

IB Recommendations for FY 2024 and FY 2025 Advance (in thousands)

	FY 2023 Appropriation FINAL	FY 2024 Adv Approp VA FINAL	FY 2024 Appropriation IB Recomnd.	FY 2025 Adv. Approp IB Recomnd.
Veterans Health Administration (VHA)				
Medical Services	70,584,000	74,004,000	88,058,000	102,279,000
Medical Support and Compliance	11,073,000	12,300,000	11,469,000	11,888,000
Medical Facilities	8,634,000	8,800,000	8,953,000	9,270,000
<i>Medical Care Collections (VA Medical Care)</i>	<i>3,128,000</i>	<i>3,174,000</i>	Note 1	Note 1
Subtotal, VA Medical Care	93,419,000	98,278,000	108,480,000	123,437,000
Medical Community Care	28,457,000	33,000,000	31,398,000	33,799,000
<i>Medical Care Collections (Community Care)</i>	<i>782,000</i>	<i>794,000</i>	Note 1	Note 1
Subtotal, Medical Community Care	29,239,000	33,794,000	31,398,000	33,799,000
Total, Medical Care	122,658,000	132,070,000	139,878,000	157,236,000
Medical and Prosthetic Research	916,000		980,000	
Total, Veterans Health Administration	123,574,000		140,858,000	
General Operating Expenses				
Veterans Benefits Administration	3,683,000		4,091,000	
General Administration	433,000		461,000	
Board of Veterans Appeals	285,000		325,000	
Total, General Operating Expenses	4,401,000		4,877,000	
Department Admin and Misc. Programs				
Information Technology	5,782,000		6,335,000	
EHRM (Cerner)	1,759,000		1,759,000	
National Cemetery Administration	430,000		573,000	
Office of Inspector General	273,000		284,000	
Total, Dept. Admin and Misc. Programs	8,244,000		8,952,000	
Construction Programs				
Major Construction	1,447,890		5,125,000	
Minor Construction	626,110		1,050,000	
Grants for State Extended Care Facilities	150,000		600,000	
Grants for State Vets Cemeteries	50,000		110,000	
Total, Construction Programs	2,274,000		6,885,000	
Other Discretionary Programs	284,214		296,000	
<i>Cost of War Toxic Exposure Fund (TEF)</i>	<i>5,000,000</i>		Note 2	
Total, Budget Authority	143,777,214		161,572,000	

Note 1 – The IB estimates the total need for health care appropriations and does not include MCCF estimates.

Note 2 – The IB estimates the total need for health care appropriations and does not include TEF estimates.

Veterans Health Administration

Total Medical Care

FY 2024 IB Recommendation	\$139.9 Billion
FY 2024 Advance Appropriation Enacted	\$128.1 Billion
FY 2024 Estimated Medical Care Collections	\$4.0 Billion
Total, FY 2024 Advance Appropriation Enacted	\$132.1 Billion
FY 2023 Appropriation Enacted	\$118.7 Billion
FY 2023 Estimated Medical Care Collections	\$3.9 Billion
Total, FY 2023 Appropriation Enacted	\$122.6 Billion
FY 2025 IB Advance Appropriation Recommendation	\$157.2 Billion

Over the past three years, VA has received significant additional funding, primarily to prepare for and address the effects of the COVID pandemic. However, given the long-term funding mismatch between the demand for VA medical care by veterans and the resources provided by successive Administrations and Congresses, the infusion of new appropriations has allowed VA to begin narrowing this gap.

The Independent Budget veterans service organizations (IBVSOs) recommend approximately \$139.9 billion in total medical care funding and roughly \$157.2 billion for fiscal year (FY) 2025 advance appropriations.

The FY 2024 recommendation primarily reflects the increased funding baseline for all Medical Care programs established over the past two years, continuing enrollment increases, higher inflation, a federal pay raise, and rising workloads. In particular, the PACT Act has expanded health care eligibility, leading to expected increases in enrollment, utilization, and reliance. The IBVSOs also make several recommendations to begin new or expand existing health care initiatives, which are detailed below. The FY 2025 advance appropriation recommendation would

sustain and build upon the IBVSOs' FY 2024 funding and policy recommendations, including continued enrollment increases due to the PACT Act.

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

Toxic Exposure Fund

The IBVSOs offer a note of caution about the new Toxic Exposure Fund (TEF) and how it will affect the budget and appropriations process for all VA funding. By law, new funding required due to PACT Act changes must be mandatory appropriations through TEF rather than discretionary funding. This change was intended, at least in part, to reduce total VA discretionary funding required in future budget cap deals.

Medical Services

FY 2024 IB Recommendation	\$88.1 Billion
FY 2024 Advance Appropriation Enacted	\$74.0 Billion
FY 2024 Estimated Medical Care Collections	\$3.2 Billion
Total, FY 2024 Advance Appropriation Enacted	\$77.2 Billion
FY 2023 Appropriation Enacted	\$70.6 Billion
FY 2023 Estimated Medical Care Collections	\$3.1 Billion
Total, FY 2023 Appropriation Enacted	\$73.7 Billion
FY 2025 IB Advance Appropriation Recommendation	\$102.3 Billion

NOTE: *The IB budget recommendations do not include TEF funding requirements but instead provide the total need for new health care appropriations.*

A similar Administration proposal last year to create a new budget category – “VA health care,” alongside “defense” and “nondefense” discretionary funding, was intended to address this concern that rising VA health care funding was limiting increases for other nondefense discretionary spending priorities.

