the nature of a substitute to the House-passed H.R. 4366. S.Amdt. 1092 included the text of the Senate Appropriations Committee-reported

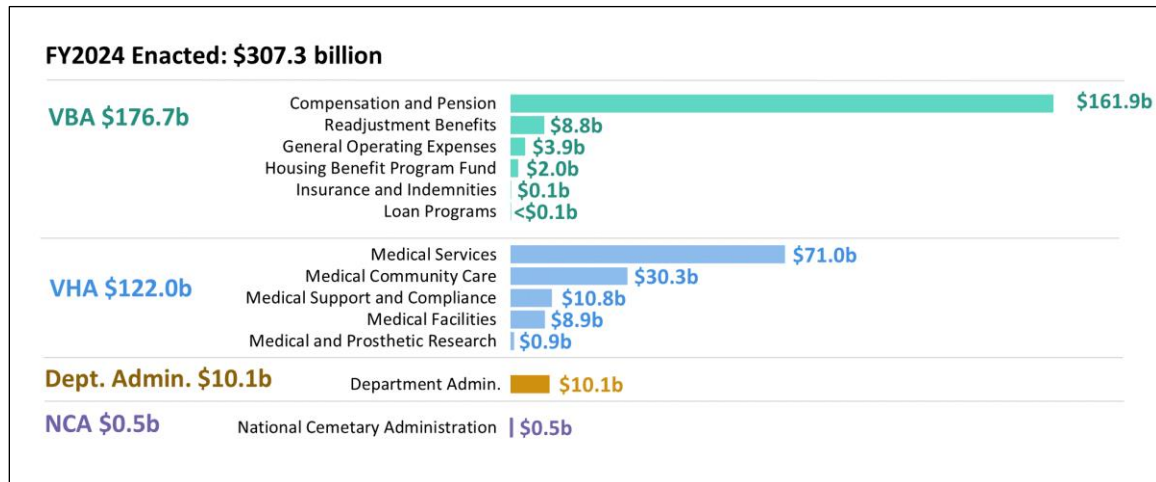
³⁸ Senate Committee on Appropriations, "Senators Murray and Collins Issue Statement on Plans to Proceed with First Package of Appropriations Bills on Senate Floor," press release, September 6, 2023, <https://www.appropriations.senate.gov/news/majority/senators-murray-and-collins-issue-statement-on-plans-to-proceed-with-first-package-of-appropriations-bills-on-senate-floor>.

³⁹ The other bills in the package were the FY2024 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill (S. 2131; S.Rept. 118-44), and the FY2024 Transportation, Housing and Urban Development, and Related Agencies appropriations bill (S. 2437; S.Rept. 118-70).

MILCON-VA appropriations bill (S. 2127), among other appropriations bills (S. 2131 and S. 2437). On November 1, 2023, having agreed to S.Amdt. 1092, as amended, the Senate passed its version of the MILCON-VA appropriations bill (Division A of the Consolidated Appropriations Act, 2024; H.R. 4366; S.Rept. 118-43). The Senate-passed version of the MILCON-VA appropriations bill (Division A of H.R. 4366, as amended; S.Rept. 118-43) would have provided \$296.51 billion for VA for FY2024. This amount included \$134.77 billion in discretionary funding, as well as \$161.74 billion in mandatory appropriations.

After enacting a series of continuing resolutions, on March 9, 2024, President Biden signed the Consolidated Appropriations Act, 2024 (P.L. 118-42), into law. The FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42) provided \$307.31 billion for VA, including \$172.53 billion in mandatory funding and \$134.77 billion in discretionary funding. Additionally, the FY2024 MILCON-VA Appropriations Act provided \$308.43 billion in advance appropriations for FY2025, which became available on October 1, 2024. This amount included \$195.85 billion for the Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities accounts, and \$112.58 billion for Medical Services, Medical Community Care, Medical Support and Compliance, Medical Facilities accounts. **Figure 4** provides a breakdown of the enacted amounts for VA for FY2024.

Figure 4. FY2024 VA-Enacted Appropriations (P.L. 118-42)
(budget authority, in billions)



Source: Figure prepared by CRS, based on U.S. Congress, committee print, prepared by House Committee on Appropriations Consolidated Appropriations Act, 2024 (H.R. 4366; P.L. 118-42) [Legislative Text and Explanatory Statement] Book 1 of 2 Divisions A–F], 118th Cong., 2nd sess. (Washington: GPO, 2024), pp. 125–133.

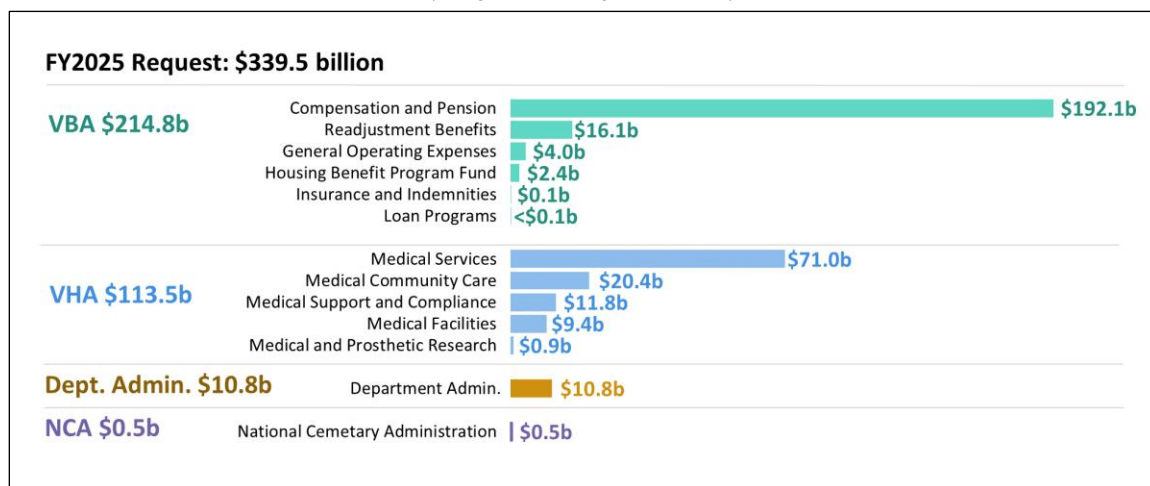
Notes: Total budget authority excludes offsetting collections deposited in the Medical Care Collections Fund (MCCF) and supplemental appropriations for FY2024 provided in the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82). Totals may not add up due to rounding. VBA=Veterans Benefits Administration; VHA=Veterans Health Administration; NCA=National Cemetery Administration; TEF=Cost of War Toxic Exposure Fund.

Budget Request for FY2025 and Congressional Action

President's Request

On March 11, 2024, the Biden Administration released its FY2025 budget request. The budget requested \$339.51 billion for the Department of Veterans Affairs. This amount included \$210.41 billion in mandatory funding and \$129.10 in discretionary appropriations (see **Figure 5**). The budget proposal's discretionary appropriation level was proposed to reflect overall nondefense discretionary spending limits ("caps") for FY2025 established by the Fiscal Responsibility Act of 2023 (P.L. 118-5). Additionally, the President's budget requested \$131.44 billion in advance appropriations for the medical care accounts (medical services, medical community care, medical support and compliance, and medical facilities), \$222.23 billion in advance appropriations for veterans' benefits programs (compensation and pensions, readjustment benefits, and veterans insurance, and indemnities), and \$22.80 billion advance appropriations for the TEF.

Figure 5. FY2025 VA Budget Request
(budget authority, in billions)



Source: U.S. Congress, House Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany H.R. 8580, 118th Cong., 2nd sess., May 28, 2024, H.Rept. 118-528, pp. 109-116; U.S. Congress, Senate Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany S. 4677, 118th Cong., 2nd sess., July 11, 2024, S.Rept. 118-191, pp. 106-111.

Notes: Total budget authority excludes offsetting collections deposited in the Medical Care Collections Fund (MCCF). VBA=Veterans Benefits Administration; VHA=Veterans Health Administration; NCA=National Cemetery Administration; TEF=Cost of War Toxic Exposure Fund.

House Action

On May 21, 2024, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Subcommittee marked up a draft version of the MILCON-VA appropriations bill for FY2025. On May 23, 2024, the full Appropriations Committee marked up the MILCON-VA appropriations bill for FY2025 and reported the bill to the House on May 28, 2024 (H.R. 8580; H.Rept. 118-528).

On June 5, 2024, the House passed its version the FY2025 MILCON-VA appropriations bill (H.R. 8580). The House-passed version would have provided \$339.64 billion for VA, which included \$129.22 billion in discretionary appropriations and \$210.41 billion in mandatory appropriations. Additionally, as requested in the President’s budget, the House-passed FY2025 MILCON-VA appropriations bill would have provided advance appropriations for FY2026, including the \$22.80 billion for the TEF. **Table 7** provides comparative House-passed MILCON-VA appropriations bill (H.R. 8580, 118th Congress) budget authority for FY2025 for VBA, VHA, NCA and departmental administration. **Table 9** provides account level details.

Senate Action

On July 11, 2024, the full Senate Appropriations Committee marked up and reported its version of the MILCON-VA appropriations bill for FY2025 (S. 4677; S.Rept. 118-191). The Senate Appropriations Committee-reported MILCON-VA bill recommended \$339.59 billion for VA, which included \$129.18 billion in discretionary appropriations and \$210.41 billion in mandatory appropriations. The Senate Appropriations Committee-reported MILCON-VA bill (S. 4677; S.Rept. 118-191) did not recommend the advance appropriations amount of \$22.80 billion for the TEF for FY2026. In its report to accompany the bill, the committee noted that, “The Committee supports the appropriations provided in the Fiscal Responsibility Act of 2023 (P.L. 118-5), and includes a provision requiring quarterly reporting on the status of the Toxic Exposures Fund.”⁴⁰ **Table 7** provides comparative Senate Appropriations Committee-reported MILCON-VA bill (S. 4677) budget authority for FY2025 for VBA, VHA, NCA, and departmental administration. **Table 9** provides account level details.

FY2024 and FY2025 Budget Shortfall

On July 19, 2024, the then-VA Secretary sent a letter informing Congress that VBA was facing a potential mandatory shortfall of \$2.883 billion for FY2024, which included \$2.286 billion for the compensation and pension account and \$597 million for the readjustment benefits account. The letter stated that if the department had insufficient funding available, the compensation and pension payments to over 7 million veterans and survivors, along with readjustment benefit payments to over 500,000 individuals, scheduled to be delivered on October 1, 2024, were at risk.⁴¹ Among the main reasons cited for this potential shortfall were the growth in disability claims as a result of the PACT Act (P.L. 117-168) and the *Rudisill v. McDonough* Supreme Court decision pertaining to education benefits under the Post-9/11 GI Bill and the Montgomery GI Bill.⁴² Subsequently, on July 31, 2024, the then-VA Secretary sent a letter informing Congress of a projected shortfall of \$11.971 billion in VA medical care accounts relative to the FY2025 President’s request, which projected a large carryover from FY2024 into FY2025. The main drivers for this shortfall were higher staffing levels, higher expenditures for community care, and increased pharmaceutical and prosthetics expenditures.⁴³ In response, to address the immediate

⁴⁰ U.S. Congress, Senate Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany S. 4677, 118th Cong., 2nd sess., July 11, 2024, S.Rept. 118-191, p. 65.

⁴¹ Department of Veterans Affairs, Office of the Inspector General, *Review of VA’s \$2.9 Billion Supplemental Funds Request for FY 2024 to Support Veterans’ Benefits Payments*, VAOIG 24-03692-76, March 27, 2025, p. 22; and Letter from Denis McDonough, Secretary of Veterans Affairs, to the then Chairs and Ranking Members of the Senate and House Committees on Veterans Affairs and Appropriations, July 19, 2024.

⁴² For information on this decision, see CRS Report R48180, *Supreme Court Term October 2023: A Review of Selected Major Rulings*.

⁴³ Letter from Denis McDonough, Secretary of Veterans Affairs, to the then Chairs and Ranking Members of the (continued...)

funding needs of the compensation and pension account readjustment benefits account, Congress passed the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (H.R. 9468; P.L. 118-82). Later, in revised estimates, VA anticipated a shortfall of \$6 billion for the medical care accounts, and Congress provided funding as part of the Cost of War Toxic Exposure Fund (TEF) in the Full-Year Continuing Appropriations Act, 2025 (Division A of H.R. 1968; P.L. 119-4).

Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82)

On September 20, 2024, the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82), was enacted. The act provided \$2.88 billion, which included \$2.29 billion for compensation and pensions, and \$596.97 million for the readjustment benefits account, with both amounts to remain available until expended. Nevertheless, VA provided benefit payments by October 1, 2024, without using this supplemental funding, using instead the funding that was already available in the compensation and pension and readjustment benefits accounts.⁴⁴ The law also required the VA's Office of the Inspector General (VAOIG) to conduct a review of the circumstances and causes that lead to the purported budget shortfall.⁴⁵ In its findings VAOIG, concluded that

adequate funding was available if deobligated funds had been fully considered and used to offset obligations. Office of Financial Management officials agreed that including the monthly realized prior-year recoveries in the calculations in the status of funds reports as a separate line item would provide a clearer depiction of VBA's financial performance. Had those resources been fully considered, VBA could have recognized earlier the decreased risk of a shortfall by September 30, 2024.... VBA officials confirmed they knew they did not need the funding for the compensation and pension account for FY 2024 on September 20—the day the supplemental funding bill was signed into law. However, VA officials did not communicate this to Congress until the end of October because they said they needed to finalize their year-end accounting to confirm, which entailed multiple layers of VA and VBA reviews and OMB [Office of Management and Budget] approval before releasing the information to Congress.⁴⁶

Senate and House Committees on Veterans Affairs and Appropriations, July 31, 2024. Also, see Department of Veterans Affairs, Office of the Inspector General, *The Causes and Conditions That Led to a \$12B Supplemental Funding Request*, VA OIG 24-03127-66, March 27, 2025.

