

U.S. DEPARTMENT OF VETERANS AFFAIRS

FY 2025 BUDGET SUBMISSION



Burial and Benefit Programs
and
Department Administration

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Volume III
Benefits and Burial Programs
and Departmental Administration

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National Cemetery Administration

Part 1

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National Cemetery Administration Funding Summary

Mission Statement

VA honors Veterans and their families with final resting places in national shrines and with lasting tributes that commemorate their service and sacrifice to our Nation.

Stakeholders and Partners

The stakeholders of VA's burial programs are varied and diverse. The National Cemetery Administration's (NCA) primary stakeholders are those who are the direct beneficiaries of VA burial benefits: Veterans and their families. Other significant and noteworthy stakeholders are Veterans Service Organizations, professionals in the funeral and mortuary industry, the various components of the Department of Defense (DoD), and members of the active duty and reserve forces. In addition, stakeholders also include members of a number of environmental groups, historical and genealogical societies, as well as the general public.

The inclusion of families takes into account the significance of next of kin, since not only eligible Veterans but also their eligible family members may receive burial benefits. It is important that these Veterans, widows, widowers, and other family members and friends are treated with compassion and dignity at the time of their bereavement and when they return to visit the gravesite, and that the cemetery's entire appearance is maintained in a manner befitting a national shrine.

Veterans Service Organizations are key stakeholders and partners in the VA mission. These organizations act as voices for Veterans and their families and as advocates for their needs and expectations. At many national cemeteries, they are important partners in providing support for military funeral honors.

States, territories, and tribal organizations, usually operating through their Veterans Affairs Departments, play an increasingly important role in providing services to Veterans and their families. By establishing and operating state, territorial, and tribal Veterans cemeteries as a complement to VA national cemeteries, they provide additional burial options for Veterans and their families.

DoD cemeteries, especially those operated by the Army National Cemeteries Program (including Arlington National Cemetery (ANC)), Department of Interior's National Park Service (NPS) national cemeteries, and the American Battle Monuments Commission (ABMC), continue to remain important partners in providing burial and memorial services for Veterans and their families. NCA provides Government-furnished headstones and markers for all federally administered cemeteries. NCA manages a congressionally mandated advisory committee on which representatives from ABMC, NPS, and ANC are ex-officio members. NCA and ANC have formalized a working group to ensure the organizations share information and collaborate on

shared goals, and with a memorandum of agreement between the two, allow for mutual training support.

DoD and the uniformed services are included as NCA stakeholders in recognition of the important role they play in honoring those who have served. Veterans' families expect that appropriate military funeral honors will be provided at national cemeteries to recognize Veterans' service to our Nation. The provision of military funeral honors is part of DoD's mission but requires a close and collaborative partnership with NCA. NCA facilitates volunteer groups who supplement DoD's military funeral honors.

Funeral directors are another significant stakeholder group. These professionals are often the spokespersons for the Veteran or next of kin and are also directly involved in the delivery of VA services through the coordination of committal services and interments. Funeral directors may also assist families in applying for headstones and markers.

Private cemeteries and local and municipal government cemeteries are stakeholders. Each year, VA furnishes approximately 138,900 headstones and markers for Veterans' gravesites in these cemeteries.

NCA also considers members of the general public as stakeholders. National cemeteries are considered national shrines. Many date from the Nation's Civil War and are listed on the National Register of Historic Places. As such, they are of interest to historical societies, individuals interested in history and genealogical research and others who may or may not have family members interred in a national cemetery. As a steward of nationally significant historic resources, NCA is responsible to all Americans for the prudent management of tax dollars and the sound environmental management of the land.

Local universities, colleges and K-12 institutions, and the scholars, teachers and students of all levels are stakeholders in helping to research and produce instructional materials for the Veterans Legacy Program. Each of the stakeholders leverage unique geographic and demographic characteristics of the local communities to partner with NCA in memorializing our nation's Veterans.

Finally, it is also appropriate to recognize stakeholders within the Department: the Veterans Benefits Administration, the Veterans Health Administration, and headquarters staff offices. All VA organizational elements are important partners with NCA in providing seamless service to Veterans and their families.

Burial Benefits Programs

The National Cemetery Administration administers a number of related burial benefits programs:

- **National Cemeteries:** Bury eligible Veterans and family members in national cemeteries, maintain the graves and their environs as national shrines, and serve as the steward of VA historic national cemeteries and Soldiers' lots to preserve and promote the rich heritage founded in the Civil War and the memorial objects honoring Veterans buried in them.

- Veterans Cemetery Grants: Provide aid to states, territories and tribal organizations in establishing, expanding or improving state, territorial, and tribal Veterans cemeteries;
- Headstones and Markers: Furnish headstones and markers for the graves of eligible persons in national, state, territory, tribal, or other government Veterans cemeteries and private cemeteries;
- Medallions: Furnish medallions commemorating the Veteran's service to the Nation that may be affixed to the privately purchased headstones or markers for Veterans interred in private cemeteries;
- Presidential Memorial Certificates: Provide certificates to families of deceased Veterans, recognizing the Veteran's contribution and service to the Nation;
- Outer Burial Receptacles (OBR): Provide an OBR, or allowances for privately purchased OBRs or for OBRs used in a VA-grant funded cemetery, for each new traditional gravesite in open national cemeteries administered by NCA or in VA-grant funded cemeteries;
- Caskets and Urns: Provide reimbursement for caskets and urns used to inter Veteran remains in VA national or VA-grant-funded cemeteries when there is no next of kin or sufficient resources for a casket or urn;
- First Notice of Death: Record First Notice of Veteran Deaths into VA electronic files to ensure timely termination of benefits and next of kin notification of possible entitlement to survivor benefits;
- Cremation Urns and Commemorative Plaques (beginning in 2024): Provide on request, in lieu of furnishing a headstone or marker, or providing for an interment in a VA national cemetery, an urn, or a commemorative plaque for an eligible deceased individual not already buried who served in the Armed Forces; and
- Pre-Need Eligibility Determinations: Provide a service enabling individuals to know whether they are qualified for interment in a national cemetery in advance of need.

Veterans Legacy Program and Veterans Legacy Memorial

The Office of Engagement and Memorial Innovations connects the public with VA memorial benefits, the heritage of NCA and the legacies of those that served.

- Historic Cemetery Landscapes: Serve as the steward of VA historic national cemeteries and soldiers' lots to preserve and promote the rich heritage founded in the Civil War and the memorial objects honoring Veterans buried in them;
- Veterans Legacy Program (VLP): Use national cemeteries to enhance the way in which VA memorializes our nation's Veterans and increases the public's awareness of the value of military service. VLP engages scholars, teachers and students of all levels in researching Veterans in their local national cemeteries and producing that research into instructional materials for K-12 schools and public benefit. Starting in 2022, VLP provides Veterans Legacy Grants as authorized by 38 U.S.C. § 2400, notation to Public Law 116-107 (Jan. 17, 2020). VLP provides Veterans Legacy Grants to tell the stories with an emphasis on those from underrepresented communities, from any period of American history so they are honored in perpetuity; and
- Veterans Legacy Memorial (VLM): Maintain an online memorial platform, the nation's first digital platform dedicated to the memory of nearly 10 million Veterans interred in VA's national cemeteries, VA grant-funded cemeteries, Department of Defense-managed

cemeteries, National Park Service cemeteries, and private cemeteries. VLM allows family, friends and others to preserve their Veteran's legacy by posting tributes, uploading images and sharing their Veteran's achievements, biographical information and historical documents.

Strategic Goals

NCA's Long Range Plan builds upon the many NCA achievements in recent years and continues the outstanding 50-year history of NCA's service to our country. NCA's plan will help us work as efficiently as possible to better help survivors during their time of need. For example, NCA will continue to explore opportunities to expand burial coverage and outreach, while working toward the strategic goal of increasing access to and awareness of VA burial and memorial benefits. To accomplish this, NCA will inform more Veterans and family members of the benefits available to them. NCA will build new national cemeteries in rural and urban areas, while also expanding partnerships with state, territorial and tribal governments through our Veterans Cemetery Grants Program. NCA will also provide new interment options, such as "green" burials, to reflect the evolving preferences of those NCA serves. VLM continues growing and recently added 28 DOD-managed cemeteries, including Arlington National Cemetery. NCA also continues improving its renown Veterans Legacy Program, which has inspired younger generations to learn about Veterans and to make sure they are never forgotten. While NCA remains committed to expanding burial access and memorialization, it is also modernizing and automating its systems to serve its customers better. This includes streamlining the pre-need application process and shortening the wait times for determination of eligibility. NCA is also helping surviving family members by more accurately marking gravesites and headstones. This will improve the experience of visiting our cemeteries. Above all, NCA remains focused on ensuring the best quality service for those who choose VA.

NCA's Long Range Plan sets the following six overarching goals.

1. Veterans and eligible family members will have increased access to burial benefits.
2. More Veterans and eligible family members will use VA burial and memorial benefits.
3. Veterans will be memorialized through enhanced tributes befitting their service and sacrifice to the Nation.
4. Stakeholders will place greater trust in NCA based on enhanced accountability.
5. Stakeholders will be served more efficiently and effectively by NCA's internal capacity.
6. NCA will be recognized as an organization committed to diversity and inclusion.

