

THE INDEPENDENT BUDGET

A Comprehensive Budget Document
Created by Veterans for Veterans



Fiscal Years 2026 and 2027
for the Department of Veterans Affairs

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Acknowledgments

For almost 40 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations while each organization also works independently to identify and address legislative and policy issues that affect the organization’s members and the broader veterans community.

DAV (Disabled American Veterans)

DAV (Disabled American Veterans) empowers veterans to lead high-quality lives with respect and dignity. It is dedicated to a single purpose: keeping our promises to America’s veterans. DAV does this by ensuring that veterans and their families can access the full range of benefits available to them, fighting for the interests of America’s injured heroes on Capitol Hill, linking veterans and their families to employment resources, and educating the public about the great sacrifices and needs of veterans transitioning back to civilian life. DAV, a nonprofit organization with nearly 1 million members, was founded in 1920 and chartered by the U. S. Congress in 1932. Learn more at dav.org.

Paralyzed Veterans of America (PVA)

Paralyzed Veterans of America is a 501(c)(3) nonprofit and the only congressionally chartered veterans service organization dedicated solely for the benefit and representation of veterans with spinal cord injury or diseases. The organization ensures veterans receive the benefits earned through service to our nation, monitors their care in VA spinal cord injury units, and funds research and education in the search for a cure and improved care for individuals with paralysis.

As a lifelong partner and advocate for veterans and all people with disabilities, PVA also develops training and career services, works to ensure accessibility in public buildings and spaces, and provides health and

rehabilitation opportunities through sports and recreation. With more than 70 offices and 33 chapters, Paralyzed Veterans of America serves veterans, their families, and their caregivers in all 50 states, the District of Columbia, and Puerto Rico. Learn more at pva.org.

Veterans of Foreign Wars of the United States (VFW)

The Veterans of Foreign Wars of the United States is the nation’s largest and oldest major war veterans organization. Founded in 1899, the congressionally chartered VFW is composed entirely of eligible veterans and military service members from the active, Guard and Reserve forces. With more than 1.4 million VFW and Auxiliary members located in nearly 6,000 posts worldwide, the nonprofit veterans service organization is proud to proclaim “NO ONE DOES MORE FOR VETERANS” than the VFW, which is dedicated to veterans service, legislative advocacy, and military and community service programs. For more information or to join, visit our website at vfw.org.

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Introduction

For fiscal year (FY) 2026 and advance appropriations for FY 2027, the Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have developed unbiased, needs-based funding estimates for the Department of Veterans Affairs (VA). This report provides our budget recommendations for VA’s authorized programs as well as additional funding required for new and expanded programs, services, and benefits.

Streamlined access to VA benefits and health care through the Honoring our PACT Act (Public Law 117–168) for veterans exposed to toxic substances has had an immeasurably positive effect on veterans, their families, and their survivors. The implementation of this law also continues to significantly affect VA’s day-to-day work in adjudicating disability, survivor, and other benefit claims, as well as the provision of health care services.

In July 2024, VA informed Congress, VSOs, and other stakeholders of an impending shortfall of nearly \$15 billion in VA’s benefits and health care accounts. Of that amount, VA reported a \$2.883 billion shortage in the FY 2024

mandatory accounts that fund VA disability compensation, survivor, and education benefits. In September 2024, Congress provided the additional mandatory funding needed to ensure that benefits were timely paid. However, the account shortage caused undue concerns for veterans who rely on their monthly VA benefit checks and raised concerns about the reasons for VA’s insufficient FY 2024 appropriation.

VA also reported in July that for FY 2025, it would be short \$11.971 billion for medical care. In general, funding for VA’s health care system is provided through discretionary accounts. The President’s budget submission for FY 2025 did not request additional funding, commonly called a “second bite.” Instead, VA’s request relied on significant carryover of appropriations from FY 2024 to fund FY 2025. This plan started unraveling early in FY 2024 as VA’s efforts to limit staff hires and implement other cost-cutting measures failed and the department was forced to use more of its funding in FY 2024, thus limiting its ability to carry over funding to FY 2025.

In late August, VA formally requested the \$12 billion needed for the health care system through the Toxic Exposure Fund

(TEF). The PACT Act established the TEF to provide VA with mandatory funding to pay for toxic-exposure-related services resulting from the law, expenses that previously would have been funded through discretionary accounts. The IBVSOs took no position on Congress' decision to create the TEF for this purpose and continue to focus on VA receiving sufficient funds, rather than the source and accounting methods used.

At the beginning of November 2024, VA announced that it would have been able to pay benefits even without the additional funding provided in September. VA also announced in November that although additional funding was needed for medical care in FY 2025, the amount required was uncertain, later adjusting the estimated shortfall to over \$6 billion. VA's inability to properly gauge its funding requirements caused concern that the department does not have proper command of its financial resources and the level of funding needed to properly manage the delivery of the department's services and benefits.

Regardless of whether any additional FY 2025 funding is provided through TEF or through VA's discretionary accounts, the IBVSOs continue to have grave concerns about the effect of funding shortages on VA's health care system. In recent years, we have seen an ever-increasing number of budget gimmicks put forth to provide VA with adequate funds for the health care system. These include creation of the TEF and proposals to establish a third discretionary budget account for VA health care. Instead of more gimmicks, that often have unintended consequences, we call on the White House to request and Congress to provide VA the full funding it needs. This funding will provide proper and timely health care to an aging, disabled veteran population in a fully transparent manner.

Throughout the last session of Congress, critical veterans legislation was held up due to disagreements over spending on community care, which was a major driver of VA's FY 2025 budget shortfall. Although the IBVSOs believe that VA is the best provider of care for veterans, we recognize

that care provided in the community is an important and necessary component of VA's health care system. One of the largest increases in community care spending is for long-term services and supports for aging and catastrophically disabled veterans. Many of these services are provided in the community, and VA cannot easily replicate or possibly even provide them. Another significant component of community care is emergency care. We support VA's efforts to provide greater access to alternatives like tele-emergency care but also know that veterans will continue to need access to nearby emergency care, which is often in the community.

We call on Congress to focus on ensuring that VA remains the primary provider and coordinator of care for veterans and that community care is available and accessible to veterans as needed to support and supplement their VA care.

Finally, as has too often been the case in recent years, Congress' failure to pass appropriations bills by the beginning of the fiscal year (FY 2025) has further complicated VA's efforts to properly provide timely care. Although Congress passed a continuing resolution (CR) to keep the government funded on October 1, 2024, the language failed to allow VA to spend at the rate previously authorized through its advance appropriation, instead holding VA at FY 2024 levels. Failing to authorize VA to spend at the higher rate authorized by its advance appropriation negates a primary reason for advance appropriations. VA must be given authority to access its advance appropriation at enacted higher levels whenever CRs are adopted by Congress in the future.

Our nation has a sacred obligation to ensure that veterans, their families, and their survivors receive the care and benefits they have earned and deserve. The IBVSOs call on Congress to fully fund VA to ensure that health care and benefits are available in a timely manner to those who have sacrificed in their service to the American people.