⁴⁴ According to VAOIG, on October 28, VA reported to Congress that no supplemental funding was actually needed for these two accounts. (See Department of Veterans Affairs, Office of the Inspector General, *Review of VA's \$2.9 Billion Supplemental Funds Request for FY 2024 to Support Veterans' Benefits Payments*, VAOIG 24-03692-76, March 27, 2025, p. ii.) A letter to then-Secretary Denis McDonough, Chairman Mike Bost, and Chairman John Carter, dated November 1, 2024, stated: "Specifically, according to VA's briefing paper, the Veterans Benefits Administration (VBA) carried over approximately \$5.1 billion unspent from FY 2024 to FY 2025 including \$4.4 billion for Disability Compensation and Pension and \$689 million for Readjustment Benefits. Without the additional \$2.83 billion appropriated in the Veterans Benefits Continuity and Accountability Supplemental Appropriations Act (P.L. 118-82), VBA still would have carried over \$2.1 billion in unspent Disability Compensation and Pension funds and \$92 million of unspent Readjustment Benefits funds. VA acknowledges in its paper that, 'this carry-over amount also means that we did not use the \$2.83 [sic] billion in supplemental funding provided by Congress last month to address FY 2024 requirements.'"

⁴⁵ For details on VAOIG findings, see Department of Veterans Affairs, Office of the Inspector General, *The Causes and Conditions That Led to a \$12B Supplemental Funding Request*, VA OIG 24-03127-66, March 27, 2025; and Department of Veterans Affairs, Office of the Inspector General, *Review of VA's \$2.9 Billion Supplemental Funds Request for FY 2024 to Support Veterans' Benefits Payments*, VAOIG 24-03692-76, March 27, 2025.

⁴⁶ Department of Veterans Affairs, Office of the Inspector General, *Review of VA's \$2.9 Billion Supplemental Funds Request for FY 2024 to Support Veterans' Benefits Payments*, VAOIG 24-03692-76, March 27, 2025, p. 34.

Continuing Appropriations for FY2025 (Division A of P.L. 118-83)

Because none of the regular appropriations bills for FY2025 were enacted by the beginning of the fiscal year on October 1, 2024, on September 26, 2024, President Biden signed the Continuing Appropriations and Extensions Act, 2025, into law (P.L. 118-83; H.R. 9747). Division A of the act provided continuing appropriations for all 12 regular appropriations bills through December 20, 2024. Since seven accounts (compensation and pensions, readjustment benefits, insurance and indemnities, medical services, medical community care, medical support and compliance, and medical facilities) received advance appropriations for FY2025 in the FY2024 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act (Division A of Consolidated Appropriations Act, 2024; P.L. 118-42), these accounts were not affected by this continuing resolution (CR). The Continuing Appropriations and Extensions Act, 2025, also provided the following anomalies:

Section 101 (10)—Rescission of Unobligated Balances in the Veterans Health Administration

Section 101(10) provided an exception to the provision (Section 259) in the FY2024 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act (Division A of Consolidated Appropriations Act, 2024; P.L. 118-42) that rescinded \$1.95 billion in unobligated balances in the Veterans Health Administration (VHA) accounts. This exception allowed VA to allocate these funds during the period of the CR. In requesting this anomaly, the Administration stated that if these unobligated balances are “precluded from obligation during the period of the CR ... VA’s critical medical services could be impeded.”⁴⁷

Section 149—Department of Veterans Affairs Major Construction Projects

Section 149 rescinded funds in the major construction account provided in the FY2020 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act (Division F of the FY2020 Further Consolidated Appropriations Act; P.L. 116-94) that would have expired on September 30, 2024, and reappropriated those rescinded amounts as new budget authority for FY2024. These reappropriated funds would remain available until September 30, 2029.

Additionally, Title III of Division B of the Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83), included provisions to extend or modify certain authorities of VA (see **Table 6**).⁴⁸

⁴⁷ Office of Management and Budget (OMB), *FY2025 Continuing Resolution (CR) Appropriations Issues*, August 30, 2024, p. 24.

⁴⁸ The Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704(e) of the National Defense Authorization Act for Fiscal Year 2010 (P.L. 111-84), is not classified to Title 38 U.S.C and is therefore not shown in **Table 6**. The authority for the fund was extended by Title III of Division B of the Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83), through September 30, 2025, and then later by the Servicemember Quality of Life Improvement and National Defense Authorization Act for FY2025 (P.L. 118-159) through September 30, 2026.

**Table 6. Expiring Authorities in Title 38, United States Code (U.S.C.),
Extended or Amended by P.L. 118-83**

Authority or Program, and Authorizing Statute	Brief Description of Expiring Authority	Most Recent Authorization	Expiration Date
38 U.S.C. § 111A(a)(2). Transportation of individuals to and from Department facilities.	Authorizes the Veterans Transportation Service (VTS), through which VA may transport eligible persons to or from a VA or VA-authorized facility or other place for the purpose of vocational rehabilitation, or for examination, treatment, or care.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. § 312(d)(7)(A). Department of Veterans Affairs Inspector General Testimonial Subpoena Authority.	Authorizes the VA Inspector General to issue a subpoena for the attendance and testimony of witnesses as necessary in the performance of the Inspector General's functions. The Inspector General would not be authorized to subpoena federal employees or witnesses in other criminal proceedings.	Continuing Appropriations and Extensions Act, 2025, (P.L. 118-83).	September 30, 2025.
38 U.S.C. § 315(b). Regional offices.	Authorizes VA to maintain a regional office in the Republic of the Philippines.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. § 309 (note). Matters Relating to the Chief Financial Officer of Department of Veterans Affairs	Requires VA's Chief Financial Officer to submit with the President's annual budget request (1) a certification of responsibility for internal financial controls of VA and (2) an attestation that the Chief Financial Officer has collaborated with the subordinate chief financial officers throughout VA, and is confident in the financial projections included in the President's the budget request and supporting materials.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2029.

Authority or Program, and Authorizing Statute	Brief Description of Expiring Authority	Most Recent Authorization	Expiration Date
38 U.S.C. §322. Monthly Assistance Allowance for Disabled Veterans Training in Paralympic and Olympic Sports Program	Authorizes VA to provide monthly assistance to veterans with disabilities who are invited by the United States Olympic and Paralympic Committee (USOPC), to compete for a slot or selected for the United States Paralympic Team or Olympic Team. Also authorizes appropriations of \$2 million for each FY2010 through 2023 and \$2.5 million for each fiscal year from 2024 through 2027.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2027.
38 U.S.C. §503(c). Administrative error; equitable relief.	Requires VA to report to Congress on the disposition of recommendations for the equitable relief submitted to the VA Secretary.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	December 31, 2025.
38 U.S.C. §1710(f)(2)(B). Copayments for hospital and nursing home care.	Authorizes copayments for inpatient hospital care and nursing home care.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. §1710A(d). Required nursing home care.	Authorizes VA to provide nursing home care to (1) any veteran in need of such care for a service-connected disability; (2) any veteran who is in need of such care and who has a service-connected disability rating of 70% or more; (3) any veteran who has a service-connected disability rated 60% or more and is unemployable; or (4) any veteran who has a service-connected disability rated 60% or more and who has been rated permanently and totally disabled.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.

Authority or Program, and Authorizing Statute	Brief Description of Expiring Authority	Most Recent Authorization	Expiration Date
38 U.S.C. §1712A (note). Expansion of Rural Access Network for Growth Enhancement (RANGE) program.	Requires VA to establish and maintain three new centers of the RANGE program based on the need for additional mental health care for rural veterans and interest expressed by VA personnel, and authorizes appropriations of \$1.2 million for each fiscal year from FY2022 through FY2025.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. § 1712A (note). Pilot program to provide veterans access to complementary and integrative health programs through animal therapy, agritherapy, sports and recreation therapy, art therapy, and posttraumatic growth programs.	Requires VA to carry out a pilot program at no fewer than five VA facilities that meet specified criteria, to provide equine therapy, other animal therapy, agritherapy, sports and recreation therapy, art therapy, and posttraumatic growth programs to eligible veterans.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. §2021A(f)(1). Homeless women veterans and homeless veterans with children reintegration grant program.	Requires the Secretary of Labor through the Assistant Secretary of Labor for Veterans' Employment and Training to carry out a grant program to provide job training, counseling, placement services, and child care services to expedite the reintegration of homeless women veterans and homeless veterans with children into the labor force. Authorizes appropriations of \$1 million for each fiscal year from FY2011 through FY2025.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.

Authority or Program, and Authorizing Statute	Brief Description of Expiring Authority	Most Recent Authorization	Expiration Date
38 U.S.C. §2031(b). Treatment and rehabilitation for seriously mentally ill and homeless veterans, general treatment.	Authorizes outreach services; care, treatment, and rehabilitative services (directly or by contract in community-based treatment facilities, including halfway houses); and therapeutic transitional housing for veterans suffering from serious mental illness and to veterans who are homeless.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. §2033(d). Additional services at certain locations for seriously mentally ill and homeless veterans.	Requires VA, subject to appropriations, to operate a program at sites in at least each of the 20 largest metropolitan statistical areas to expand and improve the provision of benefits and services by the VA to homeless veterans.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. §2044(e)(8). Financial assistance for supportive services for very low-income veteran families in permanent housing.	Authorizes \$420 million for each fiscal year FY2021 through FY2025 from the amounts appropriated for VA's medical services account for the Supportive Services for Veteran Families (SSVF) grant program. SSVF grants are provided to selected private nonprofit organizations and consumer cooperatives to assist very low-income veteran families residing in or transitioning into permanent housing.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.

Authority or Program, and Authorizing Statute	Brief Description of Expiring Authority	Most Recent Authorization	Expiration Date
38 U.S.C. §2061(d)(1). Grant program for homeless veterans with special needs.	Authorizes \$5 million for each fiscal year from FY2007 through FY2025 from the amounts appropriated for VA's medical services account for the Grant and Per Diem Special Needs (GPD-SN) grant. GPD-SN provides grants to public entities and private nonprofit organizations that provide transitional housing services to homeless veterans who are women, frail elderly, terminally ill, chronically mentally ill, or caring for minor dependents.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. §2102A(e). Assistance for individuals residing temporarily in housing owned by a family member.	Authorizes the Secretary to provide assistance to eligible veterans with disabilities who are or will be temporarily residing in a home owned by a family member to adapt the family member's home as reasonably necessary due to the veteran's disability.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. §2108(g). Specially adapted housing assistive technology grant program.	Authorizes \$1 million for each fiscal year from FY2011 through FY2024 from the amounts appropriated for VA's readjustment benefits account for a Specially Adapted Housing Assistive Technology grant program to award grants to persons or entities to encourage the development of specially adapted housing assistive technologies.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. §2306(b)(2). Headstones, markers, and burial receptacles.	Authorizes VA to provide headstones or markers in national, state, local, or tribal cemetery for a spouse, surviving spouse, or an eligible dependent child of a veteran if the death occurs before September 30, 2032.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.

Authority or Program, and Authorizing Statute	Brief Description of Expiring Authority	Most Recent Authorization	Expiration Date
38 U.S.C. §2402(a)(5). Persons eligible for interment in national cemeteries.	Authorizes VA to bury certain persons including a spouse, surviving spouse, minor child or unmarried adult child of a veteran in any open national cemetery under the control of the National Cemetery Administration (NCA) if the death occurs before September 30, 2032.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.
38 U.S.C. § 2404(c)(2) Administration of national cemeteries.	Authorizes VA to provide Flat Grave Markers in any section at the Santa Fe National Cemetery in New Mexico, where flat markers were already in use on December 22, 2023.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	Not Applicable.
38 U.S.C. §8118(a)(5). Authority for transfer of real property; Department of Veterans Affairs Capital Asset Fund.	Authorizes the Secretary to transfer real property to other entities.	Continuing Appropriations and Extensions Act, 2025 (P.L. 118-83).	September 30, 2025.

Source: Prepared by CRS, based on Title 38 of the *U.S. Code* (U.S.C.), and P.L. 118-83.

Note: Excludes the Loan Guaranty Fee provision in 38 U.S.C. §3729(b)(2).

American Relief Act, 2025 (P.L. 118-158)

On December 21, 2024, President Biden signed into law the Further Continuing Appropriations Act, 2025 (Division A of P.L. 118-158), which extended continuing appropriations provided by the initial CR through March 14, 2025. Division B of P.L. 118-158 contained the Disaster Relief Supplemental Appropriations Act, 2025.

Due to damages to VA-owned and -leased facilities in North Carolina, South Carolina, Georgia, Florida, and Tennessee resulting from Hurricanes Helene and Milton in September and October 2024, the Administration requested funding for repair costs and overtime and travel costs. The Administration requested a total of approximately \$66.76 million for various VA accounts,⁴⁹ and the American Relief Act, 2025 (Division B of P.L. 118-158), provided \$67.96 million for the following accounts:

- Medical services: \$19.26 million to remain available until September 30, 2027;
- Medical support and compliance: \$330,000 to remain available until September 30, 2027;
- Medical Facilities: \$41.66 million to remain available until September 30, 2029;

⁴⁹ Office of Management and Budget (OMB), *Technical Materials Regarding Additional Disaster Funding*, November 25, 2024.

- National Cemetery Administration (NCA): \$693,000 to remain available until September 30, 2029;
- Major construction projects: \$4.0 million to remain available until September 30, 2029; and
- Minor construction, projects: \$2.02 million to remain available until September 30, 2029.

Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4)⁵⁰

On March 15, 2025, the Full-Year Continuing Appropriations and Extensions Act, 2025, was enacted into law (H.R. 1968; P.L. 119-4). Division A of the act contained the Full-Year Continuing Appropriations Act, 2025. The Full-Year Continuing Appropriations Act continues to fund certain accounts that did not receive advance appropriations budget authority for FY2025 in the FY2024 Consolidated Appropriations Act, 2024 (P.L. 118-42), at FY2024 levels, with certain anomalies. Additionally, the Full-Year Continuing Appropriations Act generally continues all requirements, authorities, conditions, limitations, and other provisions that were included in appropriations acts enacted for FY2024, unless specified otherwise, which includes the general provisions included in such acts. The following sections summarize certain provisions that affect the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42).