NCA long range goals support the following four key priorities.

- Access: Provide 95% of Veterans with access to a burial option within 75 miles of their home;
- Outcomes: Meet or exceed "NCA Operational Standards and Measures" at all VA national cemeteries;
- Customer Service: Deliver world class customer service to all NCA's customers; and
- Modernizing Memorialization: Use innovation to connect to new audiences and modernize memorialization.

Budget Summary

Summary of Total Budgetary Resources for NCA Programs					
(\$ in thousands)					
	2023	2024	2024	2025	Increase (+)
	Actual	Request	Estimate	Request	Decrease (-)
Operations and Maintenance	\$430,000	\$480,000	\$480,000	\$495,000	+\$15,000
Major Construction	140,000	112,000	112,000	75,000	-37,000
Minor Construction	157,265	182,560	182,560	174,075	-8,485
Grants for Construction of					
Veterans Cemeteries	50,000	60,000	60,000	60,000	0
Facilities Operation Fund	265	285	285	285	0
National Cemetery Gift Fund	409	1,000	500	500	0
Compensation and Pension:					
Headstones & Markers	86,873	81,973	80,641	81,866	+1,225
Graveliners & OBR					
Reimbursements	33,912	22,038	27,652	31,691	+4,039
Casket & Urns	531	344	237	238	+1
Urns & Plaques	0	224	224	222	-2
Total Budgetary Resources	\$899,255	\$940,423	\$944,099	\$918,877	-\$25,221

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Relationships Among Programs and Appropriations

NCA receives funding from seven appropriation accounts. In 2025, the Operations and Maintenance appropriation will fund the operation of 158 national cemeteries and 35 other cemeterial installations, as well as their maintenance as national shrines. It also funds the costs of administering seven related programs: Veterans Cemetery Grant Program (VCGP), Headstone, Marker and Medallion program, Presidential Memorial Certificate (PMC) program, First Notice of Death (FNOD) program, Casket & Urn reimbursements, Outer Burial Receptacle (OBR) program, and Cremation Urns and Commemorative Plaques. The purchase and transportation costs of the headstones and markers, medallions, pre-placed crypts and OBRs, casket and urn reimbursements, and cremation urns and commemorative plaques are financed from the Compensation and Pensions appropriation.

Making burial options available to Veterans requires the development of new national cemeteries, the development of additional gravesites at existing national cemeteries or the establishment, and expansion of Veterans cemeteries through grants to states, territories, and tribal organizations. These requirements are met through three capital appropriation accounts. New national cemetery construction is funded from the VA Major and Minor Construction appropriation. Gravesite development projects, as well as national cemetery improvement projects, are also funded from VA's Major and Minor Construction appropriations. A summary of the NCA construction program is provided in a separate section of this NCA chapter.

The Grants for Construction of Veterans Cemeteries appropriation, the third capital account, funds the establishment, expansion and improvement of Veterans cemeteries operated by states, territories, and tribal organizations. This program serves as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country where it is not feasible for VA to establish a new national cemetery.

The National Cemetery Administration Facilities Operation Fund is financed by the proceeds from leases of undeveloped land and unused or underutilized buildings. The funds are applied toward the costs of operating and maintaining NCA property.

The National Cemetery Gift Fund is a trust fund that uses gifts from private donors for beautification and improvement of cemetery grounds such as landscaping, walkways, and benches and may be used for other items beneficial to the cemetery and the Veterans served.

The Compensation and Pensions appropriation funds the purchase and transportation costs for headstones and markers, graveliners, pre-placed crypts, as well as funding reimbursements for privately purchased outer burial receptacles. It also funds reimbursements that provide caskets and urns for burial of the remains of eligible Veterans in a VA national, state, territory, or tribal Veterans cemetery if the Veteran has no known next of kin and insufficient resources to purchase a burial receptacle. In addition, this appropriation funds an urn or commemorative plaque for an eligible deceased Veteran in lieu of a headstone or marker. This appropriation is presented in a separate budget chapter.

2025 Budget Highlights

The 2025 budget positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following policies consistent with its strategic goals.

Access

While every eligible Veteran may be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close proximity to a cemetery is an important consideration for Veterans and family members in choosing a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a realistic target to provide reasonable burial access to 95% of all Veterans and has made continuous, significant progress towards meeting that target. In 2025, VA estimates 93.8% of the Veteran population will be served with such access.

Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national

cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land. In 2025, NCA requests \$75 million in Major Construction funds, which include \$45 million to complete Phase 1 gravesite development project on new land at Fort Logan National Cemetery. These funds will be used specifically to address the cemetery dams and spillways and perform all specialized work associated with the lakes and drainageways. An additional \$30 million is requested for advanced planning and design activities such as master planning and design for new cemeteries and expansions to maintain access to existing national cemeteries. NCA requests \$174 million in the 2025 Minor Construction account to provide funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. NCA is committed to reducing the number of critical Facility Condition Assessment (FCA) infrastructure deficiencies related to safety and compliance and will partially address the growing list of FCA deficiencies rated D and F through the Minor Construction account.

In 2025, NCA requests \$248 thousand for the operations and maintenance of Mare Island Naval Cemetery transferred in 2023 from the City of Vallejo, California to include the costs of gravesite maintenance and utilities.

NCA seeks to increase the availability of state, territory, and tribal Veterans cemeteries which serve as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In 2025, NCA requests \$60 million for Grants for Construction of Veterans Cemeteries to provide additional establishment, expansion and improvements grants to state, territory and tribal organizations in support of increasing or improving burial access. The Grants program plays a crucial role in achieving NCA's strategic target of providing 95% of Veterans with reasonable access to a burial option. In addition, the Grant program is a cost-effective alternative to VA construction and recurring operating expenses. With the number of state, territory and tribal Veterans cemeteries increasing from 80 to 122 over the last 10 years, the need to provide expansion grants for existing cemeteries has also grown, in both number and dollar amounts.

As context, the 2024 Grants Priority List has 69 conforming pre-applications (32.7% increase over 2023) totaling over \$295 million (70.5% increase over 2023) in grant opportunities. Of these, 26 grant requests, totaling \$102.7 million, are for Priority Group 1 expansion projects that are already within 4 years of depleting at least one burial option in the cemetery. The 2024 list also includes 16 grant requests, totaling \$108.6 million, for Priority Group 2 establishment projects critical to increase burial access to our nation's Veterans. NCA does not fund Group 2 establishment projects until all Group 1 expansion grants are fully addressed. Without the requested funding, NCA will be limited in its ability to assist grantees in expanding cemeteries to prevent interruption of burial services to area Veterans, risking a decrease in the percentage of Veterans served by a burial option.

NCA also requests \$5.3 million and 41 FTE for existing cemeteries facing workload increases and project expansions in 2025. Annual Veteran deaths are projected to be 524,122 in 2025 and are then projected to slowly decline. The number of interments at VA national cemeteries is expected to be 137,440 in 2025 and will decline gradually. While the number of interments is expected to

decline slowly, NCA must maintain the accumulation of gravesites in perpetuity. The total number of gravesites increased from nearly 3.7 million in 2018 to over 4.2 million in 2024. The number of gravesites is expected to be nearly 4.4 million in 2025. NCA maintains more than 24,600 acres with the total developed acreage projected to reach nearly 10,100 in 2025, an increase over the 9,992 developed acreage in 2024. As NCA's workload continues to increase, this budget request is essential for NCA to maintain its position as the most highly regarded organization, in both public and private sectors, in terms of customer satisfaction.

Outcomes

VA's cemeteries carry high expectations of appearance that distinguish them from private cemeteries and serve a purpose that continues long after burials have ceased and visits by families and loved ones have ended. With the resources in this budget, NCA is committed to maintain occupied graves, developed acreage, historic structures and cemetery infrastructure in a manner befitting national shrines. NCA will continue to invest in projects to raise and realign gravesites and repair turf and address projects identified on Facility Condition Assessments to ensure safe and effective cemetery operations.

Customer Service

NCA is most proud of its sustained record of excellent customer service to Veterans and their families. NCA fosters a culture dedicated to compassionate service at all levels and evaluates customer satisfaction using multiple measures as reflected in our Key Performance Measures. The American Customer Satisfaction Index (ACSI), the only national, cross-industry measure of satisfaction with the quality of goods and services available in the United States, continues to recognize our commitment to providing respectful, dignified and high customer service that is second to none. For each of the seven times NCA has participated in this survey, NCA outperformed other top-performing federal government agencies and private sector organizations. In 2022, NCA again achieved a customer satisfaction index of 97, the highest result ever achieved for any organization in either the public or private sector. In 2023, NCA's own survey was mailed to 40,358 next of kin and 12,881 funeral directors:

- 99.0% agreed cemetery appearance was excellent
- 96.9% agreed the service was excellent
- 98.8% would recommend the national cemetery to Veteran families at their time of need

NCA recognizes that high customer satisfaction results cannot be assumed based on past performance. In 2025, NCA will focus on maintaining and improving our reputation as a world-class service provider by continuing to collect and leverage customer satisfaction data from Veterans, families, and funeral homes through ongoing survey activities. NCA will analyze information obtained from surveys and focus groups to ensure that NCA addresses those issues most important to its customers. This approach provides data from the customer's perspective, which is critical to developing our objectives and associated measures. We will also identify and share best practices from high performing cemeteries throughout NCA. These efforts will continue to support progress toward ensuring that all national cemeteries provide excellent service and that the appearance of those shrines is also excellent.

