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SUMMARY

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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 April 3, 2026, President Trump released his FY2027 budget request for VA. The President's FY2027 request for VA is $481.88 billion, a $36.4 billion (+8.17%) increase above the FY2026 enacted level. This includes a discretionary budget request of $144.72 billion, an $11.53 billion (+8.66%) increase above the FY2026 enacted amount, and a mandatory budget request of $337.16 billion, a $24.86 billion (+7.96%) increase over the FY2026 enacted level. The President's budget also proposes to restructure the four medical care accounts (medical services, medical community care, medical support and compliance, and medical facilities) into two new account categories, beginning with the FY2028 budget cycle, known as the "direct care" and "community care" accounts.

On April 17, 2026, the House Military Construction, Veterans Affairs, and Related Agencies Appropriations Subcommittee marked up a draft version of the FY2027 Military Construction, Veterans Affairs, and Related Agencies (MILCON-VA) appropriations bill. On April 21, the full House Appropriations Committee marked up the FY2027 MILCON-VA appropriations bill and reported it to the House (H.R. 8469; H.Rept. 119-622). On May 15, the House passed its version of the FY2027 MILCON-VA appropriations bill. The House-passed bill would provide $474.40 billion for VA for FY2027, a $7.48 billion (-1.55%) decrease compared with the President's request. This includes $336.97 billion in mandatory funding, a $197 million (-0.06%) decrease from the FY2027 request, and $137.43 billion in discretionary funding, a $7.28 billion (-5.03%) decrease from the Administration's requested amount. The House-passed measure did not include the Administration's proposal to restructure the four medical care accounts into two new account categories.

Because no regular appropriations bills for FY2027 had been enacted, Congress passed and on September 2, 2026, the President signed into law the Continuing Appropriations and Extensions Act, 2027 (H.R. 6500; P.L. 119-103). Division A of the act—the Continuing Appropriations Act, 2027—provides continuing appropriations for VA to continue operations through December 11, 2026, at a rate for operations based largely on the funding amounts, authorities, and conditions provided for in the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (Division D of P.L. 119-37). Division D of this act includes provisions extending several expiring VA statutory authorities through December 11, 2026.

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Introduction

This report provides an overview of the President's budget request and congressional action pertaining to appropriations for the Department of Veterans Affairs (VA) for FY2027. It begins with a brief overview of the department, as well as appropriations and funds that constitute VA's budget. It then discusses the President's request for FY2027, followed by congressional action on FY2027 appropriations and FY2028 advance appropriations. The report provides funding levels for the VA accounts as presented in the Military Construction, Veterans Affairs, and Related Agencies (MILCON-VA) appropriations bill. The MILCON-VA appropriations bill funds other non-VA programs and activities, such as military construction, the American Battle Monuments Commission, the U.S. Court of Appeals for Veterans Claims, and the Armed Forces Retirement Home, which are beyond the scope of this report.

Department of Veterans Affairs (VA) Overview

The VA provides a range of benefits and services to veterans who meet certain eligibility rules. These benefits and services include, among other provisions,

- hospital care, medical services, and nursing home care;[1]
- disability compensation for service-connected disabilities and death;[2]
- pensions for income maintenance of veterans and survivors;[3]
- education;[4]
- vocational rehabilitation and employment services;[5]
- assistance to homeless veterans;[6]
- home loan guarantees;
- administration of life insurance, as well as traumatic injury protection insurance for servicemembers; and
- death benefits that cover burial expenses.[7]

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 activities, administering disability compensation, pensions, burial benefits, a fiduciary program, and education assistance. The

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

[2] 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*.

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

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

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

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

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

National Cemetery Administration (NCA)[8] is responsible for maintaining national veterans cemeteries; providing grants to states and other entities for establishing, expanding, and improving state veterans cemeteries;[9] 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.

The VA Budget

The VA budget includes both mandatory and discretionary funding.[10] The accounts for VA's mandatory programs (appropriated entitlements)[11] 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 [TEF]),[12] among other benefits and services.

Discretionary appropriations fund medical care (medical services, medical community care, medical support and compliance, and medical facilities accounts), medical research, construction programs (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 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

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

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

[10] For a general overview of mandatory and discretionary spending, see CRS In Focus IF13124, *Distinguishing Between Discretionary and Mandatory Spending*.

[11] "There are also certain programs that are defined as mandatory but are funded annually in appropriations legislation. These are often referred to as 'appropriated entitlements.' While the funding for these programs is included in appropriations bills, the level of funding provided is considered mandatory spending and is based on a projection of the cost of the program pursuant to the benefit and eligibility criteria established in law." See CRS In Focus IF13124, *Distinguishing Between Discretionary and Mandatory Spending*.