Section 1101(a)(10)—Exemptions from Certain Rescissions

This provision would exempt FY2026 advance appropriations for three accounts—medical services, medical community care, and medical support and compliance—from certain rescissions that were applied to the FY2025 advance appropriation amounts included in the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42). That is, the FY2025 rescissions would not be carried forward and applied to these three accounts for FY2026.

Section 11105—Inapplicability of Certain Rescissions to VA Accounts

Section 11105 excludes certain rescissions specified in the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42) from applying to appropriations in the Full-Year Continuing Appropriations Act, to certain VA accounts. None of the amounts specified in Sections 259 and 260 of Division A of P.L. 118-42 would be rescinded from the following accounts for FY2025: VA medical care accounts, VBA general operating expenses account, general administration account, BVA account, information technology systems account, and major construction, projects account.

Section 11109—Advance Appropriations for FY2026

Section 11109 provides advance appropriations for FY2026, which are to become available on October 1, 2025. These amounts include the following discretionary advance appropriations for the VA medical care: \$75.04 billion for the medical services account, \$34.00 billion for the medical community care account, \$12.70 billion for medical support and compliance account, and \$9.70 billion the medical facilities account. This section also provides the following

⁵⁰ For more details and a summary of provisions in the Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), see CRS Report R48517, *Section-by-Section Summary of the Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4)*.

mandatory advance appropriations for VA benefit programs: \$227.24 billion for the compensation and pensions account, \$20.37 billion for the readjustment benefits account, and \$131.52 million for the veterans insurance and indemnities account (see **Table 9**).

Section 11110—Additional Amounts over FY2025 Advance Appropriations

Section 11110 provides additional funds over the previously appropriated FY2025 advance appropriations for the following accounts: \$30.24 billion for the compensation and pensions account and \$4.86 billion for the readjustment benefits accounts. Additionally, this section provides \$6.00 billion for the Cost of War Toxic Exposure Fund (TEF)⁵¹ (see **Table 9**).

Table 7 provides comparative budget authority for FY2025 for VBA, VHA, NCA, and departmental administration provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4), and **Table 9** provides account-level details.

Table 7. FY2024-FY2025 VBA, VHA, NCA, and Veterans Affairs (VA)-Departmental Administration Appropriations

	FY2024 Enacted (P.L. 118-42 and P.L. 118- 82)	FY2025 Request	House- Passed (H.R. 8580; H.Rept. 118-528)	Senate Committee- Reported (S. 4677; S.Rept. 118- 191)	FY2025 Full- Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4)	Increase (+)/ Decrease (-) and % Change FY2025 Enacted vs. FY2024 Enacted
Veterans Benefits Administration (VBA, including General Operating Expenses)	\$179.60 billion	\$214.77 billion	\$214.77 billion	\$214.77 billion	\$236.90 billion	(+) \$57.30 billion (+31.90%)
Veteran's Health Administration (VHA)	\$120.00 billion	\$113.45 billion	\$113.51 billion	\$113.46 billion	\$113.67 billion	(-) \$6.33 billion (-5.28%)
National Cemetery Administration (NCA)	\$480 million	\$495 million	\$495 million	\$495 million	\$480 million	N/A
Departmental Administration	\$10.10 billion	\$10.80 billion	\$10.80 billion	\$10.86 billion	\$10.67 billion	(+) \$0.57 billion (+5.64%)
Cost of War Toxic Exposure Fund (TEF)	—	—	—	—	\$6.00 billion	N/A
Total VA	\$310.19 billion	\$339.51 billion	\$339.64 billion	\$339.59 billion	\$367.73 billion	(+) \$57.54 billion (+18.55%)
Total Mandatory	\$175.41 billion	\$210.41 billion	\$210.41 billion	\$210.41 billion	\$238.68 billion	(+) \$63.27 billion (+36.07%)

⁵¹ The Administration requested \$6 billion in additional mandatory funding for TEF to address the funding shortfall for FY2025 in its medical care accounts. According to the Office of Management and Budget (OMB), “if the anomaly is not addressed the VA estimates that they would need to further delay equipment purchases, implement a long-term hiring freeze, and potential furloughs that would negatively impact the VA’s ability to care for veterans.” (See Aidan Quigley, “Trump White House submits CR ‘anomalies’ request to Congress,” *CQ Roll Call*, February 27, 2025.)

	FY2024 Enacted (P.L. 118-42 and P.L. 118- 82)	FY2025 Request	House- Passed (H.R. 8580; H.Rept. 118-528)	Senate Committee- Reported (S. 4677; S.Rept. 118- 191)	FY2025 Full- Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4)	Increase (+)/ Decrease (-) and % Change FY2025 Enacted vs. FY2024 Enacted
Total Discretionary	\$134.77 billion	\$129.10 billion	\$129.22 billion	\$129.18 billion	\$129.04 billion	(-) \$5.73 billion (-4.25%)

Source: U.S. Congress, House Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany H.R. 8580, 118th Cong., 2nd sess., May 28, 2024, H.Rept. 118-528, pp. 109-116; U.S. Congress, Senate Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany S. 4677, 118th Cong., 2nd sess., July 11, 2024, S.Rept. 118-191, pp. 106-111; Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82); Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4); and U.S. Congress, House Appropriations Committee, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2026*, report to accompany H.R. 3944, 119th Cong., 1st sess., June 10, 2025, H.Rept. 119-161, pp. 93-100.

The following sections discuss account-level details of the President's budget request for FY2025 and subsequent House and Senate action on regular VA appropriations.

Mandatory Programs Funding

Major mandatory program funding includes (1) Compensation and Pensions (VA's disability compensation program, Dependency and Indemnity Compensation [DIC] for service-connected deaths for surviving spouses, and dependent children pensions to low-income veterans), (2) Readjustment Benefits (education and vocational rehabilitation assistance), and (3) Veterans Insurance and Indemnities (the provision of life insurance).

Compensation and Pensions

The compensation and pensions account provides payments for benefits such as disability compensation, DIC, pension benefits for low-income disabled or elderly wartime veterans and their survivors, burial benefits (allowances, flags, headstones, etc.), and a clothing allowance for certain disabled veterans.

President Biden requested \$192.13 billion for the FY2025 Compensation and Pension (C&P) account. This included \$9.82 billion in additional funding over the FY2025 advance appropriation amount of \$182.31 billion. In FY2025, VA estimates that approximately \$188.7 billion in compensation payments would go to about 6.3 million veterans, approximately 559,000 survivors, and 1,057 children.

The increase in funding largely reflects changes made by the PACT Act (P.L. 117-168), which significantly expanded benefits and services for veterans exposed to toxic substances. The PACT Act directly affects the C&P account due to the addition of 24 categories of presumptive conditions, including 300 diseases and medical conditions related to burn pits and other toxic exposures, and the addition of more presumptive-exposure locations for Agent Orange and radiation.

The earliest effective date for establishing entitlement to presumptive service-connected compensation benefits under the PACT Act is August 10, 2022, the date the bill was signed into law. VBA began processing PACT Act claims on January 1, 2023, and received a surge of PACT Act claims in August 2023. This is largely because the deadline for veterans to receive disability

compensation backdated to the first day of eligibility (August 10, 2022) was August 10, 2023.⁵² Overall, the compensation and pension obligations increased by \$22.3 billion over the 2022 amount, resulting in a total of \$153.2 billion in 2023.⁵³

The House-passed version of the FY2025 MILCON-VA appropriations bill (H.R. 8580, 118th Congress) and the Senate committee-reported version (S. 4677, 118th Congress) would have provided \$192.13 billion for the compensation and pension account for FY2025, the same as the President's request. Additionally, both the House and Senate versions of the FY2025 MILCON-VA appropriations bills would have provided advance appropriations of \$204.48 billion for FY2026, to become available on October 1, 2025.

The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$30.24 billion for the compensation and pensions account for FY2025 over the \$182.31 billion in advance appropriations provided in the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42), which became available on October 1, 2024. The total budgetary resources available for this account for FY2025 is \$212.55 billion. Section 11109 of P.L. 119-4 provided \$227.240 billion for this account, in advance appropriations for FY2026, which will become available on October 1, 2025 (**Table 9**).

Readjustment Benefits

The Readjustment Benefits category reflects several benefits related to the transition of servicemembers from active-duty status to veteran status, as well as benefits for disabled veterans (not including disability compensation). Some of these programs include education benefits for veterans and their dependents, such as the Post 9-11 GI Bill; the Survivors' and Dependents' Educational Assistance Program; the Veteran Readiness and Employment (VR&E) program; and programs to provide housing, automotive, and adaptive equipment grants for disabled veterans.

The President requested \$16.05 billion for the FY2025 readjustment benefits account. This amount included \$2.65 billion in additional funding over the FY2025 advance appropriation of \$13.39 billion.

The \$16.05 billion requested for the readjustment benefits account for FY2025 represents an increase of \$6.63 billion over the FY2024 amount of \$9.42 billion. The increase can be attributed to a multitude of factors among various readjustment benefits programs, including higher caseloads and changes in economic assumptions, such as cost of living adjustments, consumer price index, and tuition index increases. The Post 9-11 GI Bill, also known as Chapter 33, has been the largest VA educational program since 2010, and it makes up 78% of the overall VA education budget in 2025.

The House-passed MILCON-VA appropriations bill (H.R. 8580, 118th Congress) would have provided funding for this account as requested, as would have the Senate Appropriations Committee-reported MILCON-VA bill (S. 4677; S.Rept. 118-191). Additionally, the President's request and the House and Senate versions of the MILCON-VA appropriations bill would have

⁵² VA later announced that the deadline was extended until August 14, 2023; <https://www.va.gov/loma-linda-health-care/news-releases/va-extends-deadline-through-monday-for-veterans-and-survivors-to-apply-for-pact-act-benefits-backdated-to-august/#:~:text=Loma%20Linda%20%2C%20CA%20%E2%80%94%20Today%2C,the%20PACT%20Act%20into%20law> (accessed April 28, 2025).

⁵³ Department of Veterans Affairs, *FY2025 Congressional Submission, Benefits and Burial Programs and Departmental Administration*, vol.3 of 5, pp. VBA – 189.

provided advance appropriations of \$17.61 billion for FY2026, to become available on October 1, 2025.

The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$4.86 billion for the readjustment benefits account for FY2025 over the \$13.39 billion in advance appropriations provided in the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42), that became available on October 1, 2024. The total budgetary resources amount available for this account for FY2025 is \$18.26 billion. Section 11109 of P.L. 119-4 provided \$20.37 billion for this account, in advance appropriations for FY2026, which will become available on October 1, 2025 (see **Table 9**).

Veterans Insurance and Indemnities (VI&I)

The Veterans Insurance and Indemnities category includes seven life insurance programs. The newest program is the Veterans Affairs Life Insurance (VA Life) program, which opened for enrollment on January 1, 2023. The largest category of obligations is the Service-Disabled Veterans Insurance (S-DVI) program, which uses government subsidies to provide insurance for veterans with service-connected disabilities. The programs with the greatest number of recipients fall under the Service member's Group Life Insurance (SGLI) Public Enterprise Revolving Fund. Revolving funds are largely self-supporting and thus less costly for the VA to administer.

The President requested \$135.1 million for the FY2025 VI&I account, including \$101.6 million for the S-DVI program and \$33.5 million for the Veterans Mortgage Life Insurance (VMLI) program. VA also requested \$131.5 million in advance appropriations for FY2026. Both the House-passed and Senate Appropriations Committee-reported versions of the MILCON-VA appropriations bills would have provided the President's requested amounts.

Budgetary resources available to the veterans insurance and indemnities account for FY2025 total \$147.82 million. This includes \$135.12 million in advance appropriations and \$12.70 million in additional funding provided for FY2024 in the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42) and made available by the Full-Year Continuing Appropriations and Extensions Act of 2025 (P.L. 119-4). Additionally, Section 11109 of P.L. 119-4 provided \$131.52 million in advance appropriations for FY2026 for this account (see **Table 9**).

Medical Care and Medical Research Discretionary Programs Funding

Background

The VA's Veterans Health Administration (VHA) operates the nation's largest integrated health care delivery system.⁵⁴ VHA's primary mission is to provide health care services to eligible veterans.⁵⁵ VHA generally provides care directly through more than 1,700 sites of care, including hospitals, clinics, and health care facilities.⁵⁶

VHA is not a health insurance financing program that provides reimbursement to providers for all or a portion of a patient's health care costs. It operates associated facilities and employs

⁵⁴ Department of Veterans Affairs, *FY2025 Congressional Submission, Budget in Brief*, March 2024, p. BiB-1.

⁵⁵ 38 U.S.C. §7301.

⁵⁶ Department of Veterans Affairs, *FY2025 Congressional Submission, Budget in Brief*, March 2024, p. BiB-14.

clinicians.⁵⁷ This model differs from the predominant health care financing and delivery model in the United States, in which there is a payer for health care services (e.g., Medicare, private health insurance plan), a provider (e.g., hospital, physician), and a recipient of care (the patient).

The VA's health care system is organized into 18 geographically defined administrative regions known as Veterans Integrated Service Networks (VISNs). Although VA headquarters develops policies and guidelines to be applied throughout the VA health care system, management authority for basic decisionmaking and budgetary responsibilities is delegated to the VISNs.⁵⁸ VHA operates 145 hospitals, 135 nursing homes, 736 community-based outpatient clinics (CBOCs), and 300 Readjustment Counseling Centers (Vet Centers).⁵⁹ In 2009, VA began a pilot Mobile Vet Center (MVC) program to improve access to services for veterans in rural areas, and the department has deployed 83 MVCs to date.⁶⁰

Although VHA provides most health care services to eligible veterans through its integrated network of facilities, it does pay for care in the community under certain circumstances. The Veterans Community Care Program (VCCP) applies eligibility for care in the community broadly to all enrolled veterans based on specific criteria.⁶¹ VA is authorized to provide care in the community through individual agreements with community providers, called *veterans care agreements*. VA is also authorized to reimburse for emergency care visits if specific criteria are met.⁶² Inpatient and outpatient care is provided in the private sector to eligible dependents of veterans under the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA).⁶³ In addition, VHA provides grants for construction of state-owned nursing homes and domiciliary facilities⁶⁴ and collaborates with the Department of Defense in sharing health care resources and services.