Modernizing Memorialization

The Veterans Legacy Memorial website is the Nation's first digital platform dedicated entirely to the memory of nearly 10 million Veterans. NCA constantly seeks innovative ways to help the public memorialize Veterans resting in our cemeteries to ensure they are never forgotten. Launched in 2019, individual Veteran profile pages are populated with military service and cemetery information. Publicly available information gathered from VA records includes service branch with logo, dates of birth and death, rank, war period, decorations, emblem of belief, and cemetery information. NCA's priority is to ensure all Veteran profile pages display current headstone or marker photos and a mapping feature. This is a continuous effort as more and more Veteran pages are created. Initially including only Veterans interred in VA national cemeteries, the platform now includes Veterans from VA grant-funded state, tribal, and territory Veteran cemeteries, Department of Defense-managed cemeteries (including Arlington National Cemetery), National Park Service cemeteries and private cemeteries for those that received a VA-furnished marker on or after 1996 within and outside of the United States. Interactive features allow family, friends and others to post Tributes (comments), upload images, share their Veteran's military service timeline and achievements, add biographical information, upload and view historical documents, and more. The site also allows visitors to share Veteran profile pages by email and post them to Facebook and X (formerly Twitter). Additionally, VLM users can "Follow a Veteran" to receive email alerts when new content is added to that Veteran's page. NCA will use the resources requested in the budget to continue growing and expanding VLM, expand digital memorialization capability to the public and connect to new audiences. NCA will also use grant funding requested in the 2025 Budget to provide Veterans Legacy Grants to tell the stories of Veterans interred in our national and grant-funded cemeteries, with an emphasis on those from underrepresented communities.

Program Highlights

VA honors Veterans and their eligible family members with final resting places in national shrines and with lasting tributes that commemorate their service and sacrifice to our Nation. Nearly 5.3 million people—including 4 million Veterans from the Revolutionary War to the war in Iraq and Afghanistan—are honored with a burial in a VA national cemetery.

- NCA was proud to celebrate its 50-year anniversary in 2023. Over the past 50 years NCA has increased cemetery access for Veterans and their families, expanded the number of cemeteries from 103 to 158 national cemeteries and funded the construction of 122 state, territorial and tribal Veterans cemeteries through our Veterans Cemetery Grants Program.
- Since 1973, when VA managed 103 cemeteries, annual interments in VA national cemeteries have increased by more than 279% from 36,422 to 137,895 in 2023. Interments are estimated at 137,916 in 2024 and are projected to decline slowly.
- The total number of gravesites increased from nearly 3.7 million in 2018 to over 4.2 million in 2024. The number of gravesites maintained is expected to reach almost 4.4 million in 2025. NCA maintains more than 24,600 acres. With the opening of new cemeteries and gravesite expansion projects underway, the number of developed acres is expected to reach nearly 10,100 in 2025, an increase over the 9,992 developed acres in 2024.

- Since 1980, VCGP has awarded grants totaling over \$1 billion that 50 states, tribes, and territories (including Guam, Saipan and Puerto Rico) used to establish, expand, improve, operate, or maintain a total of 122 Veterans cemeteries. In 2023, VCGP cemeteries interred more than 43,000 Veterans and eligible family members, which is approximately 24% of the total annual interments in national, state, territory and tribal cemeteries.
- The Veterans Legacy Program (VLP) commemorates our Nation's Veterans and Service Members through the discovery and sharing of their stories. VLP encourages students and teachers around the country at the University and K-12 levels to immerse themselves in the rich historical resources found within VA's national cemeteries and VA-grant funded cemeteries. To date, more than 1,000 Veterans' stories have been researched as part of VLP. Starting in 2022, VLP provides Veterans Legacy Grants that foster students in colleges and universities, including (K-12), to fund research and provide a tangible report using the stories of those interred in VA's national cemeteries and VA grant-funded cemeteries. In 2022, VLP issued its first six grants under the Veterans Legacy Grants Program and another six were awarded in 2023.
- In 2022, VLM received four awards for excellence: Gold Quill of Excellence Award from the International Association of Business Communicators, Digital Government Experience Award from Granicus, Innovation Award from FedHealthIT and Customer Service (CX) Innovation Award from VA.
- NCA's Memorial Products Service (MPS) is responsible for administering the Headstone, Marker and Medallion and the Presidential Memorial Certificate (PMC) programs. MPS receives and processes applications for headstones, markers, and medallions; determines eligibility of the decedent; and assists Veterans, next of kin, Veterans Service Organizations, funeral homes, and other customers with status, replacements, and general information concerning government headstones, markers, and medallions to be installed in state, territory, and tribal Veterans cemeteries as well as local and private cemeteries. In 2023, MPS processed 333,556 headstone and marker applications for Veterans and eligible dependents and issued 12,701 medallions to Veterans interred in private cemeteries worldwide.
- In 2023, NCA marked 91.1% of graves in national cemeteries within 60 days of the date of interment (89.7% in 2022) and the average number of days to mark a grave was 30 (41 days in 2022). The headstone or marker is a lasting memorial, and it is important to Veterans and their families that graves are marked in a timely manner after interment. Since 1973, NCA has furnished more than 15 million headstones and markers to national, state, tribal, and private cemeteries.
- In 2025, NCA will continue its initiative to provide same-day (i.e., on the day of interment) Presidential Memorial Certificates at national cemeteries. Currently, NCA is providing same-day PMCs at almost 114 cemeteries. NCA issued over 427,300 PMCs in 2023 and expects to deliver almost 428,000 PMCs in 2024.

Key Performance Goals

Key Performance Measures – Burial Program					
Measure Description	2022 Results	2023 Results	2024 Target	2025 Target	Strategic Target
% of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	93.7%	93.7%	93.7%	93.8%	95.0%
% of respondents who rate the quality of service provided by the national cemeteries as excellent	96.6%	96.9%	97.0%	97.0%	99.0%
% of respondents who would recommend the national cemetery to Veteran families during their time of need	98.8%	98.8%	99.0%	99.0%	99.0%
% of respondents who rate national cemetery appearance as excellent	99.1%	99.0%	99.0%	99.0%	99.0%
% of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent	88.9%	88.3%	92.0%	92.0%	99.0%
% of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent	93.3%	94.4%	95.0%	95.0%	99.0%

It is important that VA ensures the burial needs of Veterans and eligible family members are met in a timely, compassionate and respectful manner. VA’s goal is to increase the percent of Veterans served by a burial option in a national or state Veterans cemetery within a reasonable distance (75 miles) of their residence to 95%. To achieve this goal, VA needs to increase and maintain access through:

- developing additional national cemeteries to increase access;
- expanding existing national cemeteries to maintain access;
- establishing and expanding VA-grant funded Veterans cemeteries to complement VA’s system of national cemeteries; and
- developing additional means of access to remote Veterans for whom it may not be feasible to provide increased access through the establishment of new cemeteries.

To achieve this goal, NCA lowered the unserved Veteran population threshold to establish a new national cemetery to 80,000 within a 75-mile radius. In addition, in densely populated urban areas where Veterans and their families may experience significant time or distance barriers in traveling to a national cemetery, VA is establishing new columbaria facilities closer to the urban core to provide a more accessible option for those Veterans and family members. VA has also developed a strategy to create VA national cemeteries to serve Veterans in rural areas who currently do not have reasonable access to burial in a Veterans cemetery.

As a result, NCA is in the midst of the largest expansion of the cemetery system since the Civil War and plans to open 18 new national cemeteries by 2026. When these national cemeteries are opened, an additional 3.1 million Veterans and their families will be provided new or enhanced burial access.

Thirteen of the eighteen new cemeteries have already opened in Yellowstone County, MT (2014); Cape Canaveral, FL (2016); Tallahassee, FL (2016); Omaha, NE (2016); Pikes Peak, CO (2018); Fargo, ND (2019); Cheyenne, WY (2021); Machias, ME (2020); Rhinelander, WI (2020); Twin Falls, ID (2020); West Los Angeles, CA (2020); Western New York, NY (2021); and Indianapolis, IN (2022). NCA plans to open the remaining five cemeteries by the end of 2026.

VA continues to provide high-quality, responsive service in all contacts with Veterans, their families and friends, and funeral directors. NCA will continue to obtain feedback from these groups to ascertain how they perceive the quality of service provided by national cemeteries and gauge their willingness to recommend the use of national cemeteries to other Veterans and eligible family members in their time of need. NCA's Survey of Satisfaction with national cemeteries provides measures of success in delivering service with courtesy, compassion, and respect and the likelihood of recommending the services NCA provides to others.