While the IBVSOs neither supported nor opposed the creation of the TEF, we are concerned about possible unintended consequences. Prior to enactment of the PACT Act, the Congressional Budget Office (CBO) had cautioned that in the future, expansions of any discretionary VA programs or services could impact the funding for the mandatory TEF and thereby require PAYGO offsets. In addition, VA must now segregate all PACT Act-related costs, potentially complicating accounting and record-keeping for all its programs. Congress must closely monitor VA’s implementation of the TEF to ensure these and other potential changes resulting from its implementation

do not negatively affect VA’s ability to deliver benefits and services to veterans.

Appropriations for FY 2024

For FY 2024, the IBVSOs recommend approximately \$88 billion for Medical Services. This estimate reflects increases based on uncontrollable inflation and a projected 4.6 percent federal pay raise for all VA employees in FY 2024. As discussed above, the IBVSOs also estimate a 4 percent increase in VA health care utilization due to the PACT Act and increased sickness and morbidity from COVID.

New Users (\$3.5 billion)

The IBVSOs estimate a growth in patient workload based on a projected increase of approximately 174,000 new unique patients, which includes an increase of around 168,000 new priority groups 1-6 veterans, a decrease of 13,000 priority groups 7 and 8 veterans, and an increase of 19,000 nonveterans. This larger-than-usual increase is based on a conservative projection of how many veterans will enroll in VA health care as a result of the PACT Act. The IBVSOs estimate the total cost of new unique users in FY 2024 to be approximately \$3.5 billion.

Filling Health Care Vacancies (\$2.8 billion)

Healthcare systems across the nation are experiencing an unprecedented shortage of medical personnel. The Veterans Health Administration’s (VHA) fourth-quarter staffing report for FY 2022 indicated it had 76,877 openings across the department—double the number of vacancies from the same time one year before.

The persistent lack of adequate health care staffing has been a major driver of longer wait times for veterans seeking VA care. It often suppresses the true level of veterans’ demand for care because it forces many veterans who prefer to receive their care from VA providers into the community.

While the exact number of medical personnel the VHA needs is unknown, at a Senate field hearing last October, VA Secretary McDonough stated the department must hire 45,000 nurses over the next three years to keep up with attrition and growing demand for veteran care. The VHA must maximize the use of the hiring practices and pay incentives that Congress approved last year to achieve that goal, the latter having the greatest potential budgetary impact.

For FY 2024, the IBVSOs recommend the VHA pursue an aggressive hiring strategy and seek to fill at least 25 percent of pending clinical care and support vacancies, which would be approximately 19,200 full-time employees (FTE) at a cost of about \$2.8 billion.

See IB Critical Issue #1 on page 25 for more about vacancies and staffing shortages

Dental Care for all Veterans (\$500 million)

VA reported that out of the 9.2 million veterans enrolled in VA health care, only about 1.4 million are eligible for comprehensive dental care. However, in 2020, VA dental services provided care to only 402,000 eligible veterans and an additional 61,000 due to medical necessity. The IBVSOs support efforts to expand dental care to all enrolled veterans and recommend that \$500 million be included in the FY 2024 budget to begin that expansion.



Mental Health and Suicide Prevention (2,438 FTE ≈ \$355 Million)

VA's Office of Mental Health and Suicide Prevention provides multiple paths to access care, including outpatient, residential, and inpatient mental health services. In 2021, 30 percent of all VHA users received mental health services, and more than 520,000 veterans sought treatment for a substance-use disorder. With the passage of the PACT Act, VHA enrollment and usage will increase as eligibility increases. Therefore, the need for mental health services will also increase. VA continues to expand mental health services by using systemic therapy to include a veteran's family and treatment-resistant depression. Merit awards, competitive salaries, a hybrid work environment, and pay incentives for face-to-face positions are forward-thinking concepts for VA to accommodate the current and future veterans' mental health needs. To ensure integrated mental health care staffing, the IBVSOs recommend an increase of 2,350 new FTE for the Behavioral Health Interdisciplinary Program, which includes licensed independent providers, nonlicensed independent providers, care coordinators, and administrative support staff.

The VA's 2022 National Veteran Suicide Prevention Annual Report noted a decrease in veteran suicide by 343 between 2019 and 2020. Over the past 18 months, the Office of Suicide Prevention evaluated the Veteran Crisis Line (VCL) service needs, which led to an adjustment in the staffing model and organization chart. To fully implement these modifications, VCL should go from 900 FTEs to 2500 FTEs over the next several years.

For FY 2024, the IBVSOs recommend additional funding be provided to support an increase of approximately 880 new FTEs to fully support the expanded 988 VCL program.

See IB Critical Issue #2 on page 29 to learn more about the growing number of aging veterans and the need for both institutional and noninstitutional care

Long-Term Care (\$1 billion)

Aging and disabled veterans need a comprehensive range of home-based supports and services to remain safely in their homes. VA provides home and community-based care services (HCBS)—also referred to as noninstitutional care—through programs like Veteran-Directed Care (VDC), home-based primary care, adult day health care, respite care, medical foster homes, and homemaker and health-aid services. Most aging veterans prefer to receive care through these types of home-based programs. VA needs additional funds to provide veterans with adequate personal care services and an enhanced number of hours of care. Unfortunately, funding for HCBS has not kept pace with the demand for these essential services, or inflation. VA also needs additional funding to provide more respite hours for caregivers. This investment would assist in delaying nursing home placements for veterans who prefer to remain at home for as long as possible. Increased funding will also help to support more home health aide hours and more days of adult day health care services, above the current average of seven hours allowed per week.