VHA has additional statutory missions besides providing direct patient care to veterans.⁶⁵ It is required to conduct medical research,⁶⁶ serve as a contingency backup to the DOD medical

⁵⁷ VHA does pay for care in the community (i.e., non-VA providers) under certain circumstances. The VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (VA MISSION Act; P.L. 115-182) established the Veterans Community Care Program (VCCP), which requires VHA to provide for care in the community to all enrolled veterans who meet specified criteria.

⁵⁸ Kenneth Kizer, John Demakis, and John Feussner, "Reinventing VA health care: Systematizing Quality Improvement and Quality Innovation," *Medical Care*, vol. 38, no. 6 (June 2000), Suppl. 1:17-116.

⁵⁹ Department of Veterans Affairs, *FY2025 Congressional Submission, Medical Programs*, vol. 2 of 5, March 2024, p. VHA-481. Vet Centers are a nationwide system of community-based programs separate from VA medical centers (VAMCs). Client services provided by Vet Centers include psychological counseling and psychotherapy (individual and group), screening for and treatment of mental health issues, substance abuse screening and counseling, employment/educational counseling, and bereavement counseling, among other services.

⁶⁰ Ibid.

⁶¹ For more information on the VCCP and the eligibility criteria, see CRS Report R45390, *VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (VA MISSION Act; P.L. 115-182)*.

⁶² For more information, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

⁶³ For details on CHAMPVA, see CRS Report RS22483, *Health Care for Dependents and Survivors of Veterans*.

⁶⁴ Under the grant program, VA may fund up to 65% of the cost of these state-owned facilities. States must fund the remaining 35%. The law requires that 75% of the residents in a state-extended care facility must be veterans (38 U.S.C. §§8131-8138). All nonveteran residents must be spouses of veterans or parents of children who died while serving in the U.S. Armed Forces. VA is prohibited by law from exercising any supervision or control over the operation of a state veterans nursing home, including setting admission criteria. States exclusively determine admission requirements. See CRS In Focus IF11656, *State Veterans Homes*.

⁶⁵ 38 U.S.C. §7301(b).

⁶⁶ 38 U.S.C. §7303.

system during a national security emergency,⁶⁷ provide support to the National Disaster Medical System and the Department of Health and Human Services as necessary,⁶⁸ and train health care professionals to provide an adequate supply of health personnel for VA and the nation.⁶⁹

The Veteran Patient Population

VA projects that in FY2025, the overall population of veterans nationwide will decrease but utilization of the system will remain relatively constant.⁷⁰ In FY2025, approximately 9.1 million of the 17.6 million total veterans are enrolled in VA's health care system.⁷¹ In FY2025, VA anticipates treating approximately 6.3 million unique veteran patients and 949,871 nonveteran patients (see **Table A-1**).⁷²

VHA estimates that outpatient visits will increase from 137.7 million visits in FY2024 to 142.6 million visits in FY2025, an increase of 3.6%. VHA anticipated an increase in the total number of inpatients treated in all inpatient facilities from 1.14 million patients in FY2023 to 1.15 million patients in FY2024, an increase of 0.9%.⁷³

The change in enrollment and utilization is indicative of a long-term trend. The veteran population is declining—due to the death of World War II and Vietnam-era veterans—while enrollment in the VA health care system and health care utilization is staying relatively constant (see **Figure 6**). In FY2000, 18.4% of the veteran population was enrolled in the health care system. In FY2025, over 50% of the veteran population will have enrolled in the health care system.

⁶⁷ 38 U.S.C. §8111A.

⁶⁸ 38 U.S.C. §8117(e).

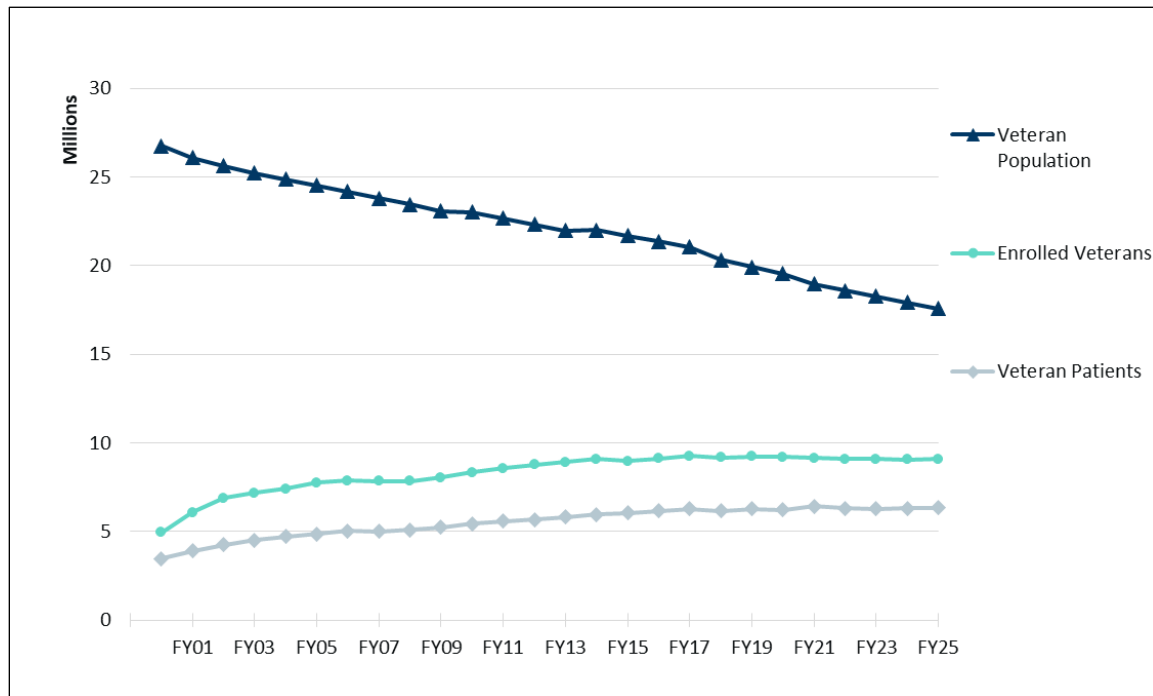
⁶⁹ 38 U.S.C. §7302.

⁷⁰ VA uses actuarial models to support formulation of the VA health care budget. The primary model, the Enrollee Health Care Projection Model (EHCPM), supports approximately 89% of the medical care budget. Department of Veterans Affairs, *FY2025 Congressional Submission, Medical Programs*, vol. 2 of 5, March 2024, p. VHA-432.

⁷¹ In general, a veteran is required to be enrolled in the VA health care system to receive health care services, and once a veteran is enrolled, that veteran remains enrolled in the VA health care system and maintains access to VA health care services. For more information on enrollment, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

⁷² A *unique veteran patient* means each patient is counted only once in each fiscal year. However, there could be multiple visits (clinical encounters) per unique veteran patient in a given fiscal year. Department of Veterans Affairs, *FY2025 Budget Submission, Medical Programs*, vol. 2 of 4, March 2024, p. VHA-41.

⁷³ Department of Veterans Affairs, *FY2025 Budget Submission, Medical Programs*, vol. 2 of 5, March 2024, p. VHA-43.

Figure 6. Veteran Population, VA Enrollees, and VA Patients, FY2000-FY2025

Source: “Veteran Population” numbers are from Veteran Population Projection Model 2023 (VetPop2023) (FY2023-FY2025), available at https://www.va.gov/VETDATA/docs/Demographics/New_Vetpop_Model/IL_VetPop2023_National_NCVAS.xlsx, and an archived copy of an earlier version no longer available on the website (FY2000-FY2022). “VA-Enrolled Veterans” numbers and “Patients Using VA Health Care During the Year” numbers were obtained from the VA and/or the VA budget submissions to Congress for FY2002-FY2025; the number for each fiscal year is taken from the budget submission two years later (e.g., the FY2022 number is from the FY2024 budget submission).

Notes: FY2025 total veteran population projected as of September 30, 2023. FY2024 and FY2025 veteran enrollee and patient data are estimates.

Some portion of the increase in proportional enrollment among living veterans is likely due to maturity of the modern enrollment system.⁷⁴ However, multiple other factors may contribute to increased enrollment and utilization of the health care system. For instance, Congress on multiple occasions has expanded qualifying criteria for enrollment in VA health care.⁷⁵ The services provided through VHA have also expanded over time, such as the addition of benefits for family caregivers, expansion of gender-specific care, and expansion of long-term care benefits, thereby increasing the appeal of the VA health care system.

⁷⁴ Veterans have generally been required to enroll in the VA health care system since FY1999. Therefore, the data presented in **Figure 6** represent the inaugural years of the enrollment system. It is likely that this is at least partially the reason for enrollment growth in earlier years. Department of Veterans Affairs, “Enrollment—Provision of Hospital and Outpatient Care to Veterans,” 64 *Federal Register* 54207, October 1999, <https://www.govinfo.gov/content/pkg/FR-1999-10-06/pdf/99-25871.pdf>.

⁷⁵ For information on qualifying for enrollment, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

VA anticipates that the veteran population will continue to decline—projecting 11.2 million veterans in FY2053.⁷⁶ In addition, VA projects that enrollment will remain relatively constant through 2032 while the veteran population declines overall.⁷⁷

President's Request and Congressional Action

VA's annual appropriations for the medical services, medical community care, medical support and compliance, and medical facilities accounts include advance appropriations that become available one fiscal year after the fiscal year for which the appropriations act was enacted. Therefore, the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42), provided FY2025 funding for these four accounts. However, in any given year, the Administration could request additional funding for the upcoming fiscal year and Congress could revise these amounts through the annual appropriations process. Across all four accounts, President Biden's FY2025 budget stayed constant when compared with the advance appropriations amount in FY2025.⁷⁸ The FY2025 discretionary budget request for VHA totals \$118.0 billion, including medical care collections.⁷⁹ The total budget authority for FY2025, including mandatory appropriations under TEF and Section 707 of the PACT Act, is \$138.6 billion.⁸⁰

To illustrate how the President's request compares with approved amounts under the House and Senate, the sections below compare discretionary funding amounts. For FY2025, the Biden Administration's budget request for discretionary appropriations included \$71.0 billion for the medical services account, \$20.4 billion for medical community care, \$11.8 billion for the medical support and compliance account, and \$9.4 billion for the medical facilities account.

As required by the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), the President's FY2025 budget requested \$131.4 billion in discretionary advance appropriations for the four medical care appropriations (medical services, medical community care, medical support and compliance, and medical facilities) for FY2026, an increase of approximately 11.4% from the FY2025 discretionary advance appropriation of \$118.0 billion. For

⁷⁶ Veteran Population numbers are from Veteran Population Projection Model 2023 (VetPop2023) (FY2023-FY2025), available at https://www.va.gov/VETDATA/docs/Demographics/New_Vetpop_Model/1L_VetPop2023_National_NCVAS.xlsx.

⁷⁷ *FY2025 Congressional Submission, Medical Programs*, vol. 2 of 5, March 2024, p. VHA-432.

⁷⁸ Department of Veterans Affairs, *FY2025 Congressional Submission, Medical Programs*, vol. 2 of 5, March 2024, p. VHA-13.

⁷⁹ The appropriations committees include medical care cost recovery collections when considering funding for VHA. Congress has provided VHA with the authority to bill some veterans and most health care insurers for nonservice-connected care provided to veterans enrolled in the VA health care system, to help defray the cost of delivering medical services to veterans. Funds collected from first- and third-party bills (copayments and insurance) are retained by the VA health care facility that provided the care for the veteran. The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), enacted into law in 1986, established means testing for veterans seeking care for nonservice-connected conditions. The Balanced Budget Act of 1997 (P.L. 105-33) established the Department of Veterans Affairs Medical Care Collections Fund (MCCF) and gave VHA the authority to retain these funds in the MCCF. Instead of returning the funds to the Treasury, VA can use them, without fiscal year limitations, for medical services for veterans. In FY2004, the Administration's budget requested consolidating several existing medical collections accounts into one MCCF. The conferees of the Consolidated Appropriations Act, 2004 (H.Rept. 108-401), recommended that collections that would otherwise be deposited in the Health Services Improvement Fund (former name), Veterans Extended Care Revolving Fund (former name), Special Therapeutic and Rehabilitation Activities Fund (former name), Medical Facilities Revolving Fund (former name), and the Parking Revolving Fund (former name) should be deposited in MCCF. The Consolidated Appropriations Act of 2005 (P.L. 108-447, H.Rept. 108-792) provided VA with permanent authority to deposit funds from these five accounts into the MCCF.

⁸⁰ Section 707 of the PACT Act appropriated funds for medical facility leases in addition to amounts otherwise available for fiscal years 2024 through 2031.

FY2026, the Administration's budget request for discretionary appropriations included \$75.0 billion for the medical services account, \$34.0 billion for medical community care, \$12.7 billion for the medical support and compliance account, and \$9.7 billion for the medical facilities account.

The House-passed version of the FY2025 MILCON-VA appropriations bill (H.R. 8580, 118th Congress) would have provided the same VHA medical care appropriation as the President's request. The Senate committee-approved version of the bill (S. 4677; S.Rept. 118-191) would have provided the same appropriation for the medical services, medical community care, and medical support and compliance accounts as the President's request, while the medical facilities appropriation was 0.03% higher. The Senate committee-approved version would have provided \$3 million above the President's request for expansion of child care centers.

The sections below detail the amounts requested for each VHA account for FY2025, including the funds included in the House-passed bill and the Senate committee-approved bills for each account.

Medical Services

The medical services account covers expenses for furnishing inpatient and outpatient care and treatment of veterans and certain dependents. It also includes care and treatment in non-VA facilities; outpatient care on a fee basis; medical supplies and equipment; salaries and expenses of employees hired under Title 38 of the *U.S. Code*; cost of hospital food service operations; grants for adaptive sports programs for disabled veterans and members of the Armed Forces; beneficiary travel; prosthetics; Long-Term Services and Supports (LTSS); aid to state veterans' homes; assistance and support services for family caregivers; and costs associated with activation of newly constructed or leased VA medical care facilities, among other distinct activities.