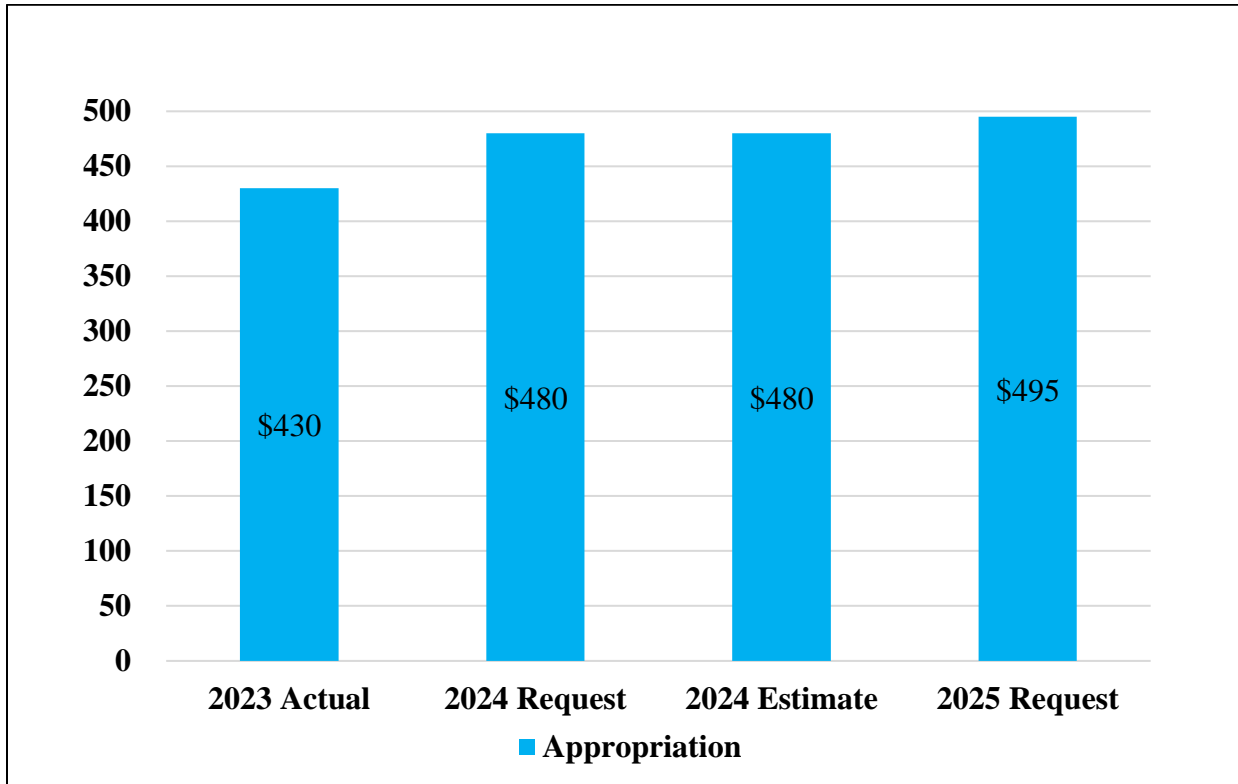
NCA also will continue to engage Veterans through a variety of activities to collect data on customer expectations and their perceptions related to the quality of service provided by national, state, territory, and tribal Veterans cemeteries. NCA will analyze information obtained from surveys and focus groups to ensure that NCA addresses those issues most important to its customers. This approach provides data from the customer's perspective, which is critical to developing NCA's objectives and associated measures.

NCA will maintain occupied graves and developed acreage in a manner befitting national shrines in perpetuity. Improvements in the appearance of burial grounds and historic structures are necessary for NCA to fulfill the National Shrine Commitment. Headstones and markers must be set, realigned and cleaned. Stone surfaces of columbaria require cleaning, caulking, and grouting between the units and maintenance of surrounding walkways. Grass, shrubbery, and trees in burial areas and other land no longer in a natural state must receive regular care. Cemetery infrastructure, including buildings, grounds, walks, and drives must be repaired as needed. NCA will continue to collect customer feedback through annual surveys to determine if Veterans and their families perceive the appearance of national cemeteries as excellent. NCA will also continue to collect customer feedback through annual surveys to determine if Veterans and their families perceive the appearance of state, territory and tribal cemeteries funded through the VA Veterans Cemetery Grants Program as excellent and on par with VA national cemeteries.



National Cemetery Administration Operations and Maintenance

Budget Authority -- Operations and Maintenance (\$ in millions)



Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Appropriation Language

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefore; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; hire of passenger motor vehicles; and repair, alteration or improvement of facilities under the jurisdiction of the National Cemetery Administration, \$495,000,000, of which not to exceed 10 percent shall remain available until September 30, 2026.

National Cemetery Administration
Summary of Employment, Obligations and Budgetary Resources
(FTE, \$ in thousands)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Full Time Equivalent (FTE)						
Direct	2,182	2,314	2,314	2,355	41	1.8%
Reimbursable	17	17	17	3	-14	-82.4%
Total FTE	2,199	2,331	2,331	2,358	27	1.2%
Direct Obligations						
Cemetery Operations	\$346,090	\$379,405	\$382,098	\$393,081	\$10,983	2.9%
Memorial Operations	12,736	14,621	13,986	14,262	276	2.0%
Direct Field Support Operations	46,956	40,732	55,564	52,583	-2,981	-5.4%
Administrative Operations	31,320	45,241	38,394	35,074	-3,320	-8.6%
Reimbursable Obligations	3,001	3,000	3,167	990	-2,177	-68.7%
Total obligations	\$440,103	\$483,000	\$493,209	\$495,990	\$2,781	0.6%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1	\$2,046	\$0	\$8,042	\$0	-\$8,042	-100.0%
Transfers between expired/unexpired accts	15,800	0	2,000	0	-2,000	-100.0%
Subtotal, unobligated balance	\$17,846	\$0	\$10,042	\$0	-\$10,042	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$430,000	\$480,000	\$480,000	\$495,000	\$15,000	3.1%
Subtotal, appropriations	\$430,000	\$480,000	\$480,000	\$495,000	\$15,000	3.1%
Offsetting collections	3,136	3,000	3,167	990	-2,177	-68.7%
Subtotal, budget authority	\$433,136	\$483,000	\$483,167	\$495,990	\$12,823	2.7%
Total budgetary resources	\$450,982	\$483,000	\$493,209	\$495,990	\$2,781	0.6%
Unobligated balance expiring	-2,837	0	0	0	0	0.0%
Unexpired unobligated balance, end of year	-8,042	0	0	0	0	0.0%

Dollars may not add due to rounding in this and subsequent charts.

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Program Activities and Administration

The Operations and Maintenance appropriation request in the 2025 budget will fund the operation of 158 national cemeteries and 35 soldiers' lots and monument sites and their maintenance as national shrines. It also directly funds the costs of administering seven related programs: Veterans' Cemetery Grants Program (VCGP), Headstone and Marker program, Presidential Memorial Certificate (PMC) program, Outer Burial Receptacle (OBR) program, Casket & Urn reimbursements, First Notice of Death (FNOD), and Cremation Urns and Commemorative Plaques. Cemetery grant awards are funded from a separate appropriation. The purchase and transportation costs of the headstones and markers, medallions, pre-placed crypts and OBRs,

casket and urn reimbursements, and cremation urns and commemorative plaques are financed from the Compensation and Pensions appropriation.

The Under Secretary for Memorial Affairs is responsible for the overall leadership and direction of the National Cemetery Administration (NCA). The Under Secretary is supported in this role by staffs in both the field and headquarters. Activities are functionally and organizationally grouped into cemetery operations, memorial operations, direct field support operations and administrative operations. Activities support the following key NCA priorities:

- Access
- Outcomes
- Customer Service
- Modernizing Memorialization

Cemetery Operations

NCA interments eligible servicemembers, Veterans, and family members in VA national cemeteries and maintains the graves and their environs as national shrines in perpetuity. These activities can be grouped into three main functional categories:

- Administrative and clerical support functions include:
 - Providing eligibility determinations for burial in national cemeteries and for the provision of headstones and markers in other burial locations;
 - Determining eligibility for burial in a national cemetery prior to the time of need;
 - Arranging for and conducting interments;
 - Processing requests for partial reimbursements for privately purchased OBRs;
 - Managing cemetery activities, including activations and operational reviews; and
 - Providing advice and assistance to the general public.
- Operations and maintenance functions include:
 - Opening and closing graves;
 - Operating interment equipment;
 - Setting, realigning and cleaning headstones;
 - Maintaining columbaria;
 - Caring for grass, shrubbery and trees;
 - Filling and sodding sunken graves; and
 - Making minor repairs to cemetery infrastructure including buildings, grounds, walks and drives.
- District functions are organized into five districts, supervised by a district director and the director's staff. District offices are located in Philadelphia, Pennsylvania; Atlanta, Georgia; Denver, Colorado; Indianapolis, Indiana; and Oakland, California. District directors and their staff provide direction, operational oversight and engineering assistance to the cemeteries located in their geographic areas.

Memorial Operations

The Memorial Products Service (MPS) is directly responsible for administering the Headstone, Marker and Medallion and the Presidential Memorial Certificate programs. MPS has three application processing sites, an Applicant Assistance Unit, and a First Notice of Death office. MPS activities include:

- Receiving and processing applications for headstones, markers, and medallions;
- Determining eligibility of decedent, type of headstone, marker or medallion to be furnished and the authorized inscription;
- Assisting customers with status, replacements and general information concerning government headstones and markers to be installed on graves in private cemeteries;
- Administering the Presidential Memorial Certificate program by providing certificates to families of deceased Veterans, recognizing the Veteran's contribution and service to the Nation; and
- Entering First Notices of Death into VA information systems which in turn update VA electronic files to terminate compensation benefits to deceased Veterans and allow families to pursue monetary burial benefits.