Budget Recommendations

Summary Table of IB Budget Recommendations

(In Thousands)	FY 2024 Total Resources Enacted	FY 2025 Total Resources Projected	FY 2026 Total Resources IB Recommended	FY 2027 Total Resources IB Recommended
Veterans Health Administration (VHA)				
Medical Services	80,496,000	84,953,000	106,118,000	111,216,000
<i>MCCF for Medical Services</i>	<i>3,415,000</i>	<i>3,490,000</i>	Note 1	Note 1
Subtotal, VA Medical Services (w/MCCF)	83,911,000	88,442,000	106,118,000	111,216,000
Medical Support and Compliance	11,600,000	12,076,000	12,380,000	12,718,000
Medical Facilities	8,949,000	9,402,000	14,149,000	14,403,000
Subtotal, VA Medical Care	104,460,000	109,919,000	132,647,000	138,337,000
Medical Community Care	37,082,000	32,398,000	33,732,000	34,174,000
<i>MCCF for Community Care</i>	<i>854,000</i>	<i>902,000</i>	<i>Note 1</i>	<i>Note 1</i>
Subtotal, Medical Community Care	37,936,000	33,300,000	33,732,000	34,174,000
Total Medical Care	142,396,000	143,219,000	166,379,000	172,511,000
Medical and Prosthetic Research	989,000	961,000	1,205,000	
Total Veterans Health Administration	143,385,000	144,180,000	167,584,000	
Non-VHA Offices and Programs				
Veterans Benefits Administration	5,668,000	5,436,000	6,457,000	
Board of Veterans Appeals	291,000	287,000	296,000	
National Cemetery Administration	480,000	495,000	620,000	
General Administration	565,000	512,000	549,000	
Office of Inspector General	296,000	300,000	309,000	
Information Technology	7,644,000	7,617,000	8,183,000	
Electronic Health Records Modernization	1,334,000	894,000	921,000	
Construction Programs				
Major Construction	961,000	2,069,000	5,119,000	
Minor Construction	692,000	380,000	3,694,000	
Grants for State Extended Care Facilities	171,000	147,000	650,000	
Grants for State Veterans Cemeteries	60,000	63,000	100,000	
Total Construction Programs	1,884,000	2,658,000	9,563,000	
Other Discretionary Loan Programs	320,000	326,000	336,000	
Total Budget Authority	161,868,000	162,705,000	194,818,000	

Note 1: The IB does NOT make recommendations for MCCF, only total resources needed.



Veterans Health Administration

Total Medical Care

FY 2026	IB Recommendation – Total Appropriated Resources	\$166.4 Billion
FY 2025	Projected – Total Appropriated Resources	\$143.2 Billion
FY 2024	Enacted – Total Appropriated Resources	\$142.4 Billion

The Department of Veterans Affairs (VA) Veterans Health Administration (VHA) provided more care to more veterans than ever before in fiscal year (FY) 2024, setting records in nearly every facet of care. The department conducted more than 127.5 million health care appointments, representing a 6 percent increase over the previous year’s record. Through community care, VA provided a record 3.4 million additional visits to over 330,000 veterans. More than 50,000 veterans in acute suicidal crises received emergency health care, and the Veterans Crisis Line handled over 1.1 million calls, texts, and chats—surpassing previous volume records set in FY 2023 by 12 percent. VHA also provided services, resources, and assistance to a record 88,095 veteran family caregivers, representing an 18.6 percent increase over last year’s record.

Additionally, almost 800,000 veterans enrolled in VA health care during the last two fiscal years, which is 37 percent more than the previous 24 months. More than 52,000 women veterans enrolled in VA health care in FY 2024 alone, and the department now has more than 900,000 women enrolled in its health care system.

Some of these increases can be attributed to the enactment of the Honoring our PACT Act (Public Law 117–168), which expanded the pool of veterans who are eligible for VA health care and moved many veterans to higher priority groups, which has the effect of increasing utilization of and reliance on VA care. Others can be attributed to individual pieces of legislation that Congress passed in recent years to improve and increase VA care and services for veterans. One

thing is clear: VA must be properly resourced to meet the growing number of veterans needing health care, including specialized and supported services.

The Independent Budget veterans service organizations (IBVSOs) recommend approximately \$166.4 billion in total resources for VA medical care for FY 2026 appropriations. The FY 2026 recommendation primarily reflects the increased funding baseline for all medical care programs established since enactment of the PACT Act, continuing enrollment increases, greater utilization and reliance by enrollees, medical inflation, and a federal pay raise. The IBVSOs also make several recommendations to begin new or expand existing health care initiatives, which are detailed below.

Toxic Exposure Fund

The IBVSOs note that we neither supported nor opposed the creation of the TEF due to concerns about possible unintended consequences, such as the Congressional

Budget Office (CBO) determination that legislation expanding discretionary VA programs or services related to toxic exposures would require PAYGO offsets. As a result, congressional approval of critical legislation strengthening and expanding VA care and benefits has become extremely difficult. The IBVSOs support efforts to remove these unintended obstacles while remaining vigilant that any potential solutions would not create additional problems for either funding or expanding VA care and benefits.

The IB recommendations are based on our estimates of the total resource needs for VA programs, services, and benefits. Because the IBVSOs do not take a position on the use of mandatory TEF funding to replace discretionary funding, and due to difficulty of determining the total amount and allocation of future TEF funding, the IB recommendations do not break out the amount of mandatory TEF funding for each budget line item, nor the amount of new discretionary funding that would be required for each budget line item to meet the total resource need.

Medical Services

FY 2026	IB Recommendation – Total Appropriated Resources (no MCCF)	\$106.1 Billion
FY 2025	Projected Total Appropriations Resources w/MCCF	\$88.4 Billion
FY 2025	Total Projected Resources for Medical Services (w/o MCCF)	\$85.0 Billion
FY 2025	Projected MCCF for Medical Services	\$3.5 Billion
FY 2024	Enacted – Total Appropriated Resources w/MCCF	\$83.9 Billion
FY 2024	Total Enacted Resources for Medical Services (w/o MCCF)	\$80.5 Billion
FY 2024	Enacted MCCF for Medical Services	\$3.4 Billion

Medical Services Appropriations for FY 2026

For FY 2026, the IBVSOs recommend approximately \$106.1 billion in total resources for Medical Services. This estimate primarily reflects increases based on rising workload (see above), inflation, and an estimated 3.1 percent federal pay raise for all VA employees in 2026. The IBVSOs also estimate a continued increase in VA health care utilization due to the PACT Act and increased reliance on VA—with commensurate lessened reliance on community care—as VA continues to expand and maximize its internal capacity to provide care.

New Users (+\$1 billion)

The IBVSOs estimate growth in patient workload based on a projected increase of approximately 48,000 new unique patients, which includes approximately 80,000 new priority groups 1–6 veterans, a decrease of 42,000 priority groups 7 and 8 veterans, and an increase of 10,000 nonveterans.

This increase is a conservative projection based on enrollment data over the past six years, coupled with a modest increase as a result of new PACT Act eligibility. The IBVSOs estimate the total cost of new unique users in FY 2026 to be approximately \$1.3 billion.

Filling Health Care Vacancies (+\$1.4 billion)

After an unprecedented hiring surge in FY 2023, VHA started employing a stricter practice of “strategic hiring” and employed the use of a “hiring pause” in FY 2024 to help “rightsize” its workforce. VA’s FY 2025 budget request submitted in March 2024 called for just over 448,000 employees, a decrease of more than 10,000 from the 2024 estimated workforce levels—with most of the workforce reduction coming from VHA. This request came even as Congress and the IBVSOs stressed the importance of ensuring the department continues to build its capacity to deliver more timely health care and

benefits to veterans, especially as VA provides record numbers of toxic-exposed veterans and their survivors expanded health care and benefits under the PACT Act.

VHA intends to continue its strategic hiring initiatives in FY 2025 but recently acknowledged it would have to hire at least 5,000 employees in the current fiscal year in order to meet veteran needs. Most of these positions are believed to be related to the mental health care profession, but the department continues to have a need for registered nurses (RNs), licensed practical nurses (LPNs), and certified nurse assistants (CNAs).

VHA's use of the workforce provisions Congress approved in recent years helped the department exceed expectations with retention, reducing the need for some new hires. Several of these workforce authorities will be expiring soon and should be examined for their efficacy and, if found valuable, renewed as quickly as possible.

Studies repeatedly show VA health care quality is as good or better compared with other health systems, which is why it is the preferred point of service for the majority of veterans. VA will require more resources to meet a projected increase in veterans' demand for VA care over the next few years. According to VA's third-quarter Section 505 Vacancies report for FY 2024, VHA had more than 37,000 vacancies. For FY 2026, the IBVSOs recommend VHA continue its aggressive hiring strategy and attempt to fill at least 25 percent of its pending clinical care and support vacancies, in particular those within VA's specialized systems of care, which would be about 9,000 new full-time employees (FTE) at a cost of about \$1.4 billion.

Clinical Social Workers (+3,000 FTE, +\$462 million)

VHA provides various case management and social work programs to support veterans and their families. Clinical social workers assist in the Case Management Program, helping eligible service members and veterans with complex chronic care needs and socioeconomic challenges. This includes system navigation, care coordination, and biopsychosocial rehabilitation. They also support the Post-9/11 Military2VA (M2VA) Case Management Program, which offers comprehensive transition assistance and case management for wounded, ill, and injured post-9/11 veterans, bridging the gap between the Department of Defense (DOD) and VHA for transitioning service members.