[12] 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 Exposures Fund (TEF), to be administered by the VA Secretary (38 U.S.C. §324). TEF funds 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. For more information on TEF funding see, CRS Report R48968, *Department of Veterans Affairs FY2026 Appropriations*.

Transformational Fund.[13] Additionally, VA has advance appropriations for specified medical care and benefits accounts.[14]

Budget Request for FY2027 and Congressional Action

On April 3, 2026, the Office of Management and Budget (OMB) released the President's FY2027 budget request to Congress.[15] The President's budget requests a total of $481.88 billion for VA, a $36.4 billion (+8.17%) increase above the FY2026 enacted level. This includes $337.16 billion in mandatory funding, a $24.86 billion (+7.96%) increase over the FY2026 enacted level, and $144.72 billion in discretionary funding, a $11.53 billion (+8.66%) increase above the FY2026 amount. Additionally, the President's budget proposes $499.46 billion in advance appropriations for VA for FY2028. This includes $307.46 billion for veterans' benefits programs (compensation and pensions, readjustment benefits, and veterans insurance and indemnities), $138.24 billion for the four medical care accounts (medical services, medical community care, medical support and compliance, and medical facilities), and $53.76 billion advance appropriations for the TEF. The President's budget also proposes to restructure the four medical care accounts into two new account categories, known as the "direct care" and "community care" accounts, beginning with the FY2028 budget cycle.

House Action

On April 17, 2026, the House Appropriations Committee's Military Construction, Veterans Affairs, and Related Agencies subcommittee marked up and forwarded to the full committee a draft version of the FY2027 MILCON-VA appropriations bill. On April 21, the House Appropriations Committee marked up the bill and reported it to the House (H.R. 8469; H.Rept. 119-622). On May 15, the House passed H.R. 8469 by a vote of 400-15.[16] The House-passed bill would provide $474.40 billion for VA for FY2027, which includes $336.97 billion in mandatory funding and $137.43 billion in discretionary funding. The House-passed measure did not include the Administration's proposal to restructure the four medical care accounts into two new account categories.

Given the general interest in understanding the total amount for the MILCON-VA appropriations bill, **Table 1** provides the total for all three titles in the bill: Title I-Department of Defense (DOD, which is using a secondary Department of War designation under Executive Order 14347), Military Construction and Family Housing Program; Title II-Department of Veterans Affairs; and Title III-Related Agencies. **Table 2** provides comparative budget authority for VA accounts

[13] For details about these funds, see Department of Veterans Affairs, *FY2026 Congressional Budget Submission*, "Burial and Benefits Programs and Departmental Administration," vol. 3 of 5, May 2025. 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/2025/08/a11.pdf (accessed September 3, 2026). Also see U.S. Government Accountability Office, *Revolving Funds: Key Features*, GAO-24-107270, January 17, 2024, https://www.gao.gov/products/gao-24-107270.

[14] Codified at 38 U.S.C. §117. *Advance appropriation* means appropriations of new budget authority that become available one or more fiscal years beyond the fiscal year for which the appropriation act was enacted. For details on advance appropriations, see CRS Report R43482, *Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations*.

[15] Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2027 Appendix*, April 2027, https://www.whitehouse.gov/omb/information-resources/budget/.

[16] House Roll Call vote 175, https://clerk.house.gov/Votes/2026175.

between FY2026 enacted levels, the President's FY2027 request, and the House-passed FY2027 MILCON-VA appropriations bill. **Table 3** provides the requested and House-passed (H.R. 8469) amounts for advance appropriations accounts for FY2028.

Table 1. Military Construction, Veterans Affairs, and Related Agencies, Comparison of Bill Totals (Titles I, II, and III) and President's Request

(Budget Authority in Millions of Dollars)

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (Division D of H.R. 5371; P.L. 119-37)	President's Budget Request	House-Passed (H.R. 8469; H.Rept. 119-622)
	FY2026	FY2027	FY2027
Total Discretionary	$136,779	$173,641	$156,985
Total Mandatory	$312,303	$337,164	$323,973
Bill Total	**$449,082**	**$510,805**	**$480,957**

Source: House Committee on Appropriations, Comparative Statement of New Budget Authority, and unpublished Congressional Budget Office (CBO) estimate for Military Construction, Veterans Affairs, and Related Agencies Appropriations, bill, 2027 (H.R. 8469).