Additional funding is also needed to expand assisted living centers for veterans living with traumatic brain injury and other disabilities that require an intermediary level of care. The IBVSOs support increased funding for additional memory care units (to include patients with Alzheimer's, severe dementia, and behavioral conditions) within Community Living Centers and State Veterans Homes, as well as specialty VA Spinal Cord Injury and Disorder long-term care beds. These patients require intensive support and can be difficult to place.

Veteran-Directed Care (\$120 Million)

VA's VDC program is an affordable alternative to institutional care. Unfortunately, despite the popularity of this program, it is not currently available at every VA Medical Center (VAMC), often because there is no dedicated funding for it. The VHA has proposed adding 75 new VDC programs over five years. The IBVSOs propose accelerating that rollout schedule and recommend an additional \$120 million in FY 2024 that would be specific purpose funding to allow every VAMC to operate a robust VDC program.

Caregiver Program (\$100 million)

On October 1, 2022, VA's Program of Comprehensive Assistance for Family Caregivers (PCAFC) rolled out phase II of the caregiver program. Based on VA's 2020 Impact Analysis, VA projected the total number of veterans for FY 2024 to be over 58,500 at an annual stipend cost of \$31,826,829. On September 22, 2022, VA published an Interim Final Rule in the Federal Register announcing VA is extending the transition period and the timeline for VA to complete reassessments of the legacy cohort by an additional three years (until September 30, 2025). These two changes will have a significant financial impact on the PCAFC program. The IBVSOs recommend an increase of \$100 million for FY 2024.

Women Veterans Health Care (\$150 million)

The requested Medical Care budget for FY 2024 includes \$767 million for gender-specific health care for women veterans. Following up on last year's IB recommendation to increase funding for women, the IBVSOs again recommend investing an additional \$200 million, of which \$150 million would go to Medical Services as described below.

- **\$120 million for VA to continue creating and fully staffing high-quality, clinically relevant services for women veterans.** COVID-19 has made hiring and training challenging, particularly the hands-on training offered through women's health mini-residencies. While training and hiring initiatives continue, the growth in women veterans who use VA is outstripping VA's ability to hire and train providers to meet women's specialized gender-specific clinical needs.
- **\$10 million to support strategic planning for meeting women veterans' health care needs.** While women are the fastest-growing subpopulation in the VA (+32 percent by 2030), there is no strategic plan to ensure all service lines in the VHA are focused on adjusting programs to meet women veterans' unique clinical and supportive services needs. The VHA must develop plans for women veterans' health programming that respond to changes in health care delivery made since the ongoing COVID-19

pandemic and evaluates other program offices to ensure appropriate services are available to meet the unique needs of the women veterans it serves.

- **\$10 million to increase the number and quality of peer support specialists, care navigators, and doulas to assist women veterans.** Peer support specialists have been very useful in helping veterans with mental health challenges, including those dealing with the aftermath of military sexual trauma, post-traumatic stress disorder, and substance-use disorders. Similarly, care navigators and doulas can assist women veterans with highly complex medical conditions, such as cancer, amyotrophic lateral sclerosis (ALS), multiple sclerosis (MS), post-partum maternal care, and chronic pain management.
- **\$10 million to create and maintain a dedicated consultative team to assist with managing the care of veterans throughout the maternity cycle.** These funds would support VA's efforts to provide women veterans with access to comprehensive wrap-around services, including help with housing, employment, food insecurity, interpersonal violence, and mental health and prosthetic support. Reproductive mental health issues are prevalent for many service-disabled women veterans and require specialized clinical support. VA is wholly dependent upon its community care network providers to provide quality care and data on outcomes of maternity care. Still, specialized program managers can monitor and influence better results by enhancing services for women and improving coordination and communication between these programs.

Minority Veterans (\$10 million)

The IBVSOs recommend \$10 million be added to the VHA budget to continue training on diversity and inclusion for all medical staff and ensure adequate resources for minority veteran coordinator assignments and peer support specialists. Additional funding is also needed to support efforts for the PACT Act expansion that includes minority and underserved veterans. All veterans should receive health care tailored to their individual needs.

Homeless Programs (\$375 million)

Homelessness among veterans saw a slight increase in 2020 (37,252 in 2020, up from 37,058 in 2019). The pandemic saw a decrease in the number of sheltered veterans in 2021 (19,750 in 2021, down from 22,048 in 2020). Because of the pandemic, the number of unsheltered veterans was not counted in 2021. For FY 2024, the IBVSOs recommend a continued emphasis on the Supportive Services for Veterans Families (SSVF) program, which has been able to provide homelessness prevention and rapid rehousing assistance to veterans through shallow subsidies in every state across the nation. Additional funding is required to accommodate the nationwide expansion of this program (from 11 service sites in 2019), and the increase in rental subsidies for up to 50 percent of “reasonable” rents, which has aided in program flexibility and usability. The IBVSOs recommend adding funding for the Grant and Per Diem (GPD) program by earmarking \$10 million to assist growing populations of elderly and women veterans. The IBVSOs also request additional funds for the Health Care for Homeless Veterans (HCHV) Program, which will soon accommodate veterans with other-than-honorable discharges. The IBVSOs recommend an increase of \$375 million for homeless programs, targeting \$250 million for SSVF, \$100 million GPD (including \$10 million targeting women and elderly veterans), and \$25 million for HCHV.