VA social workers face significant strain due to staffing shortages, which had been exacerbated by the COVID-19 pandemic and increased workload from the PACT Act. They often handle service members' and veterans' complex cases involving mental health issues, substance use disorders, and housing instability—frequently leading to social workers'

stress, anxiety, and burnout. Many feel undervalued and consider leaving the profession. These challenges underscore the need for additional support and resources to ensure VA social workers can effectively serve veterans. Similarly, there is a shortage of patient advocates to meet patient demand for assistance and access to quality care. Therefore, the IBVSOs recommend an additional 3,000 FTE in order to lower the average caseload for social workers to about 500 patients. This would help to reduce the ongoing demands put on the social workers who have dual role responsibilities with DOD and VA in the midst of increased patient enrollment due to the PACT Act and increased mental health care and care coordination needs.

Long-Term Services and Supports (+\$2 billion)

Veterans rely on long-term care from VA for everything from occasional help around the house to around-the-clock care. Eligibility is primarily based on the extent of a service-connected disability and a veteran's challenge in living independently. As the U.S. veteran population ages, long-term care will make up an increasingly large share of VA health care expenditures. Home and community-based services (HCBS) allow veterans to “age in place” while receiving the care and support they need. These services also provide significant cost savings over institutional care facilities, such as nursing homes. As these types of programs expand, it will be important to ensure that they meet the specialized needs of disabled veterans and their caregivers and that they are available to all veterans who would benefit from them.

VA projects demand for long-term care will continue to increase and spending will double by 2037. According to VA's Veteran Population Projection Model 2023, the veteran population ages 65 and older is estimated to be over 8.1 million. There are an estimated 2.5 million veterans ages 80 and older, and this number is expected to rise to over 3 million by 2030 before beginning to decline as the total veteran population reduces. Many of these veterans served in conflicts around the world, including World War II, the Korean War, the Vietnam War, and even the Persian Gulf War. Overall, an estimated 80 percent of veterans will have some need for long-term services and supports in their lifetime.

In VA, demand is growing rapidly, driven by an aging veteran population and a growing number of veterans with service-connected disabilities. Vietnam-era veterans are increasingly driving this demand, with most reaching age 75 or older by 2026. VA expenditures for long-term care are projected to reach \$14.3 billion by 2037, and HCBS will account for a growing share of this cost.

While there are legitimate concerns about the cost of the VA

Community Care Program, the IBVSOs would like to draw a distinction between referring veterans outside VA for medical care versus referring them for HCBS, many of which are not provided in VA health care facilities. VA HCBS provide veterans an alternative to nursing home care and allow them to receive care at their home or in a homelike environment that can delay or reduce their likelihood of having to be placed in a nursing facility.

VHA operates 134 Community Living Centers and VHA's Spinal Cord Injuries/Disorders (SCI/D) system of care operates six SCI/D long-term care facilities, with only one such SCI/D facility west of the Mississippi at the Long Beach VA Medical Center in California. VHA also provides HCBS, referred to as noninstitutional care, which include programs including Homemaker and Home Health Aide Care, Skilled Home Health Care, Home Based Primary Care, Medical Foster Home Care, Veteran Directed Care, Adult Day Health Care, Respite Care, Palliative Care, and Hospice Care.

Additionally, VA supports State Veterans Homes in partnership with the states to provide long-term care services for veterans who are not able to remain in their homes. VA also contracts with community nursing homes to expand its ability to meet veterans' long-term care needs. As the demand for nursing home care continues to grow and VA continues to expand HCBS across all VA medical centers, these programs must be fully funded to ensure veterans can receive comprehensive long-term care supportive services that meet their health care needs.

Unfortunately, funding is dramatically lower than demand for these essential services. As the PACT Act has made more veterans eligible for VA health care, it has also increased the number of veterans eligible for VA long-term care and HCBS. VA's FY 2026 advance appropriation budget request included \$17.9 billion for long-term services and supports, an increase of approximately \$833 million or (5.9 percent) above the FY 2025 funding level. For the past two years, the IBVSOs recommended the budget for long-term services and supports budget be increased by \$1 billion. Since the need for these services continues to remain high, the IBVSOs recommend that long-term care funding be increased by an additional \$2 billion for FY 2026.

Caregiver Support Programs

VA's Caregiver Support Program (CSP) has provided life-changing support for thousands of veterans with the most complex care needs; however, eligibility regulations for the Program of Comprehensive Assistance for Family Caregivers (PCAFC), adopted in 2020, led to the possibility that thousands of caregivers who rely on this assistance could be removed from the program, creating significant fear and uncertainty in the caregiver community because of

doubts about program eligibility in 2025. In December 2024, VA proposed new regulations to amend its current PCAFC eligibility criteria and assessment rules; however, it remains uncertain how the new rules will affect existing caregivers in the PCAFC.

VA's FY 2026 advance appropriation budget request included \$3.5 billion for the CSP, an increase of approximately \$584 million (21 percent) above the requested FY 2025 funding level. Although VA has provided an estimate of the financial impact of the new regulation, we remain uncertain about how it would affect the number of veterans and caregivers who will be added to, remain in, or be discharged from the program. Without certainty about the content of the final regulation to be promulgated, the IBVSOs are unable to accurately determine if VA will need additional funding above VA's FY 2026 advance appropriation request. Once these caregiver regulations are finalized, Congress must be prepared to adjust its funding request or seek a supplemental appropriation to meet the need if and when it arises.

Mental Health and Suicide Prevention (+\$179 million)

Despite VA's concerted efforts to reduce veteran suicide, VA's 2024 National Veteran Suicide Prevention Annual Report showed the number of veteran suicides increased slightly in 2022. VA mental health care offers various paths for access, including outpatient, residential, and inpatient services. It is also expanding programs to support veterans' families and to address treatment for resistant depression. Vet Centers provide confidential support to veterans, service members, and their families at no cost, all in a relaxed, nonmedical environment.



Since the enactment of the PACT Act, there has been an 8.7 percent growth in veterans enrolling in VHA care for mental health services. This increase has put pressure on VHA to deliver timely and high-quality mental health care within a competitive medical market.

Given the rising demand for mental health services, it is essential to maintain competitive merit awards and salaries, promote a hybrid work environment, and provide pay incentives for in-person mental health care. These strategies are vital for VA to meet both current and future mental health needs of veterans.

To ensure sufficient mental health staffing, the IBVSOs recommend that VA aggressively recruit and retain providers, care coordinators, and administrative support staff. VA must add mental health providers in every VA medical center (VAMC) and community-based outpatient clinic (CBOC).

For FY 2026, the IBVSOs recommend adding 1,000 mental health personnel, which cost approximately \$154 million. In addition, VA should increase funding by \$25 million for mental health outreach efforts, innovations, research, and other targeted efforts for rural and remote veterans.

Emergency and Urgent Care (+\$300 million)

VA's Emergency Medicine Services department plays a pivotal role in providing acute, emergent, and urgent care on demand to over 2.5 million veterans annually through its 110 emergency departments and 30 urgent care centers. VHA emergency departments are essential in the initial evaluation and stabilization of acutely ill and injured veterans and serve as the principal source of inpatient admissions to VHA medical centers.

There has been a significant increase in the use of both VA and community care for emergency services. For example, from the first quarter of 2018 to the last quarter of 2021, community emergency and urgent care visits increased by nearly 130 percent, highlighting the need for VHA to expand its emergency and urgent care capabilities. VHA is actively expanding its inpatient and emergency room telehealth programs, such as TeleStroke Care and TeleCritical Care. This includes the telehealth emergency management initiative aimed at improving access to care for veterans.

Expenditures required for providing inpatient acute services to enrolled veterans are projected to grow significantly in FYs 2025 and 2026. These increases are driven by inflation and changes in health care

practices that raise the cost of services. By leveraging telehealth technologies, VHA aims to enhance its service delivery, making critical care more accessible to veterans across the nation. Therefore, the IBVSOs recommend an additional \$300 million to expand VA's telehealth emergency management program and to significantly increase the number of VA-operated urgent care centers that include a telehealth component.