The Office of Engagement and Memorial Innovations connects the public with VA memorial benefits, the heritage of NCA and the legacies of those that served.

- **Historic Cemetery Landscapes:** Serves as the steward of VA historic national cemeteries and Soldiers' lots to preserve and promote the rich heritage of NCA and the memorial objects honoring Veterans buried in them.
- **Digital Services:** Maintains an online memorial platform, Veterans Legacy Memorial (VLM), the nation's first digital platform dedicated to the memory of nearly 10 million Veterans interred in VA's national cemeteries; VA-funded state, tribal and territory Veteran cemeteries; Department of Defense-managed cemeteries; National Park Service cemeteries; and private cemeteries within and outside the United States. VLM allows family, friends and others to preserve their Veteran's legacy by posting tributes, uploading images and sharing their Veteran's achievements, biographical information and historical documents.
- **Veterans Legacy Program (VLP):** Engages scholars, teachers and students of all levels in researching Veterans in their local national cemeteries and producing that research into instructional materials for K-12 schools and public benefit. VLP provides Veterans Legacy Grants to tell the stories with an emphasis on those from underrepresented communities, from any period of American history so they are honored in perpetuity.

Direct Field Support Operations

Direct Field Support Operations encompasses a broad range of functions performed in both headquarters and the field, including the following:

- Budget and Finance Service formulates, justifies and monitors budget requirements, funding, and expenditures for all NCA programs, including its capital programs, and provides accounting and finance services for the national cemeteries.

- Contracting Service provides the contract negotiation, award, administration, and other procurement support needed by NCA programs, including the headstone, marker, and medallion program, minor construction and procurements for the national cemeteries and headquarters activities.
- Veterans Cemetery Grants Program office administers grants to assist states, territories, and tribal organizations in establishing, expanding or improving Veterans cemeteries, as well as fostering state, territory, and tribal participation in the program.
- Human Capital Management oversees and administers all human resources life cycle management for NCA, including staffing and recruitment, classification, training and workforce planning, policy and guidance, labor and employee relations, and safety and health.
- Design and Construction Service develops long-range construction plans for an overall NCA program, including field surveys in connection with the development and expansion of new and existing cemeteries, and manages development and minor construction for expansion and improvements to cemeteries.
- NCA Business Transformation and Requirements Service oversees the management of new business and technology projects and manages business operational designs of new programs for business information systems.

Administrative Operations

Administrative Operations provides overall policy guidance, executive direction and administrative support to the entire NCA. Administrative Operations include:

- Providing operational guidance and direction for field activities;
- Developing system-wide strategic and performance plans, developing plans and strategies for improving business processes and services to Veterans and evaluating and assessing, on a continuing basis, the quality and effectiveness of NCA programs and operations;
- Conducting studies of organizational structure, functions, relationships and staffing in the interest of improving the effectiveness and efficiency of operations;
- Increasing Veteran and public awareness of NCA cemetery and memorial programs;
- Transcribing administrative and oral histories, collecting artifacts and maintaining archives, documenting and preserving historic cemetery resources, and providing education and interpretation of NCA history;
- Answering written inquiries from Veterans, their families and others regarding benefits, service quality and general information; and
- Providing legislative and regulatory support for NCA programs and operations.

Summary of Budget Request

The National Cemetery Administration requests \$495,000,000 in budget authority and 2,355 FTE for Operations and Maintenance in 2025.

NCA is proud to have celebrated its 50-year anniversary in 2023. Over the past 50 years, NCA has increased cemetery access for Veterans and their families, expanded the number of cemeteries from 103 to 158 national cemeteries and funded the construction of 122 state, territorial, and tribal Veterans cemeteries through our Veterans Cemetery Grants Program. NCA is also proud of its sustained record of excellent service to Veterans and their families. The American Customer

Satisfaction Index, the only national, cross-industry measure of satisfaction with the quality of goods and services available in the United States, continues to document our commitment to providing respectful, dignified and compassionate service that is second to none. NCA has participated in this survey seven times and consistently outperformed other federal government agencies and private sector organizations. In 2022, NCA again achieved a customer satisfaction index of 97, the highest result ever achieved for any organization in either the public or private sector.

The National Cemetery Administration is committed to ensuring that Veterans and their families have reasonable access to a burial option in a national, state or tribal Veterans cemetery, that the service they receive is dignified, respectful and courteous and that our system of cemeteries meets or exceeds the highest standards of appearance required by their status as national shrines. The 2025 budget request positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following priorities consistent with its strategic goals.

Access

While every eligible Veteran may be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close proximity to a cemetery is an important consideration for Veterans and family members in choosing a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a realistic target to provide reasonable burial access to 95% of all Veterans and has made continuous, significant progress towards meeting that target. In 2025, VA estimates 93.8% of the Veteran population will be served with such access.

In 2025, NCA requests \$248 thousand for operating costs at Mare Island Naval Cemetery. The transfer of Mare Island Naval Cemetery from the City of Vallejo was completed in November 2023. The \$248 thousand request will ensure that the newly transferred cemetery receives the resources required to operate the cemetery, to include funding for grounds maintenance contracts and utilities.

NCA also requests \$5.3 million and 41 FTE for existing cemeteries facing workload increases and project expansions in 2025. The number of interments is expected to be 137,440 in 2025 and will decline gradually. While the number of interments is expected to slowly decline, NCA must maintain the accumulation of gravesites in perpetuity. The total number of gravesites maintained increased from nearly 3.7 million in 2018 to over 4.2 million in 2024, and is expected to reach almost 4.4 million in 2025. NCA maintains more than 24,600 acres with the total developed acreage projected to reach nearly 10,100 in 2025, an increase over the 9,992 developed acreage in 2024. As NCA's workload continues to increase, this budget request is essential for NCA to

maintain its position as the most highly regarded organization, in both public and private sectors, in terms of customer satisfaction.

Outcomes

National cemeteries carry high expectations of appearance that distinguish them from private cemeteries. VA’s cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits by families and loved ones have ended. NCA’s budget request includes critical funding used to preserve our cemeteries as national shrines with lasting tributes that commemorate Veteran’s service and sacrifice. NCA will continue to invest in non-recurring maintenance (NRM) projects to raise and realign headstones and markers and repair turf to maintain cemeteries as national shrines. As of October 2023, 65% of headstones and markers were at the proper height and alignment (64% in 2022) and 91% were considered clean (89% in 2022). The 2025 funding will allow NCA to continue on a path to meet its strategic target of 90% of headstones and markers at proper height and alignment and 95% considered clean. In addition, NRM funding will also be used to continue addressing projects identified on the Facility Condition Assessment (FCA) to ensure safe and effective cemetery operations. NCA’s goal is to focus on infrastructure repairs that are deemed critical to safety, code or operational needs and are assessed at a “D” or an “F” FCA rating. A “D” rating is generally assigned when facilities are in poor condition or projects have code or safety violations. “F” ratings are assessed when there is a failing or critical condition. These projects normally require immediate action. As of January 2024, NCA had an inventory of 255 deficiencies rated F and 5,131 deficiencies rated D without project funding to address the deficiencies.

Net Change	
National Cemetery Administration	
2025 Summary of Resource Requirements	
(\$ in thousands)	
	BA
2024 Budget Request	\$480,000
2025 Current Services Increases:	
Pay raise Assumption Increases (2.0%)	\$5,172
Non-Payroll Inflation (2.2%)	\$4,315
Mare Island Operating Cost	\$248
Cemetery Workload Increases	\$5,266
<i>Payroll (non-add)</i>	\$4,588
<i>Non-payroll (non-add)</i>	\$677
2025 Total Current Services	\$15,000
2025 Total Budget Authority Request	\$495,000

Current Services

The 2025 budget request includes \$495 million for operations and maintenance, including 2,355 FTE (almost 87% of which are field employees and approximately 71% are Veterans) to meet increasing workload and burial expansions.

Pay Raise Impact to Total Payroll - \$5.2 million for the cost of the anticipated 2.0% pay raise.

Non-payroll Inflation - \$4.3 million for non-payroll inflationary increases.

Mare Island Operating Cost - \$248 thousand in non-payroll, operational costs for the transfer of the Mare Island Naval Cemetery from the City of Vallejo.

Workload at Existing Cemeteries - \$5.3 million and 41 FTE for existing cemeteries facing workload increases and project expansions in 2025. As NCA's workload continues to increase at existing national cemeteries, this budget request is essential for NCA to maintain its position as one of the most highly regarded organizations, in both the public and private sectors, in terms of customer satisfaction. National cemeteries carry high expectations of appearance that distinguish them from private cemeteries. Current service funds are essential to maintain the expansion in developed acreage and increasing number of gravesites, as well as the frequency of cemetery grounds and gravesite maintenance activities including mowing and trimming grass, maintaining trees, and cleaning headstones and markers at existing cemeteries. A reduction in the frequency of ongoing maintenance activities would result in a degradation of appearance and an inability to maintain national cemeteries as national shrines, placing NCA at high risk of decreased customer satisfaction.