Emergency Care

The IBVSOs continue to note that VA must begin fully implementing the *Wolfe v. Wilkie* court ruling, which will require significant additional funding to meet the costs for previously provided non-VA emergency care. The IBVSOs support legislation that would mandate VA begin processing and reimbursing veterans for emergency care and, if enacted, would require significant new appropriations in FY 2024

Advance Appropriations for FY 2025

For FY 2025, the IBVSOs recommend approximately \$102.3 billion for Medical Services, which reflects estimated uncontrollable inflation and federal pay raises. The new workload is based on projections of roughly 193,000 new priority groups 1-6 veterans, 8,000 fewer priority groups 7 and 8 veterans, and an increase of 19,000 nonveterans. The IBVSOs estimate the cost of these new unique users to be approximately \$4.2 billion. The IBVSOs recommendation also includes the continuation of several crucial medical program initiatives to eliminate VHA vacancies, expand long-term care options, and expand dental health care to all veterans.

Medical Support and Compliance

FY 2024 IB Recommendation	\$11.5 billion
FY 2024 Advance Appropriation Enacted	\$12.3 billion
FY 2023 Appropriation Enacted	\$11.1 billion
FY 2025 IB Advance Appropriation Recommendation	\$11.9 billion

For Medical Support and Compliance, the IBVSOs recommend \$11.5 billion for FY 2024. The IBVSOs projected increase primarily reflects growth in current services based on the impact of inflation and a federal pay raise on the FY 2023 appropriated level. Additionally, for FY 2025, the IBVSOs recommend \$11.9 billion for Medical Support and Compliance, which primarily reflects an increase in current services from the FY 2024 advance appropriations level.

Medical Facilities

FY 2024 IB Recommendation	\$9.0 billion
FY 2024 Advance Appropriation Enacted	\$8.8 billion
FY 2023 Appropriation Enacted	\$8.6 billion
FY 2025 IB Advance Appropriation Recommendation	\$9.3 billion

For Medical Facilities, the IBVSOs recommend \$9.0 billion for FY 2024 and \$9.3 billion for FY 2025, which includes funding for NonRecurring Maintenance (NRM) and leases. VA uses leases to address access needs and space deficiencies to quickly respond to health care advances and changing technology when a lease is better aligned with the department’s overall capital strategy.

The NRM program is VA’s primary means of addressing its most pressing infrastructure needs as identified by Facility Condition Assessments, which is an alternative method to address construction needs. These assessments are performed at each facility every three years and highlight a building’s most pressing and mission-critical repair and maintenance needs.

VA needs to prioritize NRM involving critical deficiencies that directly affect patient safety daily, such as the need for heating and cooling systems repairs or generator upgrades, which may not immediately stand out as critical. Failures of these systems, however, could lead to safety issues. Additionally, deferring regular maintenance issues and upgrades can exacerbate problems that necessitate more costly future remedies.

Women Veterans Health Care Modifications (\$10 million)

The IBVSOs recommend an additional \$10 million for nonrecurring maintenance to continue addressing deficiencies in VA health care facilities to ensure women veterans’ privacy, dignity, and security. These funds will also provide for items like furniture, curtains, kiosks, and supplies to redress deficiencies and create welcoming spaces.





Medical Community Care

FY 2024 IB Recommendation	\$31.4 Billion
FY 2024 Advance Appropriation Enacted	\$33.0 Billion
FY 2024 Estimated Medical Care Collections	\$0.8 Billion
Total, FY 2024 Advance Appropriation Enacted	\$33.8 Billion
FY 2023 Appropriation Enacted	\$28.4 Billion
FY 2023 Estimated Medical Care Collections	\$0.8 Billion
Total, FY 2023 Appropriation Enacted	\$29.2 Billion
FY 2025 IB Advance Appropriation Recommendation	\$33.8 Billion



VA Medical Community Care has grown significantly over the past couple of years due to the implementation of the VA MISSION Act (Public Law 115-182) and the impact of the COVID pandemic. While the IBVSOs anticipate continued increases in veterans' use of community care options, the increased funding during the past couple of years to expand VA's internal capacity to provide care, particularly increased clinical staffing, should mitigate some of this growth as more veterans return to VA for their care. The IBVSOs believe Congress must make significant new investments in VA's health care infrastructure as recommended by VA's AIR recommendations, which should continue this trend of slowing the growth of community care as VA is able to better meet veterans demand for care in its own facilities.

For Medical Community Care, the IBVSOs recommend \$31.4 billion for FY 2024, which primarily reflects the growth in current services as impacted by rising medical inflation. For FY 2025, the IBVSOs recommend \$33.8 billion for Medical Community Care based on the increased cost of current services and continued increases in utilization.

Medical and Prosthetic Research

FY 2024 IB Recommendation	\$980 million
FY 2024 Admin. Budget Request	\$-- million
FY 2023 Appropriation Enacted	\$916 million

VA’s Medical and Prosthetic Research program generates discoveries that significantly contribute to improving the health of veterans and all Americans. The research program also supports VA’s recruitment and retention of health care professionals and clinician scientists. For FY 2024, the IBVSOs recommend a total of \$980 million for VA research, which would cover the cost of inflation and increase investments to address COVID-19, veterans’ health disparities, clinical trial access, and veterans’ mental health needs. It would also renew support for groundbreaking programs, like the

Million Veteran Program, and VA’s participation in the Cancer Moonshot initiative featuring oncology for the nation’s veterans. The value of cutting-edge research has never been demonstrated more clearly than over the past three years, and as a national leader, VA must continue to aggressively grow this program.