Homeless Veterans Programs (+\$200 million)

In FY 2024, VA permanently housed 47,925 previously homeless veterans. A point-in-time count in January 2024 by the Department of Housing and Urban Development found 32,882 veterans experiencing homelessness, a 7.5 percent decrease from 2023. VA must maintain its focus on the Supportive Services for Veteran Families (SSVF) program, which provides homelessness prevention and rapid rehousing assistance nationwide. VA's homeless program requires both affordable housing and special adaptive housing. Housing vouchers do not include the cost of adaptations for veterans with severe injuries or illnesses. Inadequate homes can affect the quality of life for these veterans.

The IBVSOs recommend an additional \$150 million in funding for FY 2026 and FY 2027 to support the nationwide expansion of the SSVF program and to increase rental subsidies for better program flexibility and usability. The IBVSOs also recommend an additional \$50 million for home adaptations.

Dental Care (+\$531 million)

Dental care plays a crucial role in improving the quality of life for veterans through preventive services. VA aims to enhance oral health for veterans beyond just providing emergency services. Currently, over 9 million veterans are enrolled in VA health care and approximately 806,000 were



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provided dental care in FY 2024. The enactment of the PACT Act has broadened the number of veterans entitled to dental benefits.

Although VA relies on community care dentists to make up for its lack of capacity, including dental facilities, VA has a shortage of dental professionals, with approximately 500 dentists, 750 dental hygienists, and over 1,600 dental assistants needed to meet current demand.

The IBVSOs recommend VA increase FTE by at least 1,500 in FY 2026, which would require an additional \$231 million in FY 2026. The IBVSOs also recommend additional funding to expand infrastructure and utilize leasing authority to provide additional capacity, which is included in the Minor Construction section of this document.

In addition, the IBVSOs support efforts to expand eligibility to dental care for all enrolled veterans and recommend that \$600 million be included in FY 2026 to begin that expansion: \$300 million in the Medical Services account and \$300 million in the Medical Community Care account. Poor dental care has been linked with heart disease, diabetes, cancer, dementia, Alzheimer's, and overall health outcomes. It is time to recognize dental care is health care, and VA should be leading the way.

Prosthetic and Sensory Aids Services (+\$375 million)

In November 2024, VA released a revised FY 2025 budget request totaling \$5.3 billion for its Prosthetic and Sensory Aid Services (PSAS) programs. VA's FY 2026 advance appropriation request was approximately \$5.8 billion for PSAS, an increase of \$972 million, or 9.4 percent. The revised FY 2025 budget projections for supplies and materials were increased by approximately \$367 million due to vendors' inability to meet contractual demands, causing procurement from alternate sources; clinical prescriptions that request items utilizing emerging technologies, which tend to be more expensive; growth in the number of veterans accessing VA care; and general inflation. The total estimated cost for supplies and services is approximately \$4.9 billion, which represents about 85 percent of the total prosthetic budget.

The IBVSOs recommend an increase of \$375 million above the FY 2026 advance appropriation request for PSAS, which reflects increased costs for supplies and materials anticipated based on the trend in FY 2025.

Women Veterans Health Care (+\$130 million)

VA has requested \$1.16 billion for gender-specific health care for women veterans in the FY 2026 advance appropriation. Women represent more than 30 percent

of the increase in enrolled veterans over the past five years, and this trend is expected to continue. The IBVSOs recommend an overall investment of \$190 million in FY 2026 to meet the current and future health care needs of this growing population, with \$130 million allocated to Medical Services, as detailed below.

- **\$100 million for VA to recruit and train more clinical providers with expertise to deliver high-quality, gender-specific care to women veterans.** Additional resources are necessary to address attrition, meet increasing demand for services, and improve access to care. Training more providers to serve in rural communities and recruiting clinical leaders and highly specialized gynecologists for surgery and treatment of complex health conditions are essential to ensuring comprehensive health care for women patients. There should be a women's primary care health provider at every CBOC, and all VAMCs should have a gynecologist on staff.
- **\$4 million to support increased staffing (25 FTE) in the Office of Women's Health for strategic planning to better address the needs of women veterans.** Continuing efforts to raise awareness about VA health care, benefits, and services available to women have led to increased program growth. Additional staffing is necessary to evaluate all service lines in VHA and to make appropriate adjustments in programming to meet women veterans' unique clinical and supportive services needs.
- **\$3 million to enhance the quantity (20 FTE) and quality of peer support specialists, care navigators, and doulas to assist women veterans.** Peer support specialists have proven effective in aiding veterans with mental health challenges, including those coping with military sexual trauma, post-traumatic stress disorder, substance use disorder, and intimate partner violence, which may contribute to reducing veteran suicides. Similarly, maternity care navigators and doulas can offer valuable support to women veterans managing highly complex medical conditions, such as cancer, chronic pain management, and postpartum maternal care.
- **\$8 million to expand VA's Reproductive Mental Health Consultation Program (25 FTE) and maternity care coordinators (25 FTE).** This funding aims to support comprehensive services for women veterans, including housing, employment, food security, mental health, and prosthetic support. Reproductive mental health issues are common among service-disabled women veterans, requiring specialized clinical care. VA relies on community care providers for data on the

quality and outcomes of maternity care. Specialized program managers can enhance services and improve coordination and communication between these programs.

- **\$15 million to hire 50 additional staff for extended hours of care and to hire 50 more specialty physical therapists.** The latest congressionally mandated report, Study of Barriers for Women Veterans to VA Health Care (2024), identifies several barriers to care for women veterans, including gaps and challenges affecting their decisions to seek VA care. It underscores the importance of recruiting and retaining women's health providers and training staff to support women with a history of sexual trauma and mental health conditions. Extending the hours of care to include weekends and evenings aims to facilitate appointment attendance for these veterans. Increased emphasis on pelvic floor therapy for the aging population of women may necessitate having therapists co-located with emergency rooms or primary care clinics.

In addition to the above Medical Services recommendations, the IBVSOs recommend \$25 million for Non-Recurring Maintenance (NRM) in the Medical Facilities account and \$25 million in Minor Construction for repairs and modifications to women's health clinics; \$5 million for the Women's Health Research Network which is included in Medical and Prosthetic Research; and \$5 million for the Center for Women Veterans which is included in General Administration.

Pharmacy (+\$1.45 billion)

Following last year's revelation that the rising cost of pharmaceuticals was contributing to budget shortfalls, growth in this area is expected to increase by roughly 8 percent in FY 2025 over the previous year, which can be attributed to several factors. The cost of single-source medications is rising across the board, and VA's increasing use of injectable medications for weight loss and metabolic dysfunction-associated steatohepatitis (MASH) will contribute to higher pharmaceutical outlays in the future. And while procedures are in place to ensure these medications are primarily used as a method of last resort, it is unclear if VHA is following its own prescribing guidelines to determine its appropriateness for use. Also, while medications obtained through care in the community care network represent about 3 percent of the prescriptions administered through VA, they account for nearly 14 percent of its expenditures. Here, the increased cost appears to be related to poor adherence to the department's Directive 1108.08, VHA Formulary Management Process, leading to higher costs whenever nonpreferred medications are prescribed.

The IBVSOs believe that unless VA can significantly strengthen its existing financial controls for both VA and community care pharmaceutical usage, it will be necessary to increase VHA's pharmacy budget in FY 2026 by at least 10 percent over the projected FY 2025 levels, which were estimated at \$14.5 billion, requiring an additional \$1.45 billion to meet veterans' needs.

VA Transportation Program (+\$15 million)

VA's Veterans Transportation Program offers veterans assistance in traveling to and from VA health care facilities for medical care. This program offers services at little or no cost to eligible veterans through a variety of options, including reimbursement through the Beneficial Travel program. For many years, veterans could check in for appointments and file claims for travel pay using the self-service kiosks. The kiosks let veterans file for reimbursement of travel expenses to VA appointments and were highly popular among the veteran community. However, in 2020, VA decommissioned the kiosks as it rolled out an online- and application-based program, the Beneficiary Travel Self Service System (BTSSS). Shortly after BTSSS' introduction, many veterans had trouble with the online interface and app. VA staff members also had trouble with the system, forcing them to develop workarounds or use the old system to approve claims. According to the VA Office of Inspector General (OIG), veterans used BTSSS for just 49 percent of all claims through mid-2022. The OIG also found that while BTSSS was meant to solve claims without human intervention at least 90 percent of the time, however just 17 percent of claims were automatically decided from February 2021 through July 2022.