**National Cemetery Administration
Employment Summary
Full Time Equivalent (FTE) by Grade**

Grade	2023 Actual	2024 Estimate	2025 Request	Increase (+) Decrease (-)
SES	22	22	22	0
GS-15	32	34	34	0
GS-14	110	124	124	0
GS-13	182	191	177	-14
GS-12	84	96	96	0
GS-11	103	110	110	0
GS-10	35	42	42	0
GS-9	133	165	165	0
GS-8	4	6	6	0
GS-7	365	383	383	0
GS-6	32	10	10	0
GS-5	30	26	26	0
GS-4	1	3	3	0
Wage Grade (non-GS)	1,066	1,119	1,160	+41
Total, FTE	2,199	2,331	2,358	+27

FTE includes both direct and reimbursable FTE. The number of reimbursable FTE will decrease from 17 in 2024 to 3 in 2025.

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

FTE Distribution: Headquarters/Field 2023 Actual		
Grade	Headquarters	Field
SES	12	10
GS-15	20	12
GS-14	72	38
GS-13	85	97
GS-12	29	55
GS-11	26	77
GS-10	0	35
GS-9	26	107
GS-8	0	4
GS-7	35	330
GS-6	1	31
GS-5	3	27
GS-4	0	1
Wage Grade (non-GS)	1	1,065
Total, FTE	310	1,889

National Cemetery Administration
Employment and Obligation Classification
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Full Time Equivalent (FTE)						
Central Office - Direct	293	305	313	313	0	0.0%
Field - Direct	1,889	2,009	2,001	2,042	41	2.0%
Central Office - Reimbursable	17	17	17	3	-14	-82.4%
Total, FTE	2,199	2,331	2,331	2,358	27	1.2%
Direct						
Personnel compensation	\$163,974	\$180,169	\$180,169	\$187,172	\$7,004	3.9%
Personnel benefits	67,489	78,421	78,421	81,157	2,737	3.5%
Travel	5,999	5,319	5,319	5,696	377	7.1%
Transportation of things	2,105	2,222	2,222	2,271	49	2.2%
Rents, communications and utilities	15,490	22,228	22,228	22,740	512	2.3%
Printing	2,022	2,229	2,229	2,278	49	2.2%
Other services	133,734	153,901	159,501	157,328	-2,173	-1.4%
Supplies and materials	14,883	19,175	19,175	19,662	487	2.5%
Equipment	23,071	10,950	12,992	11,191	-1,801	-13.9%
Land and structures	5,991	3,229	3,229	3,300	71	2.2%
Grants, judgements, interest and insurance	2,344	2,159	4,559	2,206	-2,353	-51.6%
Subtotal, direct	\$437,102	\$480,000	\$490,042	\$495,000	\$4,958	1.0%
Reimbursable						
Personnel compensation	\$3,001	\$1,890	\$2,032	\$331	-\$1,701	-83.7%
Personnel benefits	0	722	777	127	-651	-83.7%
Other services	0	388	358	532	174	48.8%
Subtotal, reimbursable	\$3,001	\$3,000	\$3,167	\$990	-\$2,177	-68.7%
Total	\$440,103	\$483,000	\$493,209	\$495,990	\$2,781	0.6%

Dollars may not add due to rounding.

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Personnel Services: The 2025 request includes an additional 41 FTE. All of these FTE directly support field operations at VA cemeteries and are required to support workload increases at existing cemeteries. The number of reimbursable FTE will decrease from 17 in 2024 to 3 in 2025 primarily due to a realignment of function and personnel of human resource services for VA staff offices from the Administrations to VA Human Resources and Administration.

Travel: Costs include headquarters and field personnel travel in connection with the operations of national cemeteries and other VA and NCA programs. Included are travel costs for site visits to assess performance of the national cemeteries, quality assurance inspections related to the procurement of headstones and markers, permanent change of station moves, engineering trips related to maintenance and construction projects, inspections and other official travel required in administering the Veterans' Cemetery Grants Program, as well as local travel.

Transportation of Things: Includes the transportation of household goods as part of permanent change of station moves of transferring employees. Other costs include the rental of trucks from General Services Administration (GSA), local hauling charges, and the shipment of materials.

Rents, Communications, and Utilities: Includes rental of equipment at national cemeteries and payment of standard level user charges (SLUC) to GSA. Utility costs include electricity, water, and gas, which are required for the operations and maintenance of the national cemeteries.

Printing and Reproduction: Costs include operating and technical manuals, regulations, handout maps, pamphlets, and the printing requirements of the PMC program. Handout maps are distributed to next-of-kin, other relatives and the general public to help locate gravesites. The PMC requirements include special paper and envelopes, as well as the printing of the certificates.

Other Services: Costs include contracts associated with non-recurring maintenance projects and recurring maintenance, repair, operational and other services with any of over 4,300 buildings and structures and over 24,600 acres of land within 158 national cemeteries and 35 soldiers' lots and monument sites to maintain the appearance of national cemeteries as national shrines, dedicated to preserving our Nation's history and honoring the service and sacrifice Veterans have made.

- Funding for the NCA NRM program is included in the annual Operations and Maintenance appropriation. The primary objective of the NRM program is to maintain the physical infrastructure (real property) of NCA facilities to help ensure safe, efficient and economical operations. This includes improving the overall appearance of national cemeteries to honor Veterans with a final resting place in a national shrine. The NRM program consists of specific projects based on documented and potential FCA ratings as well as National Shrine projects.
 - Facility condition NRM projects correct deficiencies that do not qualify as recurring maintenance and repair or minor construction projects. NRM FCA projects are not routinely accomplished and typically include the one-for-one replacement of building components, such as roofing, flashings and copings, exterior finish materials, waterproofing, windows and doors, floor and wall coverings, or water, heating, ventilating and air conditioning systems. Also, NRM FCA projects may include repaving large sections of cemetery roads or flagpole replacement.

- National Shrine NRM projects are repair and renovation projects to improve the overall appearance of national cemeteries. National Shrine projects may include establishing a healthy stand of turf appropriate for the geographic area, renovating gravesites to ensure a level grade (i.e., there are no sunken graves), realigning and cleaning headstones and markers, and replacing or improving irrigation.
- Other services also includes funds for recurring maintenance, repair, operational and other contracted services. NCA's Operations and Maintenance appropriation has the overall authority to repair, alter or improve facilities under the jurisdiction of NCA.
 - Interment and grounds maintenance contracts including certain construction activities that are necessary expenses of the account such as headstone setting and alignment, headstone resetting and irrigation work.
 - Maintenance of equipment provides for maintaining and repairing lowering devices, mechanical grave excavators, tractors, backhoes, ditchers, mowers, generators, vehicles and office machines.
 - Maintenance and repair provides the normal annual maintenance to keep a building or structure operational including the recurring maintenance and repair of roads, drives, parking lots and walks; painting of buildings, fences and gates; repair of roofs, walls and irrigation; and electrical systems.
 - Contractual services associated with cemetery maintenance such as janitorial, trash disposal, rodent and pest control, environmental compliance and training.
 - Payments to other VA offices for centralized support activities including iFAMS operations.

Supplies and Materials: Includes office supplies, fuel, and petroleum products used in motor vehicles, as well as cemetery operations, grounds maintenance, and incidental supplies. Initial orders of supplies and materials are needed for activation of new cemeteries as well as to maintain adequate supplies at cemeteries with expansion projects and increased workload.

Equipment: Costs include cemetery maintenance and interment equipment such as grave excavating and grounds maintenance equipment, as well as office equipment including facsimile machines, multi-functional devices, and similar equipment. NCA requires an initial purchase of equipment for new cemeteries as they are opened and additional equipment as cemetery operations continue to increase after cemetery opening.

Land and structures: Includes fixed equipment for buildings and renewable energy projects using solar, wind, and geothermal power.

Grants, Judgements, Interest, & Insurance: Includes payments to resolve federal tort claims against operations or administrative actions. Also, incorporates realignment of \$2 million from Other Services funding to Veterans Legacy Grants as authorized by 38 U.S.C. § 2400, notation to Public Law 116-107 (Jan. 17, 2020). Grant funding is available to applicants found eligible to receive a Veterans Legacy Grant to tell the stories focused on underrepresented Veterans or Service Members, from any period of American history, so they are honored in perpetuity.

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National Cemetery Administration Construction Program

Overview

Construction projects to develop additional gravesites at national cemeteries, establish new cemeteries, and make infrastructure improvements, along with land acquisitions for cemeteries, are critical to achieving the strategic goals and objectives of the National Cemetery Administration (NCA). These projects are funded from VA's Major and Minor Construction appropriations, which also support NCA's urban and rural initiatives. The funding request and justification for these two appropriations are found in Volume 4; however, NCA is providing this summary of its construction program to relate the requested funding to its performance plan better.

Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land.

Infrastructure investments support two key performance measures: 1) national cemetery appearance and 2) quality of service at national cemeteries. Construction projects to improve irrigation, renovate structures, resurface roads, and build committal shelters, restrooms and public information centers directly affect cemetery appearance and service to Veterans and their families.