To retain and attract well-qualified scientists to assure a high-quality research program, VA must also have access to state-of-the art technology, which includes the ability to collect, store and manipulate large databases like the one being created for the Million Veteran Program. It must also have safe and hygienic laboratories and administrative facilities. Investing in the development of enterprise-wide business functions will also ultimately assure cost-effective and efficacious processes that allow VA to more successfully participate in large scale efforts, such as nationwide clinical trials, across multiple sites. ♦



General Operating Expenses

Veterans Benefits Administration

FY 2024 IB Recommendation	\$4.1 billion
FY 2024 Admin. Budget Request	\$-- billion
FY 2023 Appropriation Enacted	\$3.7 billion

The Veterans Benefits Administration (VBA) account is comprised of seven primary service lines: 1) Compensation; 2) Pension and Fiduciary; 3) Insurance; 4) Education; 5) Home Loan Guaranty; 6) Veteran Readiness and Employment; and 7) Transition and Economic Development. For fiscal year (FY) 2024, The Independent Budget veterans service organizations (IBVSOs) recommend approximately \$4.1 billion for all the VBA's operations - an increase of roughly \$406 million over the enacted FY 2023 appropriations level, which primarily reflects increases for inflation and federal pay raises, as well as projected increases in workload from the PACT Act.

In 2021, the COVID-19 pandemic impacted disability compensation claims processing with a backlog of over 260,000 claims. The Department of Veterans Affairs (VA) announced three presumptive diseases related to burn pits in August 2021 and nine additional presumptive diseases in 2022, exponentially increasing the number of new claims. In FY 2022, the VBA completed over 1.7 million rating decisions. This increase in claims was supported through the American Rescue Plan (Public Law 117-2), which provided VA with \$100 million for mandatory overtime. This, along with the budget providing \$33 million, enabled the VBA to use \$133 million solely on overtime, which was in part responsible for the completion of a record number of decisions.

The PACT Act includes over 20 presumptive diseases due to burn pit exposure, adds two diseases presumptive to Agent Orange exposure, and concedes six new countries for Agent Orange exposure. Within 90 days, VA received over 130,000 PACT Act-related claims. At the beginning of FY 2023, the VBA had over 600,000 pending claims with 125,000 considered backlogged. VA estimates they will receive over a million claims in FY 2023.

See IB Critical Issue #3 on page 33, which stresses the importance of Congress monitoring the implementation of the PACT Act and ensuring VA has the resources in place to do so effectively

The PACT Act provides funding for roughly 7,000 additional full-time employees (FTE) for the VBA. However, this does not include funding for mandatory overtime. While the VBA completed over a million claims, they are estimated to receive more than a million. If the VBA does not have ample funding for overtime, the backlog will grow beyond its current levels.

Claims Backlog (\$100 million)

The IBVSOs recommend an additional \$100 million for overtime in FY 2024. This will assist in addressing the increase in claims due to the PACT Act, the existing pending claims, and drive down the backlog. The VBA will not be able to produce as many claims decisions as in FY 2022 without an increase in mandatory overtime funding. If it is not provided and the VBA receives the estimated one million claims, the backlog will grow at a staggering rate. At the same time, veterans and their families will continue to wait for their earned benefits.

VA Call Centers (\$50 million)

The IBVSOs recommend \$50 million for an additional 400 FTE. Currently, there are approximately 1,600 call center employees with 112 dedicated to VA's Solid Start program. As noted, the VBA has over 600,000 claims pending and is expecting a million new claims in FY 2024. It is estimated that one claim generates eight separate contacts to the call centers. This means that VA could expect over eight million calls, which would significantly strain the existing FTE.

VBA Automation, Scanning, and IT Needs (\$60 million)

The IBVSOs recognize that increasing overtime funding and additional FTE alone will not reduce the backlog. The IBVSOs recommend \$60 million to enable the VBA to keep pace with Veterans Benefits Management System upgrades, create more digital tools, scan and

digitize records, and increase claims automation. There must also be significant progress to address the backlog of VBA IT projects to improve current claims processing systems, as well as a generational upgrade to the VBA's overall IT claims processing infrastructure to make it more efficient and timely, particularly as the volume of claims continues to rise. These specific IT needs are addressed in the IT section.

Veteran Success on Campus Program (\$6 million)

The IBVSOs recommend that the Veteran Readiness and Employment (VR&E) program hire an additional 50 Veteran Success on Campus (VSOC) counselors. VSOC counselors do not require the same level of training as traditional VR&E counselors due to other supports already available to students through their institutions of higher learning (IHL). There are currently more than 60 IHLs awaiting approval for a VSOC counselor. Many more campuses are currently being assessed to see if regional representation would be feasible to address increased need for assistance.

Technical Support for VR&E Counselors (\$38 million)

The IBVSOs recommend that the VR&E program hire 300 technicians to help reduce the administrative burden faced by its counselors. While the VR&E program has succeeded in maintaining the congressionally mandated 1:125 ratio of counselors to veterans, at the local level, the program falls short. Several regional offices are experiencing caseloads that exceed the 1:125 ratio. The IBVSOs recommend creating a position that would provide technical and administrative support to current VR&E counselors to reduce the administrative burden counselors currently face and allow them more time to foster improved relationships with the veterans they serve. This position would require less experience than a VR&E or VSOC counselor.

General Administration

FY 2024 IB Recommendation	\$461 million
FY 2024 Admin. Budget Request	\$-- million
FY 2023 Appropriation Enacted	\$433 million

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

For FY 2024, the IBVSOs recommend approximately \$461 million, an increase of about \$28 million over the FY 2023 level. This increase primarily reflects an increase in current services based on the impact of uncontrollable inflation and the anticipated federal pay raise across all of the General Administration accounts, as well as one specific initiative discussed below.