For FY2025, the President's budget requested \$71.0 billion for the medical services account. The House-passed and the Senate committee-approved versions of the MILCON-VA appropriations bill for FY2025 included the same amount to the Medical Services account as the President's request. In its FY2025 submission, VA estimates \$11.7 billion in expenditures from TEF to support medical services in FY2025, bringing total budgetary resources to \$82.7 billion in discretionary and mandatory funds. Both the House-passed and the Senate committee-approved MILCON-VA appropriations bills (H.R. 8580; S. 4677, 118th Congress) would have provided FY2026 advance appropriations equal to the President's request of \$75.0 billion.

The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), did not make any adjustments to the funding for this account for FY2025. The advance appropriation of \$71.0 billion provided in the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A; P.L. 118-42), that become available on October 1, 2024, will remain available until September 30, 2025. Section 11109 of Division A of P.L. 119-4 provides \$75.04 billion for this account, in advance appropriations for FY2026, which will become available on October 1, 2025 (see **Table 9**).

Medical Community Care

Section 4003 of the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114-41) required the establishment of a separate new account for medical community care, beginning with the FY2017 appropriations cycle. The Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016 (P.L. 114-315) authorized advance appropriations for the medical community care account. The account consolidates all community care programs in a single appropriation. It is the funding source for care that eligible veterans

receive through community health care providers. These programs include the Veterans Community Care Program (VCCP), the Camp Lejeune Family Member Program (CLFMP), CHAMPVA, the Foreign Medical Program (FMP), the Spina Bifida Health Care Program, the Children of Women Vietnam Veterans Health Care Benefits Program (CWVV), and the Indian Health Service (IHS)/Tribal Health Programs (THP) Reimbursement Agreements Program.

The medical support and compliance and the Information Technology accounts fund some expenses related to the community care program. These expenses include administrative expenses related to claims processing performed by the Third-Party Administrators (TPAs) and VHA, and software required for information technology (IT) systems related to the community care program.⁸¹

The President's budget requested \$20.4 billion for the medical community care account. The House-passed and Senate committee-approved versions of the bill included the same amount to the Medical Community Care account as the President's request. In its FY2025 submission, VA estimates \$9.8 billion in expenditures from TEF to support medical community care in FY2025, bringing total budgetary resources to \$30.2 billion in discretionary and mandatory funds. Both the House-passed bill and the Senate committee-approved bill would have provided FY2026 advance appropriations equal to the President's request of \$34.0 billion.

The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), did not make any adjustments to the funding for this account for FY2025. The advance appropriation of \$20.4 billion provided in the FY2024 MILCON-VA Appropriations Act (Division A; P.L. 118-42), that become available on October 1, 2024, will remain available until September 30, 2025. Section 11109 of P.L. 119-4 provided \$34.0 billion for this account, in advance appropriations for FY2026, which will become available on October 1, 2025 (see **Table 9**).

Medical Support and Compliance

The medical support and compliance account provides for expenses related to the management, security, and administration of VA's health care system through the operation of VA medical centers (VAMCs) and other medical facilities, such as community-based outpatient clinics (CBOCs) and Vet Centers. This includes, among other things, VAMC leadership teams (Director, Chief of Staff, Chief Medical Officer, and Chief Nurse) and VAMC support functions, such as "quality of care oversight, security services, legal services, billing and coding activities, acquisition, procurement, and logistics activities, human resource management, logistics and supply chain management, and financial management."⁸² This account funds 18 Veterans Integrated Service Network (VISN)⁸³ offices, which include network leadership teams.⁸⁴ This account also provides for expenses related to VHA Central Office (VHACO) operating units, such as offices of the Assistant Under Secretary for Community Care and Deputy Assistant Under Secretary for Community Care, the Office of the Assistant Under Secretary for Health for Clinical Services and the Chief Medical Officer (AUSH/CS), and the Office of Discovery, Education, and Affiliate Networks (DEAN), among other offices and suboffices.

⁸¹ Department of Veterans Affairs, *FY2025 Congressional Submission, Medical Programs*, vol. 2 of 5, March 2024, p. VHA-382.

⁸² *Ibid.*, p. VHA-389.

⁸³ *Ibid.*, p. VHA-389. VISN offices provide management and oversight to the medical centers and clinics within their assigned geographic areas. Each VISN office is responsible for allocating funds to facilities, clinics, and programs within its region and coordinating the delivery of health care to veterans.

⁸⁴ *Ibid.*, p. VHA-390.

The President's budget requested \$11.8 billion for the medical support and compliance account, which is the same amount as the FY2025 advance-appropriated amount. Both the House-passed and the Senate committee-approved bills included the same amount as the President's request. VA estimates no expenditures from TEF to support medical support and compliance in FY2025. The House-passed and Senate committee-approved versions of the bill would have provided FY2026 advance appropriations equivalent to the President's request of \$12.7 billion. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), does not make any adjustments to the funding for this account for FY2025. The advance appropriation of \$11.8 billion provided in the FY2024 MILCON-VA Appropriations Act (Division A; P.L. 118-42), that become available on October 1, 2024, will remain available until September 30, 2025. Section 11109 of P.L. 119-4 provided \$12.7 billion for the medical support and compliance account, in advance appropriations for FY2026, which will become available on October 1, 2025 (see **Table 9**).

Medical Facilities

The medical facilities account funds expenses pertaining to the operations and maintenance of VHA's capital infrastructure. These expenses include utilities and administrative expenses related to planning, designing, and executing construction or renovation projects at VHA facilities. It also funds medical facility leases, including clinical space in CBOCs, engineering and environmental management, grounds maintenance, fire protection, nonrecurring maintenance, recurring maintenance and repairs, textile care processing and maintenance, and operating equipment maintenance and repairs, among others.

The President's budget requested \$9.4 billion for the medical facilities account. Section 707 of the PACT act appropriated \$200 million for medical facility leases for FY2025, bringing the total amount to \$9.6 billion. The House-passed version included the same amount to the medical facilities account as the President's request. The Senate committee-approved version of the bill included an increase of \$3 million, intended for the expansion of child care centers at VA facilities.

Both the House-passed version and Senate committee-approved version of the MILCON-VA appropriations bill for FY2025 would have provided the same FY2026 advance appropriation as the President's request of \$9.7 billion for the medical facilities account. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), generally continues FY2024 funding levels for FY2025 and provides \$9.55 billion for FY2025, which includes a \$9.4 billion in advance appropriation provided in the FY2024 MILCON-VA Appropriations Act (Division A; P.L. 118-42), and \$149.49 million over the FY2024 advance appropriation previously appropriated in the FY2023 MILCON-VA Appropriations Act (Division J of P.L. 117-328). Additionally, Section 11109 of P.L. 119-4 provided \$9.7 billion in advance appropriations for FY2026, which will become available on October 1, 2025 (see **Table 9**).

Medical and Prosthetic Research

As required by law, the medical and prosthetic research program (medical research) focuses on research into the special health care needs of veterans. This account provides funding for many types of research, such as investigator-initiated research; mentored research; large-scale, multisite clinical trials; and centers of excellence. VA researchers receive funding not only through this account but also from DOD, the National Institutes of Health (NIH), and private sources. The medical services, medical support and compliance, and medical facilities accounts also provide funds for additional expenses required for VAMCs supporting research activities.

In general, VA's research program is intramural; VA investigators conduct research at VA facilities and in approved off-site space occupied by VA under a legal agreement. Unlike other federal agencies, such as NIH and DOD, VA does not have the statutory authority to make research grants to colleges and universities, cities and states, or any other non-VA entities.

The President's budget requested \$868 million for the medical and prosthetic research account, a decrease of \$75 million, or 8%, below the FY2024-enacted amount of \$943 million. The VHA's major research priorities in FY2024 included, among others, traumatic brain injury (TBI), military exposures, precision oncology, and mental health.⁸⁵

The House-passed version of the MILCON-VA appropriations bill (H.R. 8580, 118th Congress) included \$57.5 million more than the FY2025 request. The Senate committee-approved version of the bill (S. 4677, 118th Congress) included \$5 million more than the request. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), generally continued FY2024 funding levels for FY2025 and provided \$943.0 million for carrying out medical and prosthetic research and development programs (see **Table 8**).

Nonmedical Discretionary Programs Funding

National Cemetery Administration (NCA)

NCA's largest accounts are the Operations and Maintenance, Minor Construction, Headstones and Markers, and Major Construction accounts. Among other things, the NCA's Operations and Maintenance account provides funding for 158 national cemeteries, and for administering seven related programs. These programs include the Veterans Cemetery Grants Program (VCGP), Headstone, Marker and Medallion Program, and Casket and Urn reimbursements. The purchase and transportation costs of headstones, markers, medallions, and casket and urn reimbursements come out of the Compensation and Pension account within NCA (not to be confused with the Compensation and Pensions account under VBA).

The President requested \$495 million for the NCA Operations and Maintenance account for FY2025, an increase of \$15 million from the FY2024 enacted. A large part of this increase was driven by pay raise assumption increases (\$5.172 million, or a 2.0% pay increase) and non-payroll inflation costs (\$4.315 million, or a 2.2% cost increase). An additional \$5.266 million was for cemetery workload increases. This funding is used to maintain an increasing number of gravesites to the high standard of national shrines by ensuring that grave markers and the cemetery grounds are kept in pristine condition.

Both the House-passed and Senate committee-reported versions of the FY2025 MILCON-VA appropriations bill for (H.R. 8580 and S. 4677, 118th Congress) would have provided the same amount as the President's requested amount for NCA. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), generally continued FY2024 funding levels for FY2025 and provided \$480.0 million for NCA (see **Table 9**).

Veterans Benefits Administration (VBA), General Operating Expenses

The VBA General Operating Expenses account includes funding for personnel compensation, travel, rents and utilities, supplies, and equipment. The President requested \$4.035 billion for VBA's General Operating Expenses account for FY2025, an increase of \$166 million, or 4.29%, over the FY2024-enacted amount. VA estimated that \$91 million of this increase would be for pay

⁸⁵ Ibid., p. VHA-591.

raises (\$69.064 million) and non-pay inflation (\$21.936 million), \$43 million would be dedicated to overtime pay to assist with the influx of claims due to the PACT Act, and \$2 million would be used to fund expanded auditing of AI systems and “to address risks associated with rights and safety-impacting government artificial intelligence (AI).”⁸⁶

Both the House-passed version of the FY2025 MILCON-VA appropriations bill (H.R. 8580, 118th Congress) and the Senate committee-reported version of the MILCON-VA appropriations bill (S. 4677, 118th Congress) recommended the President’s requested amount. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), generally continued FY2024 funding levels for FY2025, with some exceptions. Under P.L. 119-4, the rescission of \$30.0 million stipulated in Section 260 of the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42), for VBA General Operating Expenses will not apply for FY2025. Therefore, the Full-Year Continuing Appropriations Act, 2025, provided \$3.89 billion for this account for FY2025 (see **Table 9**).

Board of Veterans’ Appeals (BVA)

The BVA hears and decides appeals from the VBA, VHA, NCA, and the Office of General Counsel (OGC).

For FY2025 the President requested \$267 million for the BVA. BVA has \$28.7 million in unobligated balances from 2024, making its total obligations for FY2025 \$295.7 million. The vast majority of funds (91%) for FY2025 would cover personnel costs. In addition to paying the current salaries of the 1,445 full-time equivalent employees, the BVA would fund pay raises to improve employee retention and to hire Veterans Law Judges, attorneys, and administrative staff. BVA cited the need to continue to resolve legacy appeals from the time period before the Veterans Appeals Improvement and Modernization Act of 2017 (AMA) was enacted, as well as the heightened number of appeals since the passage of the PACT Act.

The remaining 9% (\$26.4 million) of FY2025 funding request would be used for various purposes, including \$8.4 million for lease expenses and \$2.3 million for a potential relocation in June 2026, when the current lease for the Washington, DC, office expires.

The Senate committee-reported FY2025 MILCON-VA appropriations bill (S. 4677, 118th Congress) recommended the same amount as the President’s \$267.0 million request and the House-passed measure (H.R. 8580, 118th Congress) included \$269.0 million. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), generally continued FY2024 funding levels for FY2025, with some exceptions. Under P.L. 119-4, the rescission of \$15.0 million stipulated in Section 260 the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42), for BVA will not apply for FY2025. Therefore, the Full-Year Continuing Appropriations Act, 2025, provided \$287.0 million for necessary BVA operating expenses for FY2025 (see **Table 9**).

Information Technology Systems (IT Systems)

The IT Systems account provides funding for department-wide IT activities such as IT and telecommunications support, management of data systems, and acquisition of IT systems and department-wide cybersecurity efforts, among other things.

⁸⁶ U.S. Department of Veterans Affairs, FY2025 Budget Submission, *Benefits and Burial Programs and Departmental Administration*, vol. 3 of 5, March 2024, p. BVA-57.

The President's FY2025 budget request for this account was \$6.23 billion (excluding \$1.36 billion that VA estimated would be derived from TEF funding). This amount included \$960,000 for IT development, such as building new software applications; \$4.54 billion for operations and maintenance (O&M); and \$1.69 billion for staffing and administrative support services.⁸⁷

The House-passed MILCON-VA bill (H.R. 8580, 118th Congress) included \$6.23 billion for the IT systems account, and the Senate Appropriations Committee-reported MILCON-VA bill (S. 4677; S.Rept. 118-191) recommended \$6.23 billion as well. The Senate committee report encouraged VA to use artificial intelligence (AI) to improve efficiency, reduce administrative burdens, and improve the veterans' experience.⁸⁸

The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), generally continued FY2024 funding levels for FY2025, with some exceptions. Under P.L. 119-4, the rescission of \$15.0 million stipulated in Section 260 of the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42), for IT systems will not apply. Therefore, the Full-Year Continuing Appropriations Act, 2025, provided \$6.40 billion for the IT systems account for FY2025 (see **Table 9**).