Notes: As of the date of this report, no allocations have been established for the House Appropriations Committee under Section 302(a) of the Congressional Budget Act of 1974. On April 22, 2026, House Appropriations Committee announced interim 302(b) suballocations. See House Appropriations Committee, "Committee Approves Numerous FY27 Subcommittee Allocations," press release, April 22, 2026, https://appropriations.house.gov/news/press-releases/committee-approves-numerous-fy27-subcommittee-allocations (accessed on August 26, 2026).

Table 2. Comparison of VA FY2026 Enacted Appropriations and Proposed FY2027 Appropriations

(Budget Authority in Millions of Dollars)

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (Division D of H.R. 5371; P.L. 119-37	President's Budget Request	House-Passed (H.R. 8469; H.Rept. 119-622)	House-Passed vs. Enacted % Change Increase (+)/ Decrease (-)	House-Passed vs. Request % Change Increase (+)/ Decrease (-)
Program	**FY2026**	**FY2027**	**FY2027**		
Compensation and Pensions	$227,240	$246,631	$246,631	—	—
Over FY2025 Enacted Advance Appropriations	5,850	—	—	—	—
Over FY2026 Enacted Advance Appropriations	—	10,555	10,555	—	—

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (Division D of H.R. 5371; P.L. 119-37	President's Budget Request	House-Passed (H.R. 8469; H.Rept. 119-622)	House-Passed vs. Enacted % Change Increase (+)/ Decrease (-)	House-Passed vs. Request % Change Increase (+)/ Decrease (-)
Subtotal Compensation and Pensions	*233,090*	*257,186*	*257,186*	*+10.34%*	*0.00%*
Readjustment Benefits	20,372	24,704	24,704	-2.26%	0.00%
Over FY2025 Enacted Advance Appropriations	4,878	—	—	—	—
Subtotal Readjustment Benefits	*25,250*	*24,704*	*24,704*	*-2.16%*	*0.00%*
Insurance and Indemnities	132	98	132	0.00%	+34.35%
Housing Benefit Program Fund Credit Subsidy	1,155	584	353	-69.41%	-39.50%
Housing Benefit Program Fund Administrative Expenses	267	285	267	0.00%	-6.55%
Vocational Rehabilitation Loan Program	.05	.04	.04	-22.22%	0.00%
Vocational Rehabilitation Loan Program Administrative Expenses	1	1	1	0.00%	-1.17%
Native American Housing Loan Program Administrative Expenses	6	6	6	0.00%	-2.06%
Subsidy for Native American Veteran Housing Loan Program Account	7	3	3	-62.07%	0.00%
General Operating Expenses (VBA)	$3,881	$3,811	$3,744	-3.53%	-1.76%
Total, Veterans Benefits Administration (VBA)	**$263,788**	**$286,677**	**$286,394**	**+8.57%**	**-0.10%**
Medical Services	$75,039	$59,858	$59,858	—	—
Rescission	-$15,889	—	—	—	—
Over FY2026 Advance Appropriations	—	*$100*	*$100*	—	—
Subtotal Medical Services	*$59,150*	*$59,958*	*$59,958*	*+1.37%*	*0.00%*
Medical Community Care	$34,000	$38,700	$38,700	—	—
Over FY2026 Advance Appropriations	—	$1,027	$1,027	—	—
Subtotal Medical Community Care	*$34,000*	*$39,727*	*$39,727*	+16.84%	0.00%

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (Division D of H.R. 5371; P.L. 119-37	President's Budget Request	House-Passed (H.R. 8469; H.Rept. 119-622)	House-Passed vs. Enacted % Change Increase (+)/ Decrease (-)	House-Passed vs. Request % Change Increase (+)/ Decrease (-)
Medical Support and Compliance	$12,090	$12,000	$12,000	—	—
Rescission	—	—	-$1,650	—	—
Subtotal Medical Support and Compliance	*$12,090*	*$12,000*	*$10,350*	-14.39%	-13.75%
Medical Facilities	$9,700	$11,700	$11,700	—	—
Over FY2025 Advance Appropriations	$146	—	—	—	—
Rescission	—	—	-$754	—	—
Subtotal Medical Facilities	*$9,846*	*$11,700*	*$10,946*	+11.17%	-6.45%
Medical and Prosthetic Research	$945	$922	$996	+5.40%	+8.03%
Medical Care Collections Fund (MCCF)					
(Offsetting receipts)	$4,279	$4,207	$4,207	—	—
(Appropriations - indefinite)	($4,279)	($4,207)	($4,207)	—	—
Total, Veterans Health Administration (VHA)	**$116,031**	**$124,307**	**$121,977**	**+5.12%**	**-1.87%**
Total VHA with MCCF	**$120,310**	**$128,514**	**$126,184**	**+4.88%**	**-1.81%**
National Cemetery Administration (NCA)	**$499**	**$505**	**$500**	+0.30%	-0.99%
General Administration	$429	$517	$406	-5.48%	-21.57%
Board of Veterans Appeals	$280	$268	$270	-3.57%	+0.75%
Information Technology	$5,919	$6,308	$5,354	-9.55%	-15.12%
Electronic Health Record Modernization	$3,400	$4,240	$3,400	0.00%	-19.81%
Inspector General	$296	$284	$292	-1.35%	+2.82%
Construction, major projects	$1,394	$3,089	$661	-52.61%	-78.61%
Construction, minor projects	$350	$861	$318	-9.14%	-63.07%
Grants For State Extended Care Facilities	$275	$171	$173	-37.09%	+1.17%
Grants For State Veterans Cemeteries	$150	$60	$62	-58.67%	+3.33%

	Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (Division D of H.R. 5371; P.L. 119-37	President's Budget Request	House-Passed (H.R. 8469; H.Rept. 119-622)	House-Passed vs. Enacted % Change Increase (+)/ Decrease (-)	House-Passed vs. Request % Change Increase (+)/ Decrease (-)
Total, Departmental Administration	**$12,493**	**$15,798**	**$10,935**	-12.47%	-30.78%
Cost of War Toxic Exposures Fund	$52,676	$54,593	$54,593	+3.64%	0.00%
Total, Department of Veterans Affairs	**$445,486**	**$481,880**	**$474,399**	**+6.49%**	**-1.55%**
Discretionary	$133,183	$144,716	$137,432	+3.19%	-5.03%
Mandatory	$312,303	$337,164	$336,967	+7.90%	-0.06%

Source: FY2026 enacted amounts are from the "Explanatory Statement Submitted by Ms. Collins, Chair of The Senate Committee on Appropriations, Regarding H.R. 5371, The Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, And Extensions Act, 2026," *Congressional Record*, vol. 171, no.189 (November 9, 2025), pp. S8109-S8110. The FY2027 President's budget request amounts and FY2027 House-passed amounts are from the Comparative Statement of Budget Authority from the House Committee on Appropriations.

Notes: Amounts may not add up to totals due to rounding. Percentage change calculations comparing FY2026 enacted amounts and the President's requested amounts to House-passed amounts are based on millions of dollars. Percentage changes are shown at the account level or at the subtotal level when applicable.

Table 3. FY2028 Advance Appropriations

($ in millions)

Program	FY2028 President's Request	House-Passed (H.R. 8469; H.Rept. 119-622)
Compensation And Pensions	$283,807	$283,807
Readjustment Benefits	$23,566	$23,566
Veterans Insurance and Indemnities	$91	$91
Cost Of War Toxic Exposures Fund	$53,760	$53,715
Subtotal	*$361,223*	*$361,178*
Medical Services	$70,700	$70,700
Medical Community Care	$42,000	$42,000
Medical Support and Compliance	$12,000	$12,000
Medical Facilities	$13,540	$13,540
Subtotal	*$138,240*	*$138,240*
Total Advance Appropriations	**$499,463**	**$499,418**

Source: Table developed by Congressional Research Service. FY2028 President's budget request amounts from the Comparative Statement of Budget Authority from the House Committee on Appropriations. FY2028 House-passed amounts from the bill text of H.R. 8469 (engrossed in the House version), May 15, 2026.

Continuing Appropriations and Extensions Act, 2027 (H.R. 6500; P.L. 119-103)

Since no regular appropriations bills for FY2027 had been enacted, Congress passed and on September 2, 2026, the President signed into law the Continuing Appropriations and Extensions Act, 2027 (H.R. 6500; P.L. 119-103). Division A of the act—the Continuing Appropriations Act, 2027—provides continuing appropriations for the VA to continue operations through December 11, 2026, at a rate for operations based largely on the funding amounts, authorities, and conditions provided for in the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (Division D of P.L. 119-37). Division D of the act includes provisions extending several expiring VA statutory authorities through December 11, 2026. Generally, the FY2027 advance appropriations received by seven accounts (compensation and pensions, readjustment benefits, insurance and indemnities, medical services, medical community care, medical support and compliance, and medical facilities) in Division D of P.L. 119-37 are not affected by this continuing resolution (P.L. 119-103).[17]

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[17] For more information on FY2027 advance appropriations budget authority, see CRS Report R48968, *Department of Veterans Affairs FY2026 Appropriations*.