While VA continues working to resolve fundamental flaws in BTSSS, the IBVSOs recommend that every VA health care facility and CBOC have at least one fully functioning kiosk, which would require an estimated \$15 million in additional funding for VA's FY 2026 budget.

Advance Appropriations for FY 2027

For FY 2027 advance appropriations, the IBVSOs recommend approximately \$111.2 billion in total resources for Medical Services, which reflects estimated inflation and federal pay raises. The new workload is based on projections of roughly 65,000 new priority group 1–6 veterans, 46,000 fewer priority group 7 and 8 veterans, and 47,000 more nonveterans. The IBVSOs estimate the cost of these new unique users to be approximately \$1.3 billion. The IBVSO recommendation also includes the continuation of several crucial medical program initiatives to eliminate VHA vacancies, grow long-term care options, and expand dental health care to all veterans.

Medical Support and Compliance

FY 2026	IB Recommendation – Total Appropriated Resources	\$12.4 Billion
FY 2025	Projected – Total Appropriated Resources	\$12.1 Billion
FY 2024	Enacted – Total Appropriated Resources	\$11.6 Billion

For Medical Support and Compliance, the IBVSOs recommend approximately \$12.4 billion in total resources for FY 2026. The IB increase primarily reflects growth in current services based on the impact of inflation and a federal pay raise. Additionally, for FY

2027 advance appropriations, the IBVSOs recommend approximately \$12.7 billion for Medical Support and Compliance, which primarily reflects inflationary increases in current services above the FY 2026 appropriation level.

Medical Facilities

FY 2026	IB Recommendation – Total Appropriated Resources	\$14.1 Billion
FY 2025	Projected – Total Appropriated Resources	\$9.4 Billion
FY 2024	Enacted – Total Appropriated Resources	\$8.9 Billion

For Medical Facilities, the IBVSOs recommend a total of \$14.1 billion for FY 2026 and \$14.4 billion for FY 2027 advance appropriations, which includes funding for NRM and leases, including \$25 million dedicated for women veterans as detailed in the next section. 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.

approximately \$64.5 billion over the next 10 years to fund all necessary NRM projects, or \$6.45 billion each year. Since VA requested just \$2 billion for NRM in its FY 2026 advance appropriation request, we recommend increasing the base level of funding by \$4.45 billion in both FY 2026 and FY 2027 advance appropriations.

Women Veterans Health Care Modifications (+\$25 million)

The IBVSOs recommend an additional allocation of \$25 million for NRM to address deficiencies in VA health care facilities concerning the privacy, dignity, and security of women veterans. These funds would also cover expenditures for furniture, curtains, kiosks, and supplies to address deficiencies and create welcoming spaces.

The backlog of unfunded non-recurring maintenance (NRM) projects throughout VA health care facilities remains a major impediment to providing timely access to enrolled veterans. According to VA’s most recent Strategic Capital Investment Planning (SCIP) estimates, there is a need for

Medical Community Care

FY 2026	IB Recommendation – Total Appropriated Resources (no MCCF)	\$33.7 Billion
FY 2025	Projected Total Appropriations Resources w/MCCF	\$33.3 Billion
FY 2025	Total Projected Resources for Community Care (w/o MCCF)	\$32.4 Billion
FY 2025	Projected MCCF for Community Care	\$0.9 Billion
FY 2024	Enacted – Total Appropriated Resources w/MCCF	\$37.9 Billion
FY 2024	Total Projected Resources for Community Care (w/o MCCF)	\$37.1 Billion
FY 2024	Projected MCCF for Community Care	\$0.9 Billion

Over the past five years, VA Medical Community Care has expanded significantly due to the enactment of the VA MISSION Act (Public Law 115–182), the COVID-19 pandemic, and the implementation of the PACT Act. In particular, the VA MISSION Act aimed to improve veterans’ access to health care by allowing them to seek care from community providers when VA services were unavailable or not timely. The COVID-19 pandemic further highlighted the need for flexible health care options, accelerating the expansion of telehealth and community care services. Additionally, the PACT Act has contributed to increased demand for health care services by addressing toxic-exposure claims for veterans.

As a result, significant investments have been made in VA’s internal capacity to provide care, including increased clinical staffing, modernization of IT infrastructure, and expansion of telehealth services. These improvements are intended to reduce the need for community care as more veterans return to VA facilities for their health care needs.

Medical and Prosthetic Research

FY 2026	IB Recommendation – Total Appropriated Resources	\$1.2 Billion
FY 2025	Projected – Total Appropriated Resources	\$1.0 Billion
FY 2024	Enacted – Total Appropriated Resources	\$1.0 Billion

VA’s Medical and Prosthetic Research program significantly improves veterans’ health and overall health care across the United States. The program’s innovative research has proven invaluable, and VA must continue to lead in advancing this field. To attract and retain top scientists and maintain a high-caliber research program, VA needs access to cutting-edge technology for data handling and compliance with safety and hygiene standards in laboratories and administrative facilities.

To retain and attract highly qualified scientists and ensure a high-caliber research program, it is imperative for VA to have access to cutting-edge technology, which encompasses the capability to gather, store, and manipulate vast databases. Moreover, it is crucial for the laboratories and administrative facilities to comply with safety and hygiene standards. The investment in enterprise-wide business functions will result in cost-effective and efficient processes, enabling VA to successfully participate in large-

The IBVSOs have recognized these changes and recommend a budget of \$33.7 billion for Medical Community Care in FY 2026. This recommendation considers the expected decrease in community care utilization due to the enhanced capacity of VA facilities, as well as the impact of continuing medical inflation. Looking ahead to FY 2027, the IBVSOs recommend an increase to \$34.2 billion for Medical Community Care. This recommendation is based on the anticipated rise in the cost of current services and the ongoing increase in utilization as veterans continue to seek care both within VA facilities and through community providers.

Dental Care Expansion (+\$300 million)

As discussed above, the IBVSOs support expanding dental care to all enrolled veterans and call for an additional \$300 million for Medical Community Care in FY 2026 as well as an another \$300 million for FY 2027 advance appropriations.

scale efforts, including nationwide clinical trials across multiple sites.

For FY 2026, the IBVSOs recommend \$1.2 billion for VA research, an increase of \$244 million above the projected FY 2025 appropriation total. This level of funding would help address inflation impacts, invest in tackling veterans’ health disparities, ensure clinical trial access, and address veterans’ mental health needs. In addition, the IBVSOs recommend additional funding to strengthen VA research in the Information Technology and Research sections of this document.

Women’s Health Research Network (+\$5 million)

To meet the needs of a growing women veteran population, the IBVSOs also request \$5 million for FY 2026 for the expansion of VA’s Women’s Health Research Network, with a focus on systemwide support and acceleration of research into evidence-based treatments and practice.





Non-VHA Offices and Programs

Veterans Benefits Administration

FY 2026	IB Recommendation – Total Appropriated Resources	\$6.5 Billion
FY 2025	Projected – Total Appropriated Resources	\$5.4 Billion
FY 2024	Enacted – Total Appropriated Resources	\$5.7 Billion

The Veterans Benefits Administration (VBA) account comprises 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 FY 2026, the Independent Budget veterans service organizations (IBVSOs) recommend approximately \$6.5 billion for all VBA's operations, an increase of roughly \$1 billion over the projected FY 2025 appropriations from all sources. This reflects increases for inflation and federal pay raises, as well as increased claims processing workloads due to the Honoring our PACT Act (Public Law 117–168) and other initiatives to reduce claims processing times.

Signed into law more than two years ago, the PACT Act has expanded access to benefits for over a million veterans since its enactment. More than twenty new service-connected presumptive conditions have been established as a result of it. The Department of Veterans Affairs (VA) is continuing to

evaluate whether to add more presumptive conditions and recently announced it will conduct scientific assessments to determine if there is a relationship between per- and polyfluoroalkyl substances (PFAS) exposure during military service and kidney cancer among veterans. This assessment would help determine if kidney cancer should be considered a presumptive service-connected disability for veterans exposed to PFAS.