NCA currently has the legal authority to acquire land for establishing new national cemeteries and to expand existing cemeteries. This allows NCA to dedicate funding to purchase land for future gravesite expansions or replacement cemeteries. Often, prospective sellers, particularly estates, desire to move more quickly than the multi-year pace of the Federal budget development and approval process. Likewise, opportunities to purchase land may arise in key locations and NCA desires the flexibility to respond swiftly.

Burial Policies

While every eligible Veteran may be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close proximity to a cemetery is an important consideration in whether Veterans and family members choose a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the availability of state, territory, and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a more realistic target to provide reasonable burial

access to 95% of all Veterans and has made continuous, significant progress toward meeting that target. In 2025, VA estimates 93.8% of the Veteran population will be served with such access.

The independent *Evaluation of the VA Burial Benefits Program* (August 2008) offered an opportunity to reflect on a future strategic direction that will continue NCA's success in meeting the burial needs of the Nation's Veterans. As a result, NCA identified several burial policies targeting increased access and availability of burial options for Veterans, which Congress approved in 2011 and 2013. These policies include:

- Lowering the unserved Veteran population threshold to establish a new national cemetery to 80,000 Veterans within a 75-mile radius. Based on this policy, NCA developed a plan to establish five new national cemeteries and provide a burial option to an additional 486,600 Veterans and their families (current Veteran population is 507,233). All five cemeteries have been completed, the last in 2020.
- Establishing Urban Initiative locations to improve travel time and access in densely populated metropolitan areas currently served by a national cemetery. Five locations have been identified for this initiative in the Los Angeles and San Francisco/Oakland, California areas, Chicago, Illinois, New York, New York and Indianapolis, Indiana metropolitan areas. The columbarium expansion at Los Angeles National Cemetery opened in October 2019 as the first completed project under NCA's Urban Initiative and the Indianapolis columbaria-only location opened in July 2022 at Crown Hill National Cemetery. The New York columbaria-only location is scheduled to open in 2024.
- Establishing national cemeteries in rural areas where the Veteran population is less than 25,000 within a 75-mile service area. This initiative targets those states in which: 1) there is no national cemetery within the state open for first interments; and 2) areas within the state are not currently served by a state Veterans cemetery or a national cemetery in an adjacent state. Eight states meet these criteria (Idaho, Montana, Nevada, North Dakota, Maine, Utah, Wisconsin and Wyoming). In 2014, NCA established the first national Veterans cemetery under the Rural Initiative at Yellowstone National Cemetery in Montana. The second Rural Cemetery opened in 2019 in Fargo, ND. Four additional Rural Cemeteries opened in 2020 (Northwoods, WI, Snake River Canyon, ID, Acadia, ME and Cheyenne, WY) and the final two (Cedar City, UT and Elko, NV) are projected to open in 2025.

The 2025 budget positions NCA to meet Veterans' emerging burial needs in the years to come through the continued implementation of these burial policies.

National Shrine Commitment

The 2025 budget supports a continued commitment to NCA's statutory responsibility to ensure that national cemeteries meet or exceed the highest standards of appearance required by their status as national shrines. VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits of families and loved ones have ended. Infrastructure projects such as cemetery irrigation improvements, building renovations, maintenance of buildings and structures and road and curb improvements are important to maintaining VA cemeteries as national shrines.

Major Construction Projects

Major Construction Funding for NCA Programs					
(\$ in thousands)					
Construction	2023 Actual	2024 Request	2024 Estimate	2025 Request	Change 2025 vs 2024
<u>Cemetery Expansion and Improvement:</u>					
Albuquerque, NM Gravesite Development	\$57,000	\$0	\$0	\$0	\$0
Jefferson Barracks, MO Gravesite Expansion	44,000	28,800	28,800	0	-28,800
Western New York, NY Gravesite Development	25,000	0	0	0	0
Tahoma, WA Gravesite Development	0	78,200	78,200	0	-78,200
Fort Logan, CO Gravesite Expansion	0	0	0	45,000	+45,000
Advance Planning and Design Fund	13,000	5,000	5,000	30,000	+25,000
Land Acquisition	1,000	0	0	0	0
Total, Major Projects	\$140,000	\$112,000	\$112,000	\$75,000	-\$37,000

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

The 2025 Major Construction request for NCA includes funding for the gravesite expansion project at Fort Logan National Cemetery and funding for Advanced Planning/Design activities.

Fort Logan National Cemetery Gravesite Development and Cemetery Improvements

This project provides for Phase 1 gravesite development on newly acquired land at Fort Logan National Cemetery serving the Central Colorado area. This cemetery, which first opened in 1889 as a small Army post cemetery now serves an estimated 314,300 Veteran population within the 75-mile burial service area. The project will be completed in two distinct phases: Phase 1A, funded in 2022, focuses on gravesite development and will extend the full range of burial options for approximately 15 years, as well as provide several cemetery operational and infrastructure improvements. The 2025 funding request is for Phase 1B, which will address critical safety elements related to waterways (dams, spillways, drainageways and lakes) at the national cemetery. No additional gravesites are associated with Phase 1B.

In addition to developing casket and cremation gravesite burial options, this collective project will master plan 49.4 acres of the newly acquired land at the Fort Logan National Cemetery, develop approximately 20 of those 49.4 acres and provide supporting facilities and infrastructure necessary to maintain and operate the cemetery. Phase 1A will deliver approximately 34,100 gravesites, including both casket and cremation sites in new burial sections, address facility condition assessment deficiencies and infrastructure repairs and construct a major renovation to the Administration Building. Phase 1B will bring the lakes at the Fort Logan National Cemetery into compliance with the current Colorado Rules and Regulations for Dam Safety and Construction and reduce the many risks associated with a flood event. Funding will be provided to rebuild the

dams/spillways, perform all specialized work associated with the lakes and drainageways and provide for the full replacement of the Memorial Lake dam/spillway.

Advance Planning and Design Fund

The 2025 budget request includes \$30.0 million for advance planning and design activities such as master planning and design for new cemeteries and expansions at existing national cemeteries. These funds are needed to begin planning and design for projects that will be needed to prevent gravesite depletions and to establish new burial service in the near future. These funds will also provide for environmental assessments at national cemeteries, due diligence for major land acquisitions and performance of facility condition assessments at national cemeteries, soldiers’ lots and monument sites under the jurisdiction of NCA.

Minor Construction Projects

NCA’s 2025 Minor Construction budget provides funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. Additionally, NCA is committed to reducing the number of critical FCA infrastructure deficiencies related to safety and compliance and will address the growing list of FCA deficiencies rated D and F.

Minor Construction Funding for NCA Programs					
(\$ in thousands)					
	2023 Actual	2024 Request	2024 Estimate	2025 Request	Change 2025 vs 2024
Cemetery Expansion and Improvement	\$101,978	\$130,981	\$130,981	\$101,928	-\$29,053
Land Acquisition/Below Threshold/Electric Vehicle Charging/Contingency	55,287	51,579	51,579	72,147	+20,568
Total for Minor Projects	\$157,265	\$182,560	\$182,560	\$174,075	-\$8,485

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Minor Construction funds may also be used at any of the 158 national cemeteries and 35 soldiers’ lots and monument sites under the jurisdiction of NCA requiring emergency repairs because of floods, fires, hurricanes, tornadoes, earthquakes, strong winds, etc., where no other means of funding exist. NCA’s 2025 request includes funding for all NCA projects that will be entered through the Strategic Capital Investment Planning (SCIP) process. Once all projects have been validated and scored by the SCIP Panel and Review Board, a complete listing of capital projects, in priority order, will be provided.