Veterans Electronic Health Record (EHR)

Given the various challenges of its existing EHR system, VA had embarked on several modernizing initiatives prior to the announcement by then-Secretary David Shulkin, on June 5, 2017, to adopt the same EHR system as Department of Defense (DOD).⁸⁹ These efforts included the (1) HealtheVet initiative, (2) Integrated Electronic Health Record (iEHR) initiative, and (3) VistA Evolution initiative.⁹⁰ On May 17, 2018, VA entered into an indefinite-delivery, indefinite-quantity (IDIQ) contract⁹¹ with Cerner Government Services Inc. (Oracle Cerner, after Oracle Corporation completed the acquisition of Cerner on June 8, 2022, and later renamed Oracle Health Government Services, Inc.) for the procurement of an Electronic Health Record (EHR) solution (the Cerner Millennium Solution, now known as the Oracle Health Millennium Platform), with the goals of (1) providing seamless care to veterans as they transition from the DOD health care system, including the Department of Homeland Security's U.S. Coast Guard; (2) replacing the legacy EHR system;⁹² and (3) improving health information interoperability

⁸⁷ U.S. Department of Veterans Affairs, FY2025 Budget Submission, *Information Technology Programs and Electronic Health Record Modernization*, vol. 5 of 5, March 2024, p. IT & EHRM-3.

⁸⁸ U.S. Congress, Senate Appropriations Committee, *Military Construction, Veterans Affairs, And Related Agencies Appropriation Bill, 2025*, report to accompany S. 4677, 118th Cong., 2nd sess., July 11, 2024, S.Rept. 118-191, pp. 59-60.

⁸⁹ Department of Veterans Affairs, "VA Secretary announces decision on next-generation Electronic Health Record," press release, June 5, 2017, <https://www.va.gov/opa/pressrel/includes/viewPDF.cfm?id=2914>. (accessed April 28, 2025).

⁹⁰ For more details on these previous VA EHR modernization efforts, see GAO, *VA Health IT Modernization: Historical Perspective on Prior Contracts and Update on Plans for New Initiative*, GAO-18-208, February 2018.

⁹¹ Department of Veterans Affairs, "Statement by Acting Secretary Robert Wilkie – VA signs contract with Cerner for an electronic health record system" press release, May 17, 2018, <https://news.va.gov/press-room/statement-by-acting-secretary-robert-wilkie-va-signs-contract-with-cerner-for-an-electronic-health-record-system/> (accessed January 24, 2024). For more information about IDIQ contracts, see CRS In Focus IF12558, *Indefinite Delivery, Indefinite Quantity Contracts*.

⁹² The legacy EHR system is the Veterans Health Information Systems and Technology Architecture (VistA)/Computerized Patient Record System (CPRS) system.

between the VA health care system and community providers participating in the Veterans Community Care Program (VCCP).⁹³

The Veterans Electronic Health Record account provides funding for activities required to plan and deploy the Oracle Health Millennium Platform at VA medical facilities. This includes funding for the Electronic Health Record (EHR) contract, infrastructure readiness, and expenses related to the Project Management Office (PMO). Beginning with the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act for FY2018 (P.L. 115-141), Congress established this account, which is “intended to be the single source of funding within VA for the electronic health record effort” (H.Rept. 115-673), and for which “[n]o authority is provided for funds from other VA accounts to be transferred into this account nor for funds from this account to be transferred out to other accounts” (H.Rept. 118-528). The Office of the Deputy Secretary is the only office responsible for administering the funds in this account.

On October 24, 2020, VA began initial deployment of the Cerner Millennium EHR at the Mann-Grandstaff VAMC in Spokane, WA. Due to various implementation challenges, and potential patient safety issues encountered during transition to the new EHR system, as highlighted by GAO, VA OIG, and medical center staff, on March 19, 2021, then-Secretary Denis McDonough announced a strategic review of the EHRM program.⁹⁴ The results of this review were released in July 2021, and a final update was released in November 2021.⁹⁵ On December 1, 2021, VA announced an updated plan to move forward with the EHRM Program, mitigating challenges documented during the strategic review and implementing lessons learned and feedback from VA medical providers at initial deployment sites.⁹⁶ It also instituted new management and governance structures to oversee the deployments. After the initial deployment on October 24, 2020, VA deployed the Cerner Millennium EHR at four other medical centers throughout early 2022. In total, the new EHR was deployed at five VAMCs (see **Table 8**), 22 Community based Outpatient Clinics (CBOCs) affiliated with the VAMCs, the West Consolidated Patient Accounts Center (WCPAC), the North Central Consolidated Patient Accounts Center (NCCPAC),⁹⁷ and 52 remote sites.⁹⁸

⁹³ Department of Veterans Affairs, *Oversight of the Electronic Health Record Modernization Program, 4 Quarter Report to Congress, Fiscal Year 2024*, February 2025, p. 1.

⁹⁴ Department of Veterans Affairs, “VA announces strategic review of Electronic Health Record Modernization program,” press release, March 19, 2021, <https://news.va.gov/press-room/va-announces-strategic-review-of-electronic-health-record-modernization-program/> (accessed April 28, 2025).

⁹⁵ Department of Veterans Affairs, *Electronic Health Record Modernization: Comprehensive Lessons Learned Report*, July 2021, and *VA’s Electronic Health Record Comprehensive Lessons Learned update*, November 2021, available at <http://www.va.gov/opa/docs/EHRM-Comprehensive-Lessons-Learned-Progress-Update-FINAL-11-29-21.pdf> (accessed April 28, 2025).

⁹⁶ Department of Veterans Affairs, “VA advances Electronic Health Record Modernization program,” press release, December 1, 2021, <https://news.va.gov/press-room/va-advances-electronic-health-record-modernization-program/> (accessed April 28, 2025).

⁹⁷ Consolidated Patient Account Centers (CPAC) provide health care billing and collections functions through seven regional centers. The new Cerner Millennium EHR system’s financial processes and workflows are required to be aligned to the existing CPAC and financial management system; therefore, these two sites have been included in the initial deployments. (Sources: Department of Veterans Affairs, *OEHRM Site Infrastructure and End User Device (EUD) Requirements*, April 15, 2021, p. 30; and Department of Veterans Affairs, *Congressionally Mandated Report on the Oversight of the Electronic Health Record Modernization Program*, Quarter 2, FY2023, June 2023, p. 33.)

⁹⁸ U.S. Congress, Senate Committee on Veterans’ Affairs, *Examining the Status of VA’s Electronic Health Record Modernization Program*, 117th Cong., 2nd sess., July 20, 2022, S. HRG. 117-636 (Washington: GPO, 2023), p. 43.

Table 8. First Five EHRM Deployment Sites

Name of Facility	Location	Veterans Integrated Service Network (VISN)	Date of Deployment
Mann-Grandstaff VAMC	Spokane, WA	20	October 24, 2020
Jonathan M. Wainwright Memorial VAMC	Walla Walla, WA	20	March 26, 2022
Chalmers P. Wylie Veterans Outpatient Clinic	Columbus, OH	10	April 30, 2022 ^a
Roseburg VAMC	Roseburg, OR	20	June 11, 2022
VA Southern Oregon Rehabilitation Center and Clinics	White City, OR	20	June 11, 2022

Sources: EHR Deployment Schedule, <https://digital.va.gov/ehr-modernization/resources/ehr-deployment-schedule/> (accessed January 24, 2024); U.S. Congress, Senate Committee on Veterans' Affairs, *Examining the Status of VA's Electronic Health Record Modernization Program*, 117th Cong., 2nd sess., July 20, 2022, S. HRG. 117-636 (Washington: GPO, 2023), p. 43; and Department of Veterans Affairs, Office of Inspector General (OIG), *Scheduling Challenges Within the New Electronic Health Record May Affect Future Sites*, 23-03295-80, March 21, 2024, p. 3.

- a. The EHR scheduling system was implemented at the Chalmers P. Wylie Veterans Outpatient Clinic in August 2020, but the full implementation happened on April 30, 2022.

The next deployment site was the Boise VAMC, which was scheduled to go live on July 23, 2022. Due to site deployment readiness issues, deployment was further postponed,⁹⁹ and on October 13, 2022, VA announced that it had paused further EHR deployment at all sites until June 2023.¹⁰⁰ With all further deployments postponed, VA established an EHRM Sprint Project Team to evaluate and recommend solutions to “critical patient safety issues as identified by the National Center for Patient Safety (NCPS) led Patient Safety Team (PST).”¹⁰¹ On April 21, 2023, VA once again announced that all future deployments of the new Cerner EHR would be stopped “as part of a larger program reset.”¹⁰²

⁹⁹ Department of Veterans Affairs, “VA adjusts electronic health record rollout schedule to assure continued success,” press release, August 10, 2022, <https://digital.va.gov/ehr-modernization/news-stories/va-adjusts-electronic-health-record-rollout-schedule-to-assure-continued-success/> (accessed April 29, 2025).

¹⁰⁰ Department of Veterans Affairs, “VA extends delay of upcoming electronic health record deployments to June 2023 to address technical and other system performance issues,” press release, October 23, 2022, <https://news.va.gov/press-room/va-extends-delay-of-upcoming-electronic-health-record-deployments-to-june-2023-to-address-technical-and-other-system-performance-issues/> (accessed April 29, 2025).

¹⁰¹ Department of Veterans Affairs, Veterans Health Administration, *EHRM Sprint Report*, March 2023, p. 4. The major patient safety issues that were identified and needed fixes were “1) Unknown queue and related issues (including medications); 2) No show and cancelled appointment orders failed to route to scheduling queues; 3) Add Referral button not creating visible external site referral for worklist action; 4) Usability issues with the EHR application, allowing providers to order procedure charge codes for imaging without ordering the actual clinical imaging.”

¹⁰² Department of Veterans Affairs, “VA announces reset of Electronic Health Record project” press release, April 21, 2023, <https://news.va.gov/press-room/va-announces-reset-of-electronic-health-record-project/> (accessed April 29, 2025).

During the reset period, VA focused on

- addressing the concerns at the five initial sites where the EHR system was deployed by “improving the end user experience, increasing reliability of the system, and refining internal program processes”;¹⁰³
- investing in foundational work necessary for EHR deployment at future sites; and
- preparing for deployment at the Captain James A. Lovell Federal Health Care Facility in North Chicago, IL (Lovell FHCC).¹⁰⁴

Meanwhile, on May 16, 2023, VA finalized renegotiations on a modified contract with Oracle Health Government Services, Inc., for the next option period of the contract. The contract was renegotiated from a five-year term to five one-year terms, so VA would be able to review Cerner’s performance and renegotiate again in one year if needed. The renegotiated contract included the following key components:

- **Reliability.** Minimizing system outages (time when the system crashes completely), incidents (time when one component of the system is not working), and interruptions (time when the system is operating slowly).
- **Responsiveness.** Quickly and reliably resolving help tickets and clinician requests.
- **Interoperability with other health care systems.** Ensuring that VA can quickly and reliably access patient health records from private-sector hospitals when necessary.
- **Interoperability with other applications.** Ensuring that the EHR system interfaces with VA’s website, mobile app, and other critical applications, so veterans have a seamless and integrated health care experience.¹⁰⁵

While deployment of the EHR to future sites was paused, on March 9, 2024, VA and DOD launched the new EHR at the Captain James A. Lovell Federal Health Care Center (Lovell FHCC) in North Chicago, IL—the only joint VA and DOD medical facility.¹⁰⁶ Furthermore, on June 13, 2024, VA awarded the second option period for VA’s contract with Oracle Health Government Services, Inc., with an “emphasis on improved fiscal and performance accountability.” According to VA, “during negotiations for this second option period, VA focused on two main objectives: (1) supporting value-added services, such as system improvements and optimizations and (2) achieving better predictability in hosting, deployment, and sustainment costs.”¹⁰⁷

On December 20, 2024, the department announced that it was beginning EHR predeployment activities at four Michigan VA medical facilities—VA Battle Creek Medical Center, VA Detroit

¹⁰³ Department of Veterans Affairs, *Oversight of the Electronic Health Record Modernization Program, 4 Quarter Report to Congress, Fiscal Year 2024*, February 2025, p. 2.

¹⁰⁴ U.S. Congress, House Veterans’ Affairs Committee, Technology Modernization Subcommittee, *From Reset to Rollout: Can The VA EHRM Program Finally Deliver?* 119th Cong., 1st sess., February 24, 2025, p. 39.

¹⁰⁵ EHRM Contract Update handout provided to House and Senate VA Committees and Department of Veterans Affairs, *Oversight of the Electronic Health Record Modernization Program*, FY2023, Third Quarter Report to Congress, August 2023, p. 4.

¹⁰⁶ Department of Veterans Affairs, “VA, DOD, and FEHRM roll out Federal Electronic Health Record in North Chicago,” press release, March 9, 2024, <https://news.va.gov/press-room/va-dod-fehrm-launch-ehr-lovell-health-care/> (accessed April 29, 2025).

¹⁰⁷ Department of Veterans Affairs, *Oversight of the Electronic Health Record Modernization Program, 3rd Quarter Report to Congress, Fiscal Year 2024*, October, 2024, p. 2.