VBA processed over 2.5 million benefits claims in FY 2024. It was provided \$52.9 million in overtime funding in FY 2024, which enabled it to process this large number of claims. However, VBA may not be able to maintain necessary claims production in FY 2026 without a continuation of mandatory overtime policies and commensurate funding increases.

Claims Processing (+\$200 million)

We acknowledge that TEF resources are being used and additional full-time employees (FTE) were hired for claims processing; however, much of that funding only applies to

PACT Act-related claims. Many of the recent hires for claims processing since the 2022 passage of the PACT Act are still in training. To effectively address the increased number of overall claims, bring down the backlog of over 235,000 pending decisions, and conduct outreach to veterans and families, the IBVSOs recommend an additional \$200 million for VBA for claims processing to include overtime pay.

Claims related to military sexual trauma (MST) have increased since 2020 and require more time to process than in previous years. The IBVSOs recommend that all overtime for MST raters be voluntary and that VBA prioritize the mental health and well-being of its staff in order to have a sustainable workforce. Due to the delicate nature of MST claims, this particular group of raters often have to request mental health days in order to stay focused on evaluating these claims properly.

Mailing Functions (+\$100 million)

To handle the increased volume of PACT Act and other claims, VBA has increased its mail processing through its Centralized Mail Portal. The IBVSOs recommend an additional \$100 million for increased mailing functions.

Scanning (+\$10 million)

Similar to the increases in claims-related mail, VBA has also received more private medical provider Disability Benefits Questionnaires (DBQs) and other claims documents that require scanning. The IBVSOs recommend an additional \$10 million for increased scanning functions.

Transition Assistance (+\$32 million)

To implement VA's TAP 6.0, the improved VA portion of the Transition Assistance Program (TAP), an increase in staffing will be required to communicate VA benefits earlier in the transition process. Additionally, to provide more in-person TAP classes to service members and their families and to coordinate the addition of accredited claims representatives in TAP, the IBVSOs recommend adding approximately two FTE at each of the 120 TAP locations to support transition efforts, which will require approximately \$32 million in additional funding.

Board of Veterans' Appeals

FY 2026	IB Recommendation – Total Appropriated Resources	\$295.7 Million
FY 2025	Projected – Total Appropriated Resources	\$287.0 Million
FY 2024	Enacted – Total Appropriated Resources	\$291.0 Million

The Board of Veterans' Appeals (BVA) conducts hearings and decides appeals under its jurisdiction to help veterans

Expanded Education Benefits After Rudisill Decision (+\$500 million)

In April 2024, the Supreme Court ruled in the case of Rudisill v. McDonough, determining that service members with education benefits from both the Montgomery and Post-9/11 GI bills could use either program in any order, up to a 48-month cap. To meet the need that is likely to emerge from this sudden expansion of VA education benefits, the IBVSOs recommend an additional \$500 million for students who will take advantage of these benefits immediately.

Veteran Readiness and Employment Program (+\$10 million)

Last year, the IBVSOs highlighted the need for additional resources to support the Veteran Readiness and Employment (VR&E) program due to an unprecedented number of applications. In FY 2024, the program saw 137,000 new clients—an unprecedented number of active cases to manage; however, the VR&E program currently has a caseload of 171,000 active clients. These numbers are staggering, and the program needs to add vocational rehabilitation counselors (VRCs) and other staff to maintain a caseload that is in line with the 1:125 ratio set by Congress. In response to the projected growth of the VR&E program, the IBVSOs recommend \$10 million in additional funding to ensure sustainability and performance of the program while maintaining the 1–125 ratio.

Vocational Rehabilitation Specialists (+\$5 million)

The addition of vocational rehabilitation specialists (VRSs) has had a positive impact on the workload for the VR&E program. Program leadership has seen an increase in fiscal accuracy and overall case management improvement. The VRS position only requires a bachelor's level education, which opens the door for individuals to familiarize themselves with the employment rehabilitation work. The VR&E program has an opportunity to invest in this new cadre of employees and should be given the resources to support additional education should these individuals want to become VRCs. An additional \$5 million should be offered to the program to use as education incentives for the VRS workforce to advance to become VRCs.

obtain the benefits they are entitled to. In FY 2024, the Board decided 116,000 appeals, a 22 percent increase from

the previous year. In addition, over a period of 18 months, BVA hired an additional 248 attorneys to help further increase the output of decisions and reduce the inventory of pending appeals. Many of these attorneys are still being trained and are expected to have a significant impact on BVA's output once they have completed their training.

For FY 2026, the IBVSOs recommend approximately

\$296 million for BVA, an increase of approximately \$9 million over the projected total FY 2025 appropriations from all sources. This increase primarily reflects projected inflation and federal pay raises.

The IBVSOs also recommend \$25 million for needed technology development that is included in the IT budget recommendations.

National Cemetery Administration

FY 2026	IB Recommendation – Total Appropriated Resources	\$620.0 Million
FY 2025	Projected – Total Appropriated Resources	\$495.0 Million
FY 2024	Enacted – Total Appropriated Resources	\$480.0 Million

Despite the IBVSOs continually suggesting increased funding for NCA, its budget has remained relatively static. For millions of veterans and their families, NCA might be the only engagement those families have with VA; because of this, Congress should increase resources available to NCA, ensuring its ability to provide timely and compassionate support for our nation's veterans and their families.

NCA oversees 155 cemeteries across the country and territories and 35 soldiers' lots and monument sites, accounting for nearly 25,000 acres of land it needs to maintain. The rising labor, materials, and inflation costs require additional resources for NCA to meet demands. The IBVSOs recommend \$620 million for NCA in FY 2026, an increase of \$125 million over the projected FY 2025 appropriation level, which would allow NCA to continue its exemplary work for our nation's veterans, provide resources to hire 50 FTE in the field, and maintain its operations.



Cemetery Expansion and Maintenance (+\$80 million)

As the NCA seeks to expand current services, increase acreage under its care, and meet additional demand through existing cemetery construction projects, resources need to be dedicated for cemetery expansion and maintenance. The NCA pre-need determination of eligibility is an application that allows veterans to make end-of-life planning early on by establishing their eligibility for burial and identifying their preference for burial location. Pre-need applications have spiked to 3,000–4,000 applications a month, which allows VA to assess future needs for NCA. The IBVSOs recommend \$80 million to address increased utilization and maintenance of existing cemeteries and to expand training and oversight of contract officer representatives.

National Shrine Initiative and Legacy Memorial (+\$20 million)

The IBVSOs recommend an additional \$20 million for the National Shrine Initiative and Legacy Memorial programs. NCA operates the Veterans Legacy Memorial (VLM), an online resource dedicated to the memory of almost 10 million veterans interred at VA national cemeteries, those buried in other VA-funded burial locations, and cemeteries overseen by the Department of Defense and the National Park Services. This resource is invaluable and needs continued financial support as more people engage with it.

Utilization and Awareness (+\$5 million)

Ensuring that veterans are informed of the benefits they are entitled to is critical for NCA. The increasing number of pre-need applications is evidence of improvement by NCA at informing veterans about burial benefits, but it needs additional resources to continue delivering awareness and other information about the unique benefits it offers. The

IBVSOs recommend an increase of \$5 million to allow NCA to expand its outreach, education, and engagement with veterans and families eligible for internment benefits.

Homeless Veteran Training Program (+\$5 million)

In last year’s Independent Budget, the IBVSOs recommended \$5 million for NCA to continue a pilot

program providing on-the-job training for veterans experiencing homelessness. As the cost of living rises across the country, the number of at-risk veterans is likely to increase, and NCA has been offering this support to a small cohort of veterans in strategic locations. The IBVSOs again recommend dedicating \$5 million to this transformative program.

General Administration

FY 2026	IB Recommendation – Total Appropriated Resources	\$548.7 Million
FY 2025	Projected – Total Appropriated Resources	\$511.5 Million
FY 2024	Enacted – Total Appropriated Resources	\$565.0 Million

VA’s General Administration account comprises 10 primary divisions: 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 2026, the IBVSOs recommend approximately \$549 million for the General Administration account, an increase of about \$37 million over the projected FY 2025 level. This increase primarily reflects an increase in current services based on the impact of continuing inflation and an estimated 3.1 percent federal pay raise across all of the General Administration accounts.