Minority and Underserved Veterans (\$10 million)

The IBVSOs recommend an additional \$10 million be added to the VBA budget for the Center for Minority Veterans (CMV) to continue their efforts with the Veterans Experience Office and PACT Act expansions. The additional funds would also help the CMV to expand regional outreach programs across the country to help increase awareness about VA services and benefits available to underserved minority populations. The CMV should also use the funding to reestablish the Minority Veterans Report and share news and information that is important to this population of veterans.

Board of Veterans' Appeals

FY 2024 IB Recommendation	\$325 million
FY 2024 Admin. Budget Request	\$ -- million
FY 2023 Appropriation Enacted	\$285 million

For FY 2024, the IBVSOs recommend approximately \$325 million for the Board of Veterans' Appeals (Board), an increase of roughly \$40 million over the FY 2023 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises, as well as staffing increases to address the hearings backlog and additional PACT related work.

The Board's mission is to conduct hearings and decide appeals properly under its jurisdiction. As of January 2022, over 200,000 appeals are pending at the Board with over 84,000 awaiting hearings. In FY 2022, the Board scheduled over 56,000 hearings, but held only a little over 30,000 hearings. Additionally, hearing requests vastly increased in FY 2022. At the beginning of FY 2023, the Board had over 74,000 hearings pending.

Reducing Appeals Backlog (\$28 million)

The Appeals Modernization Act (AMA), effective in February 2019, has dramatically changed how veterans appeal decisions on claims for benefits from the VBA, the VHA, and the National Cemetery Administration. At the Board, appeals are separated between legacy appeals, those pending prior to AMA, and AMA appeals. The Board employs Veterans Law Judges (VLJs) to conduct hearings and render decisions. Each VLJ requires support from attorneys and administrative staff.

In 2021, the VA Secretary authorized the Board to increase the number of VLJs. In 2022, the Board added 20 VLJs. At the beginning of FY 2023, over 206,000 appeals were pending with 74,000 awaiting hearings, 6,600 legacy appeals, and 67,000 AMA appeals. The Board needs to be fully staffed and provided adequate resources to increase timeliness and reduce appeals backlog.

While the overall impact of the *Beaudette v. McDonough* decision has not been truly realized, the IBVSOs believe it will increase the workload. For FY 2024, the IBVSOs recommend an additional 20 VLJs and an additional 200 FTE in other positions to assist in driving down the backlog. The estimated cost for the 220 new FTE would be approximately \$28 million. ♦



Department Administration and Miscellaneous Programs

Information Technology

FY 2024 IB Recommendation	\$6.3 billion
FY 2024 Admin. Budget Request	\$ -- billion
FY 2023 Appropriations Enacted	\$5.3 billion

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

For fiscal year (FY) 2024, the Independent Budget veterans service organizations (IBVSOs) recommend approximately \$6.3 billion for the administration of VA's IT program to meet current services, to sustain Vista, to fund other critical IT programs for the VHA, the VBA, and the NCA, and to fund specific additional IT initiatives described below.

VBA IT Needs (\$225 million)

The IBVSOs believe the VBA must have updated IT systems to ensure efficiency and accuracy in the processing of current and future claims to address the rising backlog. While the current backlog is largely due to operating constraints from the pandemic, the IBVSOs anticipate significant increases in claims over the next few years related to toxic exposures. VA has increased its full-time employee (FTE) levels in this area, though adding more personnel alone will not resolve the issue. It has been more than a decade since the

development of the Veterans Benefits Management System (VBMS), which serves as the backbone for disability compensation claims processing. The VBA's IT systems are overdue for a significant update, which will require substantial investment and a clear action plan. A digital benefits upgrade, similar in scope to the Digital GI Bill modernization in Education Service, would require engaging with industry, reviewing contractors, implementation, testing, and an overall budget of potentially \$500 million over five years. The IBVSOs recommend that the VBA immediately begin exploring system requirements and possible vendors to create a single, unified claims processing IT system that includes the latest artificial intelligence (AI) technologies. For FY 2024, the IBVSOs recommend \$100 million be appropriated for the first phase of modernizing the VBA's Compensation and Pension IT systems. In addition, the IBVSOs recommend an additional \$125 million to address pending VBA IT projects that have not been funded over the last several years, including many that would address the needs of accredited VSOs working in VA regional offices.

VR&E IT Upgrades (\$20 million)

The IBVSOs recommend that Congress guarantee funding for a new client management system (CMS) that allows the VR&E program to support veteran participants and VR&E staff. After several failed attempts to create a successful CMS system, the current VR&E leadership is working to develop an updated platform that will allow counselors to successfully maintain their administrative requirements while easing the frustrations of veterans by removing antiquated systems that are barriers to veteran success.

The IBVSOs also recommend that Congress ensure funding is an appropriated line item to guarantee the funding for IT upgrades. Like recent Digital GI Bill appropriations, the IBVSOs request that funding be set aside for the VR&E CMS over the next several years to guarantee a functioning system and the necessary upgrades and maintenance to ensure a successful rollout.

Board IT Needs (\$15 million)

The Board uses several IT platforms such as VBMS, Veterans’ Appeals Control and Locator System (VACOLS), and Case Flow. However, VACOLS is the legacy program for tracking and maintaining appeals within the Board. Case Flow is currently used to manage all Board requested hearings and the pilot program for virtual hearings; thus, IT is an integral part of their daily functioning. Case Flow was created to replace VACOLS; however, as Case Flow has many functionalities yet to be implemented, both systems must be used by the Board, which greatly reduces their efficiency. VACOLS allows the Board to store data, specifically their decisions on each case. Case Flow was not designed for data storage; however, to provide similar functionality as VACOLS, it must be interfaced with VBMS to link to documents. VA has made some great innovations to allow veterans to submit Notice of Disagreements directly on VA.gov; however, it does not currently interface directly with Case Flow.