Healthcare System, VA Ann Arbor Healthcare System, and VA Saginaw Healthcare System, and their associated clinics—with an estimated go-live date sometime in 2026.¹⁰⁸ Generally, prior to go-live of the EHR at a site, Electronic Health Record Modernization Integration Office (EHRM-IO), Office of Information Technology (OIT), and VA medical facility leadership in the Veterans Integrated Services Networks (VISNs) conduct a current state review (CSR),¹⁰⁹ which is then followed by approximately 12 months of site preparation, such as facility infrastructure upgrades to support the new EHR and staff training, among others, before going live.¹¹⁰

Furthermore, on March 6 and March 31, 2025, respectively, VA announced that it would deploy the new Oracle Health Millennium Platform at nine additional sites: (1) Cincinnati VA Medical Center, Cincinnati, OH; (2) Cincinnati VA Medical Center-Fort Thomas, Fort Thomas, KY; (3) Chillicothe VA Medical Center, Chillicothe, OH; (4) Dayton VA Medical Center, Dayton, OH; (5) Fort Wayne VA Medical Center, Fort Wayne, IN; (6) Marion VA Medical Center, Marion, IL; (7) Richard L. Roudebush VA Medical Center, Indianapolis, IN; (8) Alaska VA Healthcare System, Anchorage, AK; and (9) Louis Stokes Cleveland VA Medical Center, Cleveland, OH, and their associated clinics.¹¹¹ VA estimated that the go-live dates for these facilities would be sometime in 2026.¹¹² In selecting these facilities, VA used a market-based approach, meaning that 12 of the 13 sites selected are located in Veterans Integrated Services Network (VISN) 10, and the Alaska VA Healthcare System is located in VISN 20, which is also same VISN where the five initial deployment sites are located.¹¹³

The President's FY2025 budget requested \$894.0 million for activities related to implementation of the Veterans Electronic Health Record system account. The House-passed measure (H.R. 8580, 118th Congress) and the Senate Committee-reported MILCON-VA appropriations bill (S. 4677, 118th Congress) included the same amount. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$1.33 billion, including a rescission of \$7 million included in

¹⁰⁸ Department of Veterans Affairs, "VA begins early-stage planning for the next Federal Electronic Health Record rollout in mid-2026, continues ongoing improvement efforts at existing sites," press release, December 20, 2024, <https://digital.va.gov/ehr-modernization/news-releases/va-begins-early-stage-planning-for-the-next-federal-electronic-health-record-rollout-in-mid-2026-continues-ongoing-improvement-efforts-at-existing-sites/> (accessed April 29, 2025).

¹⁰⁹ "A CSR is a thorough evaluation of a VA Medical Center's (VAMC) current infrastructure, workflows, processes, and technologies that interact with the EHR system. This includes technical aspects such as hardware, network infrastructure, and existing software applications and integrations, as well as operational workflows like patient registration and clinical documentation. CSRs involve interviews and discussions with key stakeholders across various departments at the local site—administrative, clinical, and IT teams—to understand their VA service scope and specific needs related to the EHR system." (Source: U.S. Congress, House Veterans' Affairs Committee, Technology Modernization Subcommittee, *From Reset to Rollout: Can The VA EHRM Program Finally Deliver?* 119th Cong., 1st sess., February 24, 2025, p. 41.)

¹¹⁰ U.S. Congress, House Veterans' Affairs Committee, Technology Modernization Subcommittee, *From Reset to Rollout: Can The VA EHRM Program Finally Deliver?* 119th Cong., 1st sess., February 24, 2025, p. 41.

¹¹¹ Department of Veterans Affairs, "VA to complete Federal EHR deployment at nine additional sites in 2026," press release, March 6, 2025, <https://digital.va.gov/ehr-modernization/news-releases/va-to-complete-federal-ehr-deployment-at-nine-additional-sites-in-2026/> (accessed April 29, 2025).

¹¹² Department of Veterans Affairs, "VA names nine additional facilities that will deploy Federal EHR in 2026," press release, March 31, 2025, <https://digital.va.gov/ehr-modernization/news-releases/va-names-nine-additional-facilities-that-will-deploy-federal-ehr-in-2026/> (accessed April 29, 2025).

¹¹³ For administrative and budgetary purposes, the VA health care system is "divided into 18 geographical administrative areas called Veterans Integrated Services Networks (VISNs), and VISNs are further divided into health care markets. Markets are health care areas within each VISN that have a sufficient population and geographic size to benefit from the coordination and planning of health care services and to support a full health care delivery system." (Source: Department of Veterans of Affairs, Veterans Health Administration, *2024 Survey of Veteran Enrollees' Health and Use of Health Care*, January 2024, p. 6.)

Section 256 of the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (see **Table 9**).

Construction, Major Projects

The major construction account provides funding for capital projects where the cost is expected to exceed \$30 million or where budget authority was previously provided under the major construction appropriation account.¹¹⁴ Funding provided in this account could be used for constructing, altering, extending, and improving any VA facilities, including planning, architectural and engineering services, construction management services, offsite utility and storm drainage system construction costs, and site acquisition. Generally, projects are identified through the Strategic Capital Investment Planning (SCIP) process and submitted for congressional authorization.¹¹⁵ Congress reviews, approves, and funds major construction projects on a project-by-project basis. Typical major construction projects are new or replacements of hospital buildings and new large ambulatory care centers, among others.

The FY2025 President's budget requested \$2.07 billion for the major construction account. Additionally, the budget requested an inclusion of a land acquisition line item for VHA to provide VA the ability to acquire and maintain the land prior to the appropriation and authorization of a construction project, similar to the NCA land acquisition line item. According to VA, this authority would allow the VHA to acquire land for identified medical facility projects when the opportunity arises, thereby reducing construction delays related to the drawn-out land acquisition process.¹¹⁶

The House-passed MILCON-VA Appropriations bill (H.R. 8580, 118th Congress) and the Senate committee-reported measure (S. 4677, 118th Congress) would have provided \$2.07 billion for the major construction account, the same as the President's request, and would have provided the land acquisition line item for VHA. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$961.22 million for FY2025, which is the amount provided for FY2024 without the rescission of \$80.22 million required by Section 260 of the FY2024 MILCON-VA Appropriations Act (Division A of P.L. 118-42) (see **Table 9**).

Construction, Minor Projects

The minor construction account provides funding for capital projects where the cost is *equal to or less than* \$30 million, or where budget authority was previously provided under the minor

¹¹⁴ 38 U.S.C. §8104(a)(3)(A) defines a major medical facility construction as a project for the construction, alteration, or acquisition of a medical facility involving a total expenditure of *more than* \$30 million. The FY2024 National Defense Authorization Act (NDAA; H.R. 2670 /P.L. 118-31), Section 5001, increased the threshold amount from \$20 million to \$30 million and authorized the Secretary to annually adjust the \$30 million amount by the “percentage increase, if any, in construction costs during the prior calendar year, as determined by—(I) the relevant composite construction and lease cost indices pursuant to section 3307(h) of 11 title 40, or any similar successor index developed by the Administrator of the General Services Administration; or (II) the Producer Price Index for New Health Care Building Construction published by the Bureau of Labor Statistics of the Department of Labor, or any similar successor index developed by the Secretary of Labor.”

¹¹⁵ Beginning with the FY2012 budget cycle, VA began using an integrated, comprehensive planning process for capital programs known as SCIP. SCIP is used to identify critical performance gaps in safety, security, utilization, access, seismic safety, facility condition, space, parking, and energy. The process identifies current deficiencies, as well as future demand, through the use of long-range workload estimates in each market area.

¹¹⁶ Department of Veterans Affairs, “Highlights of the FY2025 Construction, Long Range Capital Plan March 2024,” briefing to congressional staff, March 2024.

construction appropriation account.¹¹⁷ Funding in this account could be used for constructing, altering, and extending and improving facilities, including planning, architectural and engineering services, and land acquisition and disposition. Minor construction projects are approved by the Office of Capital Asset Management through the SCIP process.

The FY2025 request for the minor construction account was \$380.45 million. The House-passed MILCON-VA Appropriations bill (H.R. 8580, 118th Congress) and the Senate Committee-reported measure (S. 4677, 118th Congress) would have provided \$380.45 million for this account, same as the President's request, and supported the department's proposal to transfer \$305 million in unobligated balances from the Recurring Expenses Transformational Fund into the minor construction account to be obligated in 2025 to improve VHA facility infrastructure.¹¹⁸ The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$692.0 million for the minor construction account for FY2025 (see **Table 9**).

Grants for Construction of State Extended Care Facilities

VA is authorized to provide grants to participating states (including state homes on tribal lands) as a share of the cost of construction. Specifically, VA provides states up to 65% of the cost to construct, acquire, remodel, or modify state homes.¹¹⁹

The FY2025 President's budget requested \$141.0 million for this account. The House-passed version of the bill (H.R. 8580) would have provided \$158.0 million for this account, and the Senate committee-approved version of the bill (S. 4677) recommended \$150.0 million. The Senate Appropriations Committee requested the VA, when awarding grants,¹²⁰

to consider additional factors when reviewing and prioritizing grant applications, including whether a State has only one State Extended Care facility, the geographic diversity among grant recipients, whether a facility has an industry-standard Facility Condition Index maximum rating of poor, and whether veterans would have access to other providers who can appropriately meet their needs.¹²¹

¹¹⁷ 38 U.S.C. §8104(a)(3)(A) defines a major medical facility construction as a project for the construction, alteration, or acquisition of a medical facility involving a total expenditure of *more than* \$30 million. The FY2024 National Defense Authorization Act (NDAA; H.R. 2670 /P.L. 118-31), Section 5001, increased the threshold amount from \$20 million to \$30 million and authorized the Secretary to annually adjust the \$30 million amount by the "percentage increase, if any, in construction costs during the prior calendar year, as determined by—(I) the relevant composite construction and lease cost indices pursuant to section 3307(h) of 11 title 40, or any similar successor index developed by the Administrator of the General Services Administration; or (II) the Producer Price Index for New Health Care Building Construction published by the Bureau of Labor Statistics of the Department of Labor, or any similar successor index developed by the Secretary of Labor."

¹¹⁸ 38 U.S.C. §313 note. The Recurring Expenses Transformational Fund (RETF) was established by the Consolidated Appropriations Act, 2016 (P.L. 114-113, Division J, Title II, Section 243). The law allows unobligated balances of expired discretionary appropriations, in FY2016 or any succeeding fiscal year, to be transferred from the General Fund of the Treasury to VA and deposited in the Recurring Expenses Transformational Fund at the end of the fifth fiscal year after the last fiscal year for which such funds were available. The law stipulates that amounts deposited in the fund may be available for facility infrastructure improvements, including nonrecurring maintenance, at existing VA hospitals and clinics, and information technology systems improvements and sustainment, subject to approval by the Office of Management and Budget (OMB) and House and Senate Appropriations Committees.

¹¹⁹ 38 U.S.C. §8131. Also see CRS In Focus IF11656, *State Veterans Homes*.

¹²⁰ VA is required by 38 U.S.C. §8135 to fund projects in the order of their ranking on the VA Priority List. Applications are categorized into 1 of 8 priority groups. Projects with state matching funds before August 1 of the prior fiscal year are placed in Priority Group 1. Projects that do not have state matching funds are placed in groups 2-8.

¹²¹ U.S. Congress, Senate Committee on Appropriations, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2025*, report to accompany S. 4677, 118th Cong., 2nd sess., July 11, 2024, S.Rept. 118-191 p. 64.

The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$171.0 million for this account to remain available until expended (see **Table 9**).

Grants For Construction of Veterans Cemeteries

This account funds the Veterans Cemetery Grants Program (VCGP), which provides funding for the expansion and maintenance of a state, territorial, or tribal Veterans' cemetery.¹²² The VCGP assists NCA in meeting its commitment to providing, for 95% of all veterans, a cemetery within 75 miles of a veteran's place of residence. NCA expects that percentage to be 93.8% in 2025.

The President requested \$60 million for this account for FY2025. The first priority in the request is expanded existing cemeteries that are nearing capacity; there are currently 26 grant requests totaling \$102.7 million—roughly \$40 million more than the amount NCA requested—on this first priority list.¹²³

The House-passed MILCON-VA bill (H.R. 8580, 118th Congress) would have provided \$64.0 million in funding, while the Senate Appropriations Committee-reported MILCON-VA bill (S. 4677, 118th Congress) recommended \$65.0 million. The Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4), provided \$60.0 million for this account for FY2025 (see **Table 9**).

¹²² P.L. 116-315, Section 2205, expanded eligibility of these grants to include counties under certain conditions. See 38 U.S.C. §2408.

¹²³ U.S. Department of Veterans Affairs, *FY 2025 Budget Submission*, vol. III, March 2024, p. 42.

Table 9. FY2024 Appropriations, FY2025 Advance Appropriations, FY2025 Appropriations and FY2026 Advance Appropriations
(budget authority in thousands)

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42)		President's Request		House-Passed (H.R. 8580; H.Rept. 118-528)		Senate Committee- Reported (S. 4677; S.Rept. 118-191)		Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4)^a	
Program	FY2024	FY2025	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
Compensation and Pensions	\$146,778,136	—	\$182,310,515	—	\$182,310,515	—	\$182,310,515	—	\$182,310,515	—
Over FY2024-Enacted Advance Appropriations	\$15,072,388	—	—	—	—	—	—	—	—	—
Over FY2025-Enacted Advance Appropriations	—	—	\$9,820,699	—	\$9,820,699	—	\$9,820,699	—	\$30,242,064	—
Supplemental Appropriations (P.L. 118-82)	\$2,285,513	—	—	—	—	—	—	—	—	—
<i>Subtotal Compensation and Pensions</i>	<i>\$164,136,037</i>	—	<i>\$192,131,214</i>	—	<i>\$192,131,214</i>	—	<i>\$192,131,214</i>	—	<i>\$212,552,579</i>	—
Readjustment Benefits	\$8,452,500	—	\$13,399,805	—	\$13,399,805	—	\$13,399,805	—	\$13,399,805	—
Over FY2024-Enacted Advance Appropriations	\$374,852	—	—	—	—	—	—	—	—	—
Over FY2025-Enacted Advance Appropriations	—	—	\$2,657,656	—	\$2,657,656	—	\$2,657,656	—	\$4,864,566	—
Supplemental Appropriations (P.L. 118-82)	\$596,969	—	—	—	—	—	—	—	—	—

Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42)			President’s Request		House-Passed (H.R. 8580; H.Rept. 118-528)		Senate Committee- Reported (S. 4677; S.Rept. 118-191)		Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4) ^a	
Program	FY2024	FY2025	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
Subtotal Readjustment Benefits	\$9,424,321	—	\$16,057,461	—	\$16,057,461	—	\$16,057,461	—	\$18,264,371	—
Insurance and Indemnities	\$121,126	—	\$135,119	—	\$135,119	—	\$135,119	—	\$135,119	—
Over FY2024-Enacted Advance Appropriations	\$12,701	—	—	—	—	—	—	—	\$12,701	—
Subtotal Insurance and Indemnities	\$133,827	—	\$135,119	—	\$135,119	—	\$135,119	—	\$147,820	—
Housing Benefit Program Fund Credit Subsidy	\$1,720,000	—	\$2,089,000	—	\$2,089,000	—	\$2,089,000	—	\$1,720,000	—
Housing Benefit Program Fund Administrative Expenses	\$316,742	—	\$319,596	—	\$319,596	—	\$319,596	—	\$316,742	—
Vocational Rehabilitation Loan Program	\$78	—	\$64	—	\$64	—	\$64	—	\$78	—
Vocational Rehabilitation Loan Program Administrative Expenses	\$461	—	\$494	—	\$494	—	\$494	—	\$461	—
Native American Housing Loan Program	\$2,719	—		—		—		—	\$2,719	—
Native American Housing Loan Program Administrative Expenses	—	—	\$5,845	—	\$5,845	—	\$5,845	—	—	—

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42)		President's Request		House-Passed (H.R. 8580; H.Rept. 118-528)		Senate Committee- Reported (S. 4677; S.Rept. 118-191)		Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4) ^a	
Program	FY2024	FY2025	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
General Operating Expenses (VBA) (including P.L. 118-42 Section 260 rescission)	\$3,869,000	—	\$4,035,000	—	\$4,035,000	—	\$4,035,000	—	\$3,899,000	—
Total, Veterans Benefits Administration (VBA)	\$179,603,185	—	\$214,773,793	—	\$214,773,793	—	\$214,773,793	—	\$236,903,770	—
Medical Services	\$74,004,000	—	\$71,000,000	—	\$71,000,000	—	\$71,000,000	—	\$71,000,000	—
Administrative rescission	(\$3,034,205)	—	—	—	—	—	—	—	—	—
<i>Subtotal Medical Services</i>	<i>\$70,969,795</i>	<i>—</i>	<i>\$71,000,000</i>	<i>—</i>	<i>\$71,000,000</i>	<i>—</i>	<i>\$71,000,000</i>	<i>—</i>	<i>\$71,000,000</i>	<i>—</i>
Medical Community Care	\$33,000,000	—	\$20,382,000	—	\$20,382,000	—	\$20,382,000	—	\$20,382,000	—
Administrative rescission	(\$2,657,977)	—	—	—	—	—	—	—	—	—
<i>Subtotal Medical Community Care</i>	<i>\$30,342,023</i>	<i>—</i>	<i>\$20,382,000</i>	<i>—</i>	<i>\$20,382,000</i>	<i>—</i>	<i>\$20,382,000</i>	<i>—</i>	<i>\$20,382,000</i>	<i>—</i>
Medical Support and Compliance	\$12,300,000	—	\$11,800,000	—	\$11,800,000	—	\$11,800,000	—	\$11,800,000	—
Administrative rescission	(\$1,550,000)	—	—	—	—	—	—	—	—	—
<i>Subtotal Medical Support and Compliance</i>	<i>\$10,750,000</i>	<i>—</i>	<i>\$11,800,000</i>	<i>—</i>	<i>\$11,800,000</i>	<i>—</i>	<i>\$11,800,000</i>	<i>—</i>	<i>\$11,800,000</i>	<i>—</i>
Medical Facilities	\$8,800,000	—	\$9,400,000	—	\$9,400,000	—	\$9,400,000	—	\$9,400,000	—

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42)		President’s Request		House-Passed (H.R. 8580; H.Rept. 118-528)		Senate Committee- Reported (S. 4677; S.Rept. 118-191)		Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4) ^a	
Program	FY2024	FY2025	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
Over FY2024-Enacted Advance Appropriations	\$149,485	—	—	—	—	—	—	—	\$149,485	—
Over FY2025-Enacted Advance Appropriations	—	—	—	—	—	—	\$3,000	—	—	—
Subtotal Medical Facilities	\$8,949,485	—	\$9,400,000	—	\$9,400,000	—	\$9,403,000	—	\$9,549,485	—
Medical and Prosthetic Research	\$943,000	—	\$868,000	—	\$925,514	—	\$873,000	—	\$943,000	—
Medical Care Collections Fund (MCCF)										
(Offsetting Receipts)	\$3,991,000	—	\$4,632,000	—	\$4,632,000	—	\$4,632,000	—	\$4,632,000	—
(Appropriations— indefinite	(\$3,991,000)	—	(\$4,632,000)	—	(\$4,632,000)	—	(\$4,632,000)	—	(\$4,632,000)	—
Total, Veterans Health Administration (VHA including P.L. 118-42 Section 259 rescission)	\$120,002,553	—	\$113,450,000	—	\$113,507,514	—	\$113,458,000	—	\$113,674,485	—
Total VHA with MCCF	\$123,993,553	—	\$118,082,000	—	\$118,139,514	—	\$118,090,000	—	\$118,306,485	—
National Cemetery Administration (NCA)	\$480,000	—	\$495,000	—	\$495,000	—	\$495,000	—	\$480,000	—
Total NCA	\$480,000	—	\$495,000	—	\$495,000	—	\$495,000	—	\$480,000	—

Program	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42)		President's Request		House-Passed (H.R. 8580; H.Rept. 118-528)		Senate Committee- Reported (S. 4677; S.Rept. 118-191)		Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4) ^a	
	FY2024	FY2025	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
General Administration (including P.L. 118-42 Section 260 rescission)	\$470,000	—	\$457,000	—	\$442,000	—	\$457,000	—	\$475,000	—
Board of Veterans Appeals (including P.L. 118-42 Section 260 rescission)	\$272,000	—	\$267,000	—	\$269,000	—	\$267,000	—	\$287,000	—
Information Technology (including P.L. 118-42 Section 260 rescission)	\$6,386,000	—	\$6,231,680	—	\$6,229,680	—	\$6,276,693	—	\$6,401,000	—
Veterans Electronic Health Record (EHR)	\$874,137	—	\$894,000	—	\$894,000	—	\$894,000	—	\$1,327,142	—
Office of Inspector General	\$296,000	—	\$296,000	—	\$298,000	—	\$301,000	—	\$296,000	—
Construction, major projects (including P.L. 118-42 Section 260 rescission)	\$881,000	—	\$2,069,000	—	\$2,069,000	—	\$2,069,000	—	\$961,219	—
Construction, minor projects	\$692,000	—	\$380,453	—	\$380,453	—	\$380,453	—	\$692,000	—
Grants for State- Extended Care Facilities	\$171,000	—	\$141,000	—	\$158,000	—	\$150,000	—	\$171,000	—
Grants for State Veterans Cemeteries	\$60,000	—	\$60,000	—	\$64,000	—	\$65,000	—	\$60,000	—
Total, Departmental Administration	\$10,102,137	—	\$10,796,133	—	\$10,804,133	—	\$10,860,146	—	\$10,670,361	—

Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42)			President’s Request		House-Passed (H.R. 8580; H.Rept. 118-528)		Senate Committee- Reported (S. 4677; S.Rept. 118-191)		Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4) ^a	
Program	FY2024	FY2025	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
Cost of War Toxic Exposures Fund	—	—	—	—	—	—	—	—	\$6,000,000	—
Reimbursement for Special Mode of Transportation (Section 258)	—	—	—	—	\$5,000	—	\$5,000	—	—	—
Mental Health Residential Rehabilitation Treatment Program (MH RRTP) Access Standards (Section 426)	—	—	—	—	\$50,000	—	—	—	—	—
Total, Department of Veterans Affairs (without MCCF)	\$310,187,875	—	\$339,514,926	—	\$339,635,440	—	\$339,591,939	—	\$367,728,616	—
Total Mandatory	\$175,414,185	—	\$210,412,794	—	\$210,412,794	—	\$210,412,794	—	\$238,684,770	—
Total Discretionary	\$134,773,690	—	\$129,102,132	—	\$129,222,646	—	\$129,179,145	—	\$129,043,846	—
Memorandum: Advance Appropriations										
Compensation and Pensions	—	\$182,310,515	—	\$204,481,753	—	\$204,481,753	—	\$204,481,753	—	\$227,240,071
Readjustment Benefits	—	\$13,399,805	—	\$17,614,235	—	\$17,614,235	—	\$17,614,235	—	\$20,372,030
Veterans Insurance and Indemnities	—	\$135,119	—	\$131,518	—	\$131,518	—	\$131,518	—	\$131,518
Cost of War Toxic Exposures Fund	—	—	—	\$22,800,000	—	\$22,800,000	—	—	—	—
<i>Subtotal</i>	—	<i>\$195,845,439</i>	—	<i>\$245,027,506</i>	—	<i>\$245,027,506</i>	—	<i>\$222,227,506</i>	—	<i>\$247,743,619</i>
Medical Services	—	\$71,000,000	—	\$75,039,000	—	\$75,039,000	—	\$75,039,000	—	\$75,039,000

Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 (Division A of P.L. 118-42)		President’s Request		House-Passed (H.R. 8580; H.Rept. 118-528)		Senate Committee- Reported (S. 4677; S.Rept. 118-191)		Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4) ^a		
Program	FY2024	FY2025	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
Medical Community Care	—	\$20,382,000	—	\$34,000,000	—	\$34,000,000	—	\$34,000,000	—	\$34,000,000
Medical Support and Compliance	—	\$11,800,000	—	\$12,700,000	—	\$12,700,000	—	\$12,700,000	—	\$12,700,000
Medical facilities	—	\$9,400,000	—	\$9,700,000	—	\$9,700,000	—	\$9,700,000	—	\$9,700,000
Subtotal	—	\$112,582,000	—	\$131,439,000	—	\$131,439,000	—	\$131,439,000	—	\$131,439,000
Total Advance Appropriations	—	\$308,427,439	—	\$376,466,506	—	\$376,466,506	—	\$353,666,506	—	\$379,182,619

Source: U.S. Congress, House Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany H.R. 8580, 118th Cong., 2nd sess., May 28, 2024, H.Rept. 118-528, pp. 109-116; U.S. Congress, Senate Appropriations Committee, *Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2025*, report to accompany S. 4677, 118th Cong., 2nd sess., July 11, 2024, S.Rept. 118-191, pp. 106-111; Veterans Benefits Continuity and Accountability Supplemental Appropriations Act, 2024 (P.L. 118-82); Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4); and U.S. Congress, House Appropriations Committee, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2026*, report to accompany H.R. 3944, 119th Cong., 1st sess., June 10, 2025, H.Rept. 119-161, pp. 93-100.

- a. The FY2025-enacted amounts exclude \$61.94 million provided in the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of American Relief Act, 2025; P.L. 118-158), for expenses related to the consequences of Hurricanes Milton and Helene, and \$24.46 billion that became available on October 1, 2024, for the Cost of War Toxic Exposures Fund, and is to remain available until September 30, 2029, as provided in Fiscal Responsibility Act of 2023 (P.L. 118-5).

Appendix. Veteran Population, VA Enrollees, and VA Patients, FY2000-FY2025

Table A-1. Veteran Population, VA Enrollees, and VA Patients, FY2000-FY2025

Year	Total Veteran Population	VA-Enrolled Veterans	Patients Using VA Health Care During the Year		
			Veterans	Nonveterans	Total Patients
FY2000	26,745,368	4,936,259	3,462,082	355,191	3,817,273
FY2001	26,092,046	6,073,264	3,890,871	356,333	4,247,204
FY2002	25,627,596	6,882,488	4,246,084	380,320	4,671,037
FY2003	25,217,342	7,186,643	4,504,508	417,023	4,961,453
FY2004	24,862,857	7,419,851	4,713,583	453,250	5,166,833
FY2005	24,521,247	7,746,201	4,862,992	445,322	5,308,314
FY2006	24,179,183	7,872,438	5,030,582	435,488	5,466,070
FY2007	23,816,018	7,833,445	5,015,689	463,240	5,478,929
FY2008	23,442,489	7,834,763	5,078,269	498,420	5,576,689
FY2009	23,066,965	8,048,560	5,221,583	523,110	5,744,693
FY2010	23,031,892	8,343,117	5,441,059	559,051	6,000,110
FY2011	22,676,149	8,574,198	5,582,171	584,020	6,166,191
FY2012	22,328,279	8,762,548	5,680,374	652,717	6,333,091
FY2013	21,972,964	8,926,546	5,803,890	680,774	6,484,664
FY2014	21,999,108	9,078,615	5,955,725	677,010	6,632,735
FY2015	21,680,534	8,965,923	6,047,750	694,120	6,741,870
FY2016	21,368,156	9,124,712	6,168,606	705,743	6,874,349
FY2017	21,065,561	9,247,803	6,277,360	715,928	6,993,288
FY2018	20,333,894	9,178,149	6,170,756	744,740	6,915,496
FY2019	19,928,795	9,237,638	6,271,019	764,777	7,035,796
FY2020	19,541,961	9,190,143	6,211,825	764,006	6,975,831
FY2021	18,957,110	9,134,760	6,407,529	990,602	7,398,131
FY2022	18,592,457	9,080,134	6,296,830	951,616	7,248,446
FY2023	18,266,970	9,097,859	6,264,938	918,014	7,182,952
FY2024	17,921,241	9,070,776	6,305,930	935,624	7,241,554
FY2025	17,587,687	9,094,031	6,345,157	949,871	7,295,028

Source: “Total Veteran Population” numbers are from Veteran Population Projection Model 2023 (VetPop2023) (FY2023-FY2025), available at https://www.va.gov/VETDATA/docs/Demographics/New_Vetpop_Model/IL_VetPop2023_National_NCVAS.xlsx, and an archived copy of an earlier version no longer available on the website (FY2000-FY2022). “VA-Enrolled Veterans” numbers and “Patients Using VA Health Care During the Year” numbers were obtained from the VA and/or the VA budget submissions to Congress for FY2002-FY2025; the number for each fiscal year is taken from the budget submission two years later (e.g., the FY2022 number is from the FY2024 budget submission).

Notes: FY2025 total veteran population projected as of September 30, 2023. FY2024 and FY2025 veteran enrollee and patient data are estimates.

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