Office of General Counsel (+\$7 million)

Since the passage of the PACT Act, there has been a proliferation of predatory and unaccredited agents, commonly known as claims sharks, charging veterans for claims assistance—an illegal practice. The Office of General Counsel (OGC) has limited staff to approve new accreditations and monitor the more than 17,000 current accreditations.

With the limited staff available, it takes a year or longer to process new accredited agents. OGC needs a significant boost in funding and FTE to process new accreditations in a timely manner and to monitor and take steps to ensure enforcement of bad actors.

For FY 2026, the IBVSOs recommend an increase of 50 FTE to focus on accreditation issues, particularly those involving claims sharks, which will require approximately \$7 million in additional funding.

Minority and Underserved Veterans (+\$10 million)

The IBVSOs recommend an additional \$10 million be added for the Center for Minority Veterans (CMV) to continue its 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 increase staffing levels to 15 FTE and produce an updated National Veteran Health Equity Report. All veterans should receive health care tailored to their individual needs.

Center for Women Veterans (+\$5 million)

The IBVSOs recommend an additional \$5 million be added for the Center for Women Veterans (CWW) to continue its efforts with the Veterans Experience Office

and accommodate increased workload due to PACT Act eligibility expansions. The additional funds would also help the CWW to expand regional outreach programs across the country to help increase awareness and education about VA services and benefits available to women. The CWW should also use the funding to increase staffing levels to 10 FTE to ensure that all women veterans receive information on specialized health care services tailored to their individual needs.

Office of the Inspector General

FY 2026	IB Recommendation – Total Appropriated Resources	\$308.6	Million
FY 2025	Projected – Total Appropriated Resources	\$299.5	Million
FY 2024	Enacted – Total Appropriated Resources	\$296.0	Million

The Office of Inspector General (OIG) performs audits, inspections, investigations, and reviews to improve VA program and service efficiency, effectiveness, and integrity. For FY 2026, the IBVSOs recommend approximately \$309

million for the OIG, an increase of approximately \$9 million over the projected FY 2025 final appropriations level, which primarily reflects current services with increases for inflation and federal pay raises.

Information Technology Systems

FY 2026	IB Recommendation – Total Appropriated Resources	\$8.1	Billion
FY 2025	Projected – Total Appropriated Resources	\$7.6	Billion
FY 2024	Enacted – Total Appropriated Resources	\$7.6	Billion

VA has tasked the Office of Information Technology (OIT) with ensuring ongoing support and advancement for all IT needs across the entire department. A separate appropriation account has been set up specifically for Electronic Health Record Modernization (EHRM), focusing on the costs associated with the extensive overhaul by VA and Oracle Cerner.

Until the transition is complete, VA must maintain its existing electronic health record (EHR) system, Veterans Health Information Systems and Technology Architecture (VistA). Additionally, it's crucial to support the development and maintenance of all other Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA) and Office of General Counsel (OGC) programs and services.

For fiscal year (FY) 2026, the Independent Budget veterans service organizations (IBVSOs) recommend approximately \$8.2 billion for the administration of VA's IT program to meet current services; sustain VistA; fund other critical

IT programs for VHA, VBA, and NCA; and fund additional IT initiatives.

VBA and BVA IT Needs (+\$100 million)

For all functions within VBA and the Board of Veterans' Appeals (BVA), including compensation and pension, home loans, education, and transition, a shift to more automation will be necessary to increase efficiency. Various IT systems will require an increase in funding.

To address the continued increase in claims and appeals workload, it is critical that upgrades are made to the National Work Queue, the Veterans Benefits Management System, the Stakeholder Enterprise Portal, Case Flow, and the va.gov website.

In January 2024, VBA launched TAP 6.0, the improved VA portion of the Transition Assistance Program for service members leaving the military. The program now includes coordination with veteran service organizations and other accredited claims representatives around the country. The

IBVSOs recommend an additional \$75 million for VBA and \$25 million for BVA IT systems development.

VBA Artificial Intelligence (+\$40 million)

VBA is looking to build an artificial intelligence (AI) system that can improve outcomes and experiences for veterans while not forgetting about the human element to serving veterans, their dependents, and their survivors. For FY 2026, the IBVSOs recommend an additional \$40 million across all VBA business lines for AI development and implementation.

Veterans Readiness and Employment IT (+\$1 million)

As VBA improves its IT functionality, additional costs are required for the Veterans Readiness and Employment (VR&E) program to engage with relevant platforms to ease the administrative burden for vocational rehabilitation counselors and vocational rehabilitation specialists. The managed service contracts awarded by the Office of Information and Technology (OIT) will require individual programs to engage with the VA Enterprise Cloud system to access needed forms and other documents to build the case for disabled veterans seeking employment supports. This new cost will require funding, and the IBVSOs recommend \$1 million annually to ensure VR&E can benefit from the integrated IT upgrades.

Digital GI Bill (+\$150 million)

The Digital GI Bill (DGIB) requires additional resources for

various stages of its development and growth. Investing in the DGIB will improve delivery and administration of education benefits for student veterans and the staff working with them. Several phases of the DGIB rollout have taken place, but the increased capacity planned over the next few years will require additional funding. The need for continuity is critical in the successful and complete rollout of the DGIB; therefore, the IBVSOs recommend \$150 million for DGIB operations, including development and claims processing.

National Cemetery Administration IT (+\$20 million)

NCA has begun a multiyear effort to move from its outdated IT platform to a new Memorials Benefits Management System (MBMS). It will modernize NCA operations to deliver memorial and burial benefits to veterans and their families. NCA will need additional funding to complete the rollout of MBMS and for staff training on the new system. The IBVSOs recommend an additional \$20 million for this critical IT project.

Medical Research IT Needs (+\$25 million)

To support VA research programs more effectively, the IBVSOs recommend adding \$25 million to the IT budget 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.

Veterans Electronic Health Record System

FY 2026	IB Recommendation - Total Appropriated Resources	\$921.0 Million
FY 2025	Projected - Total Appropriated Resources	\$894.0 Million
FY 2024	Enacted - Total Appropriated Resources	\$1.3 Billion

It has been over a year since VA announced that future deployments of the new EHR will be halted while it prioritizes improvements. The FY 2025 EHR budget request was \$1.86 billion, and the FY 2024 enacted budget was \$1.33 billion. The FY 2025 EHR budget request is approximately \$894 million, which will result in a significant shortfall and require the use of the balance of the FY 2024 carryover funds. The VA EHR modernization program office informed the IBVSOs about its plans to begin predeployment activities at four sites in FY 2025. Once deployment begins, VA estimates it will take 13 months

from start to finish. In FY 2025, EHR modernization will optimize and sustain the six live sites, infrastructure readiness, and retention of the current level of staff support to sustain momentum for the program. In FY 2026, EHR modernization plans predeployment activities at six sites and completion of deployment at two sites. We do not have adequate information to project the cost; however, if the EHR is facing a shortfall in FY 2026, VA must inform Congress of any additional funds needed and must provide the additional funds to ensure success of VA EHR modernization.





Construction Programs

Total Infrastructure Budget

FY 2026	IB Recommendation - Total Appropriated Resources	\$9.9 Billion
FY 2025	Projected - Total Appropriated Resources	\$3.0 Billion
FY 2024	Enacted - Total Appropriated Resources	\$2.2 Billion

While the Department of Veterans Affairs (VA) Strategic Capital Investment Planning (SCIP) process ostensibly provides a consolidated and prioritized list of all VA major construction, minor construction, Non-Recurring Maintenance, and lease projects, VA's budget request regularly fails to include the full SCIP funding estimates or priorities. The SCIP process does not provide a chronological list of anticipated repairs, renovations, and replacements of facilities necessary to develop an actuarial schedule of facility life-cycle repair and replacement costs. At best, SCIP provides nonbinding suggestions to the VA budget process, which are regularly ignored, resulting in an ever-increasing backlog of overdue maintenance and construction projects.