The VBA’s Direct Mail system uploads documents directly into VBMS as a pdf; however, for the Board to review the mail, they must key-in to the system to access the pdf. VBA employees are not faced with this issue in the Direct Mail system. This is inefficient and the IBVSOs recommend funding to correct it. The Board has launched VA Notify to provide actual notice to veterans anytime their appeal moves to another part of the appellate process. Not only will it provide real updates to veterans, but also reduce the number of status inquiries to the Board. The IBVSOs recommend \$15 million for the Board’s IT development of Case Flow, or Direct Mail access, and for the Board’s use of VA Notify.

New NCA IT Systems (\$30 million)

The NCA currently uses an IT and management system that is decades old and inefficient. Costs and maintenance to this IT system are funded through the budget. IBVSOs recommend \$30 million to develop a new and modern IT system to manage NCA operations.

Medical Research IT Needs (\$22 million)

To support VA research programs more effectively, the IBVSOs recommend \$22 million be added to the IT budget and designated for the research program to support the purchase and maintenance of IT infrastructure, increase data storage and access capabilities, increase data security, increase interoperability with affiliated partners, and transition to more robust and functional cloud computing platforms.

Electronic Health Record Modernization (EHRM)

FY 2024 IB Recommendation	\$1.8 billion
FY 2024 Admin. Budget Request	\$-- billion
FY 2023 Appropriations Enacted	\$1.8 billion

The EHRM account is comprised of three major sub-accounts: 1) the Cerner Contract; 2) Infrastructure Readiness; and 3) the Project Management Office (PMO). In 2018, VA awarded Cerner Corporation a 10-year, \$16 billion contract to convert VA’s VistA electronic health record system to Cerner’s MHS Genesis platform. However, implementation and operational problems with the Cerner system at the first couple of sites have led VA to freeze further rollouts. Last year, Oracle Corporation acquired Cerner and has begun significant management and organization changes to help get the EHR transition back on track.

For FY 2023, VA received approximately \$1.8 billion for EHRM, a significant reduction from the prior year, reflecting a more cautious approach moving forward. Without additional clarity on when and how quickly VA and Oracle Cerner will resume its national rollout schedule, the IBVSOs recommend that funding for FY 2024 remain consistent with the FY 2023 funding level, understanding that any funding not used in FY 2024 should be transferred forward for use in FY 2025.

National Cemetery Administration

FY 2024 IB Recommendation	\$573 million
FY 2024 Admin. Budget Request	\$-- million
FY 2023 Appropriations Enacted	\$430 million

The NCA manages 155 national cemeteries; provides perpetual care for 4.7 million veterans, service members, and family members in over 3.9 million gravesites; and offers all veterans burial options within 75 miles of their home. Additionally, the NCA perpetually maintains 34 soldiers' lots and monument sites. For FY 2024, the IBVSOs recommend approximately \$573 million for the NCA, an increase of approximately \$143 million over the FY 2023 appropriations level, which reflects current services with increases for inflation and federal pay raises, an expansion of national cemeteries, and increased funding for the National Shrine Initiative.

Cemetery Utilization and Expansion (\$75 million)

In FY 2022, the NCA experienced an unexpected increase over FY 2021 in overall utilization of internments. Previous models had expected reduced usage of national cemeteries based on the overall decrease of the veteran population. Specifically, national cemeteries and state-funded cemeteries saw a total of seven percent increase in usage.



Due to ever-increasing demand for burial space, the NCA continues to expand and improve the national cemetery system, which includes a plan to open a cemetery in Nevada as well as at least two continuing activations in FY 2024. This much-needed expansion of the national cemetery system will help to facilitate the projected increase in annual veteran interments and simultaneously increase the overall number of graves being maintained by the NCA to nearly than five million by 2024. The IBVSOs recommend \$75 million to address the increased utilization and to provide for new and continuing activations.

National Shrine Initiative (\$50 million)

The IBVSOs strongly believe VA national cemeteries must honor the service of veterans and fully supports the NCA's National Shrine Initiative, which ensures our nation's veterans have a final resting place deserving of their sacrifice to our nation. This program ensures that all headstones are properly maintained. Currently, only 63 percent are at the correct height alignment and only 88 percent are considered clean. The IBVSOs recommend an additional \$50 million in FY 2024 for the National Shrine Initiative to ensure all headstones and markers are properly maintained.

Office of the Inspector General

FY 2024 IB Recommendation	\$284 million
FY 2024 Admin. Budget Request	\$-- million
FY 2023 Appropriations Enacted	\$273 million

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

Construction Programs

Major Construction

FY 2024 IB Recommendation	\$5.1 billion
FY 2024 Admin. Budget Request	\$-- billion
FY 2023 Appropriations Enacted	\$1.4 billion

Last year, the Department of Veterans Affairs (VA) requested, and Congress appropriated increased funding for major construction projects for a total of \$1.4 billion. Although these funds will allow VA to begin construction on some key projects, many previously funded sites still lack the funding for completion. Some of these projects have been on hold or in the design and development phase for years. Although the Asset and Infrastructure Review (AIR) process broke down and stalled last year due in part to concerns about assumptions and market assessments, many of VA's recommendations for expansion and construction of new health care facilities, as well as repairs and maintenance of existing ones, were widely supported and merit funding. The budget recommended by the IBVSOs provides the resources to begin making these critical infrastructure improvements in addition to funding the initiatives discussed below.

See IB Critical Issue #1 on page 27 to learn more about the role of infrastructure in ensuring access to the VA healthcare system

Seismic Corrections (\$1 billion)

Another longstanding critical infrastructure problem for VA is the almost \$7 billion gap in outstanding seismic corrections on VA's priority lists. These are potential life safety issues that cannot be overlooked. VA needs to ensure all seismic and life safety issues are placed at the top of the Strategic Capital Investment Plan (SCIP) list and remain at the top until they are rectified. Having seismic deficiencies on the SCIP list year after year is unacceptable and could lead to catastrophic events if left unresolved. VA must begin making these corrections as quickly as possible.

The IBVSOs recommend Congress appropriate an additional \$1 billion in fiscal year (FY) 2024 and each year thereafter until this backlog is eliminated.

Research Infrastructure (\$100 million)

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

Managing Infrastructure Projects (175 FTE ≈ \$24.5 million)

VA Capital Infrastructure's backlog of projects continues to grow faster than VA can address them. Neither VA's Office of Construction and Facilities Management nor the individual VA facilities have the staff to oversee the amount of work necessary to decrease the backlog. Investing in the oversight and completion of these critical projects will save VA money in the long term and potentially save lives if done correctly. VA must hire additional full-time employees (FTE) to oversee infrastructure projects. Adding personnel to an office of strategic planning and increasing the personnel at individual major facilities to oversee local projects is critical to decreasing the backlog. The IBVSOs recommend an increase of 175 FTE (\$24.5 million) to plan and oversee construction projects, with new personnel assigned to each of VA's major medical centers or other appropriate regional locations.

Minor Construction

FY 2024 IB Recommendation	\$1.1 billion
FY 2024 Admin. Budget Request	\$ -- million
FY 2023 Appropriations Enacted	\$626 million

To ensure VA funding keeps pace with current and future minor construction needs, the IBVSOs recommend Congress appropriate \$1.1 billion for minor construction projects. It is important to invest heavily in minor construction because these are the types of projects that can be completed faster and have a more immediate impact on services for veterans.

To improve planning, management, and oversight of minor construction projects, the IBVSOs recommend raising the current funding limits and using an annual inflation adjustment plus a location adjustment to determine the limit in each category for each year and region. This would be a simple way to keep these limits current and address the difference in construction costs between locations. Project management should be performed by personnel familiar with the scope of projects and not be moved to different personnel solely because of cost.

Women Veterans Health Care (\$30 million)

VHA must develop plans for women veterans health clinics to address capital infrastructure needs. The IBVSOs recommend an additional \$30 million to create comprehensive women’s clinics and appropriate space and accommodations to comply with environment of care standards for women veterans. This will include projects such as creating secure and private patient consultative areas, separate entryways or waiting areas, and lactation centers.

Nonrecurring Maintenance Contracts (\$190 million)

Routine assessments for safety and effectiveness are conducted at each national cemetery facility and are provided a grade from “A - F” based on deficiencies. The National Cemetery Administration (NCA) tries to address these annually, and while many are not more than \$300,000, multiple deficiencies are pending. To correct the facilities with safety grades of D and F, would cost \$190 million. Historically, these nonrecurring maintenance contracts are not a high priority for the budget; however, the IBVSOs feel that safety and effectiveness concerns at these facilities should be a priority and recommend \$190 million.





Grants for State Extended Care Facilities

FY 2024 IB Recommendation	\$600 million
FY 2024 Admin. Budget Request	\$ -- million
FY 2023 Appropriations Enacted	\$150 million

Grants for state extended care facilities, commonly known as state home construction grants, provide up to 65 percent of the cost of construction, rehabilitation, and repair of state veterans’ homes, with the state providing at least 35 percent. In FY 2022, Congress provided an additional \$500 million for this grant program as part of the American Rescue Plan (Public Law 117-2), which effectively funded all Priority List for Group 1 grant requests that had already secured their required state matching funds. With approximately \$150 million in new appropriations for FY 2023, the new pending Priority Group 1 list is expected to include over \$600 million for the federal share in FY 2024. Many of these projects are to build new or replacement facilities that will include critical improvements to prevent and mitigate the spread of COVID and other infectious diseases. Therefore, the IBVSOs recommend \$600 million to fully fund the State Veteran Home Construction Grant program in FY 2024.

Grants for State Veterans’ Cemeteries

FY 2024 IB Recommendation	\$110 million
FY 2024 Admin. Budget Request	\$ -- million
FY 2023 Appropriations Enacted	\$50 million

The State Cemetery Grant Program allows states to expand veteran burial options by raising half the funds needed to build and begin operation of state veterans’ cemeteries. The NCA provides the remaining funding for construction and operational funds, as well as cemetery design assistance. The NCA currently supports 121 grant-funded cemeteries. Before the NCA can provide a grant, the cemetery must secure legislative authority and matching appropriations from its state, territorial, or tribal government. Currently, 43 applications have met the funding and legislative requirements totaling \$110 million. Ten of these are applications for new locations. By increasing the number of state and tribal cemeteries, it will assist the NCA in meeting its goal of 95 percent of veterans having a cemetery within 75 miles of their residence. This program is vital and the IBVSOs recommend \$110 million.

Other Discretionary Programs

FY 2024 IB Recommendation	\$296 million
FY 2024 Admin. Budget Request	\$ -- million
FY 2023 Appropriations Enacted	\$284 million

Other VA discretionary programs include the Veterans Housing Benefit Program Fund, the Vocational Rehabilitation Loans Program, and the Native American Veterans Housing Loan Program. For FY 2024, the IBVSOs recommend approximately \$296 million for these other discretionary programs, an increase of approximately \$12 million over the FY 2023 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises. ♦