Furthermore, as long as funding for VA infrastructure remains part of its discretionary budget, it must compete with other

VA health care and benefit delivery priorities in an era of rising deficits and debt, budget caps, and sequestration. In this limited fiscal environment, VA is forced to choose between properly funding the maintenance of existing facilities or making overdue modernizations and expansions to meet veterans' future health care needs. As a result, the annual discretionary appropriations process has resulted in more than two decades of inadequate funding and a rising backlog of critical VA health care construction projects and leasing requirements.

In the past 10 years, infrastructure funding has only increased 5 percent. In 2013, VA requested \$3.9 billion. In 2023, VA requested \$4.1 billion. Conversely, the infrastructure backlog known as the SCIP in that same time has increased 116 percent. In 2014, the SCIP was approximately \$60 billion worth of work. Currently, it is

estimated to be over \$150 billion. Unless there is a drastic increase in resources provided for VA infrastructure, this funding backlog will continue to grow, particularly as infrastructure costs continue to increase.

To overcome VA's infrastructure challenges, Congress must not only provide significantly increased funding to fully address these long-standing issues but also enact comprehensive planning, budgeting, management, and oversight reforms to ensure more effective use of those funds. The IBVSOs suggest that the level of funding for VA's construction budgets should total, at a minimum, 3 percent of its overall operating budget just to keep up with the growing backlog.

To ensure VA funding keeps pace with current and future minor construction needs, the IBVSOs recommend the Administration focus on minor construction projects, because these types of projects can be completed faster and have a more immediate impact on services for veterans. The IBVSOs recommend revising the funding limits for major and minor construction. We believe projects with similar scopes should be managed by personnel who are accustomed to performing similar work and projects should not be differentiated solely by dollar amounts. Project management should be performed by personnel familiar with the scope of projects and not moved to different personnel solely because of the overall cost.

Major Construction

FY 2026	IB Recommendation – Total Appropriated Resources	\$5.1 Billion
FY 2025	Projected – Total Appropriated Resources	\$2.1 Billion
FY 2024	Enacted – Total Appropriated Resources	\$1.0 Billion

In fiscal year (FY) 2025, VA requested \$2.1 billion for major construction, and Congress is not expected to increase that funding level when it finalizes the FY 2025 budget later this year. For FY 2026, the IBVSOs recommend a total of \$5.1 billion for the Major Construction account to increase staffing and begin reducing VA's infrastructure backlog as described below.

According to VA's most recent SCIP estimates, there is a need for approximately \$49.7 billion over the next 10 years to fund all necessary Major Construction projects, which would average approximately \$4.97 billion per year, which is the base funding level the IBVSOs recommending for FY 2026, in addition to specific plus ups described below.

Managing Infrastructure Projects (+\$55 million)

To reduce the backlog would require—in addition to more funding—more employees and contractors to oversee the resulting workload. Neither VA's Office of Construction and Facilities Management nor the individual VA facilities have the personnel to oversee the amount of work necessary to decrease the backlog. Investing in the oversight and completion of these critical projects will at a minimum save VA money in the long term and potentially save lives if done correctly. Additionally, VA needs to provide a plan to reduce and eliminate the backlog. Continuing to perform work that does not keep pace with, never mind reduce, the backlog will continue to place veteran patients and the workers who take care of them at risk.

The IBVSOs recommend an increase of 350 FTE (\$55 million) to plan and oversee construction projects, with new personnel assigned to each of VA's major medical centers or other appropriate regional locations.

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 systemic 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.

Minor Construction

FY 2026	IB Recommendation – Total Appropriated Resources	\$3.7 Billion
FY 2025	Projected – Total Appropriated Resources	\$380.5 Million
FY 2024	Enacted – Total Appropriated Resources	\$692.0 Million

In FY 2025, VA requested \$380 million for Minor Construction, and Congress is expected to appropriate that same woefully inadequate level compared to the documented need that VA has and continues to present to Congress. The IBVSOs are recommending a long overdue increase in the level of funding for Minor Construction, with a total of approximately \$3.7 billion in FY 2026.

According to VA's most recent SCIP estimates, there is a need for approximately \$37 billion over the next 10 years to fund all anticipated Minor Construction projects, which would require about \$3.7 billion each year. The failure of VA and Congress to provide anywhere near the necessary level of funding for Minor Construction has limited VA's capacity to provide timely medical care to veterans and is one of the reasons VA has been forced to rely so heavily on community care.

For FY 2026, the IBVSOs recommend \$3.6 billion as the baseline level of funding for Minor Construction, in addition to the plus ups described here.

Women Veterans Health Clinics (+\$25 million)

Space limitations and aging infrastructure remain significant challenges. An additional \$25 million is required to establish comprehensive women's clinics and suitable spaces that accommodate the increased number of women accessing care and to meet the established environment of care standards for women veterans. This funding will support projects such as the creation of secure and private patient consultation areas, separate entryways or waiting areas, and lactation centers.

Dental Care Capacity Expansion (+\$75 million)

VA's current dental care program is constrained by the lack of clinical personnel and treatment space, which has driven up spending on community dental care contracts. In line with the IBVSOs' recommendation in the Medical Services section of this document to increase staffing in VA's currently authorized programs to expand dental care to all enrolled veterans, the IBVSOs recommend Congress appropriate an additional \$75 million for minor construction to expand and modify treatment space in existing VA facilities, as well as support additional leased space.

State Home Construction Grants

FY 2026	IB Recommendation – Total Appropriated Resources	\$650.0 Million
FY 2025	Projected – Total Appropriated Resources	\$146.5 Million
FY 2024	Enacted – Total Appropriated Resources	\$171.0 Million

State Home Construction Grants (formally referred to as Grants for State Extended Care Facilities in VA budget documents) provide up to 65 percent of the cost of construction, rehabilitation, and repair of State Veterans Homes, with states required to provide at least 35 percent in matching funds. VA's State Home Construction Grants

Priority List for FY 2024 included 81 Priority Group 1 requests by states who had already secured state matching funds, with a total federal share of approximately \$1.3 billion, an increase of almost 30 percent over the past year. In addition, there are 23 pending requests on the Priority Group 2 list, those projects that do not yet have their federal

funding, indicating that the total need next year will be even higher. However, in FY 2024, Congress appropriated just \$171 million, which would provide funding to just nine pending projects and only about 13 percent of the total federal matching share required. For FY 2025, Congress is projected to provide only about \$147 million.

With veterans' needs for long-term care services continuing to rise as this population ages, it is imperative that Congress

increase funding to catch up and eliminate the backlog of pending State Home Construction Grants. Further, the continuing implementation and application of Build America, Buy America Act procurement rules are also contributing to higher construction costs that will require increased federal funding. For FY 2026, the IBVSOs recommend an appropriation of at least \$650 million for the State Home Construction Grant program to cover at least 50 percent of the anticipated backlog of federal matching funding.

State Cemeteries Construction Grants

FY 2026	IB Recommendation – Total Appropriated Resources	\$100.0 Million
FY 2025	Projected – Total Appropriated Resources	\$62.5 Million
FY 2024	Enacted – Total Appropriated Resources	\$60.0 Million

The State Cemeteries Construction Grant program, formally called the Veterans Cemetery Grants Program, is a partnership with local communities and local cemeteries that is essential for NCA to deliver on the promise of allowing veterans to be interred within 75 miles of their homes. State, local, and tribal cemeteries are crucial for NCA to fill the gaps for the interment of our nation's veterans. However, the consistently flat and inadequate annual appropriation

levels for the program in recent years have severely limited NCA's ability to support the construction of new state cemeteries. As the veteran population ages, our nation will need additional cemeteries to meet the rising demand for interment, and this state-matching grant program is a cost-effective program for the federal government that honors America's veterans. For FY 2026, the IBVSOs recommend a total of \$100 million for this program.

Other Discretionary Programs

FY 2026	IB Recommendation – Total Appropriated Resources	\$335.9 Million
FY 2025	Projected – Total Appropriated Resources	\$326.0 Million
FY 2024	Enacted – Total Appropriated Resources	\$320.0 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 2026, the IBVSOs recommend approximately \$336 million for these other discretionary programs, an increase of approximately \$10 million over the projected FY 2025 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises.



For nearly 40 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations, while each organization also works independently to identify and address legislative and policy issues that affect the organization’s members and the broader veterans community.



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