Land Acquisition/Below Threshold/Contingency

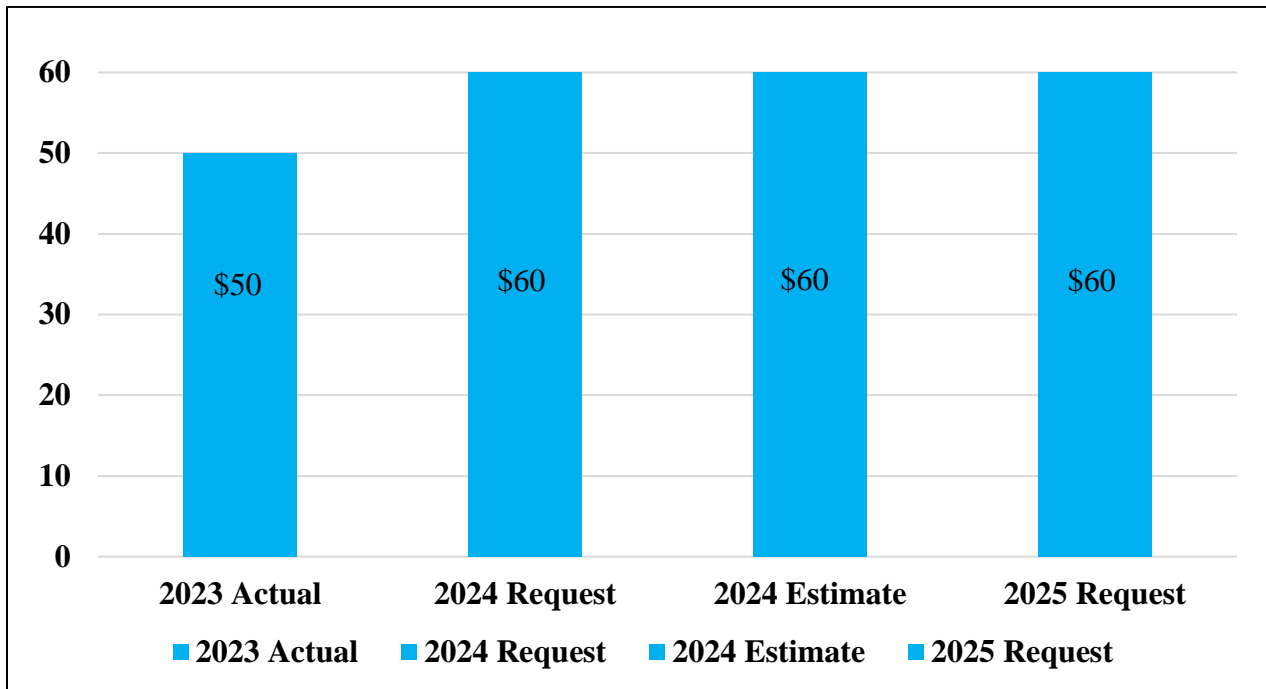
The 2025 Minor Construction request includes \$72.1 million for land acquisitions, below threshold, electric vehicle charging stations and contingencies. NCA currently has the legal authority to acquire land for establishing new national cemeteries and to expand existing cemeteries. This allows NCA to dedicate funding to purchase land for future gravesite expansions that will be funded as separate Minor Construction projects. Identifying and purchasing a parcel of land can be a difficult and unpredictable process. Prospective sellers often desire to move more quickly than the multi-year pace of the Federal budget development and approval process. The remaining funds are available for electric vehicle charging stations and below threshold projects that improve mission essential facilities, address critical cemetery safety and accessibility factors, modernize cemetery irrigation systems, and controls and revitalize historic cemetery facilities and structures.

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Grants for Construction of Veterans Cemeteries

Budget Authority -- Grants for Construction of Veterans Cemeteries (\$ in millions)



Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Appropriation Language

For grants to assist States and tribal organizations in establishing, expanding or improving Veterans cemeteries as authorized by section 2408 of title 38, United States Code, \$60,000,000, to remain available until expended.

Program Description

Grants are provided to states, territories, and tribal organizations for the establishment, expansion, improvement or operations and maintenance of Veterans cemeteries. State, territory, and tribal Veterans cemeteries assist the National Cemetery Administration (NCA) strategy of meeting the burial needs of Veterans and their families.

While every eligible Veteran may be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close

proximity to a cemetery is an important consideration for Veterans and family members in choosing a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provides a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a realistic target to provide reasonable burial access to 95% of all Veterans and has made continuous, significant progress towards meeting that target. In 2025, VA estimates 93.8% of the Veteran population will be served with such access.

To be considered for an establishment, expansion or improvement grant for a state, territory or tribal Veterans cemetery, the organization must submit a preapplication via [Grants.gov](https://www.grants.gov). All conforming grant preapplications that are received by the Veterans Cemetery Grants Program (VCGP) no later than July 1st are prioritized and considered for grant opportunities for the upcoming fiscal year, subject to the availability of funds. Conforming applications are those that meet all requirements in the governing regulation (38 CFR part 39) which includes the applicant's assurance that it has the legal authority to apply for a grant and the resources to fund initial architectural and engineering portions of project development. VCGP prioritizes the preapplications as follows:

- Priority Group 1: Expansion of an existing Veteran state, territory or tribal cemetery that will deplete a burial option in less than 4 years;
- Priority Group 2: Establishment of a new Veteran state, territory or tribal cemetery based on geographical area with the largest number of unserved Veterans;
- Priority Group 3: Expansion of an existing Veteran state, territory or tribal cemetery that will deplete a burial option in more than 4 years; and
- Priority Group 4: Improvement of an existing cemetery to cemetery landscaping or infrastructure, such as building expansions and upgrades to roads and irrigation systems that are not directly related to the development of new gravesites. Operations and Maintenance projects to raise, realign and clean headstones and markers and repair sunken graves are also included in this group.

The VCGP Director approves the prioritized list of projects and posts the list on NCA's webpage on October 1st of the fiscal year in which grants are expected to be awarded. The VCGP Director also notifies the state and tribal organizations that receive grant opportunities via UPS mailing. In almost all cases, grantees are awarded 100% of the cost of the project.

As a condition of a grant, state, territory, and tribal cemeteries are required to meet the same national shrine standards and measures as VA national cemeteries. To help VA grant-funded cemeteries meet minimum operational standards and measures, NCA allows grantee cemetery employees to attend training, as space permits, that NCA provides its own national cemetery employees. Although NCA provides courses tuition-free, some grantees lack the fiscal resources to send personnel to NCA training. Section 2208 of Public Law 116-315, The Veterans Health

Care and Benefits Improvement Act of 2020, authorized VA to expand the use of VCGP funds to include training costs for state and tribal cemetery personnel to participate in training provided by NCA. Funding for establishment, expansion, improvement and operations and maintenance grants may be utilized, solely or in part, for these training purposes. Authorized training costs include travel expenses and up to four weeks of lodging expenses associated with the attendance of a state, territory or tribal organization employee at NCA trainings.

Program Highlights

Since 1980, VCGP has awarded grants totaling over \$1 billion that 50 states, tribes and territories (including Guam, Saipan, and Puerto Rico) used to establish, expand, improve, operate, or maintain a total of 122 Veterans cemeteries. In 2023, VCGP cemeteries interred more than 43,000 Veterans and eligible family members, which is approximately 24% of the total annual interments in national, state, territory and tribal cemeteries.

In 2023, the program opened one new state cemetery, the Minnesota State Veterans Cemetery in Redwood Falls, Minnesota. The Minnesota State Veterans Cemetery provides a burial option to 7,230 unserved Veterans and their eligible family members. In 2024, the program will continue construction at two grant-funded state cemeteries in Lubbock, Texas and Grand Island, Nebraska. Once completed these cemeteries will provide access to 31,991 Veterans that were previously unserved.

Section 2203 of Public Law 116-315 amended 38 U.S.C. § 2306(e) to expand the outer burial receptacle (OBR) benefit to include burials in VA-grant funded Veterans cemeteries. In 2023, VA began funding the cost of pre-placed OBRs installed as part of a construction grant project from the Compensation and Pensions appropriation. As a result, VA funded a total of \$12.3 million for pre-placed OBRs from the mandatory appropriation for 10 construction grant projects awarded in 2023. Previously, the cost of pre-placed OBRs was funded with grant dollars as part of the construction grant.

Grants for Construction of Veterans Cemeteries Obligations and Budgetary Resources (\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	\$76,992	\$73,000	\$60,000	\$60,000	\$0	0.0%
Total obligations	\$76,992	\$73,000	\$60,000	\$60,000	\$0	0.0%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1	\$24,646	\$13,216	\$252	\$252	\$0	0.0%
Recovery of prior year unpaid obligations	2,598	0	0	0	0	0.0%
Subtotal, unobligated balance	\$27,244	\$13,216	\$252	\$252	\$0	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$50,000	\$60,000	\$60,000	\$60,000	\$0	0.0%
Subtotal, appropriations	\$50,000	\$60,000	\$60,000	\$60,000	\$0	0.0%
Subtotal, budget authority	\$50,000	\$60,000	\$60,000	\$60,000	\$0	0.0%
Total budgetary resources	\$77,244	\$73,216	\$60,252	\$60,252	\$0	0.0%
Unexpired unobligated balance, end of year	252	216	252	252	0	0.0%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Summary of Budget Request

In 2025, NCA requests \$60 million to fund grants to state, territory and tribal organizations for the establishment, expansion, improvement or operations and maintenance of Veterans cemeteries. The VCGP has played a significant role in achieving NCA’s strategic target of providing 95% of Veterans with reasonable access to a burial option by assisting states, territories and tribes in establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In addition, the Grants program is a cost-effective alternative to VA construction and recurring operating expenses. The number of state and tribal Veterans cemeteries has grown during the last 10 years from approximately 80 cemeteries to 122. Similarly, the number of interments has increased by 9.2% from 2019 (39,932 interments) to 2023 (43,586 interments). The need to provide expansion grants at already-existing cemeteries has also grown, in both number and dollar amounts.

The 2024 Grants Priority List has 69 pre-applications (32.7% increase over 2023) totaling more than \$295 million (70.5% increase over 2023) in grant opportunities that have been confirmed by VCGP as conforming with regulatory requirements. Of these, 26 grant requests, totaling \$102.7 million, are for Priority Group 1 expansion/improvement projects that are already within 4 years of depleting at least one burial option in the cemetery. The 2024 list also includes 16 grant requests, totaling \$108.6 million, for Priority Group 2 establishment projects (i.e., potential new cemeteries) critical to increase burial access to our Nation’s Veterans. NCA does not fund Group 2 establishment projects until all Group 1 expansion grants are fully addressed. While the scope, timing, and final cost of these pre-applications have yet to be validated, the priority list provides a sense of the current demand for cemetery grants. Without the requested funding, NCA will be

limited in its ability to increase the percentage of Veterans served by a reasonably accessible burial option.

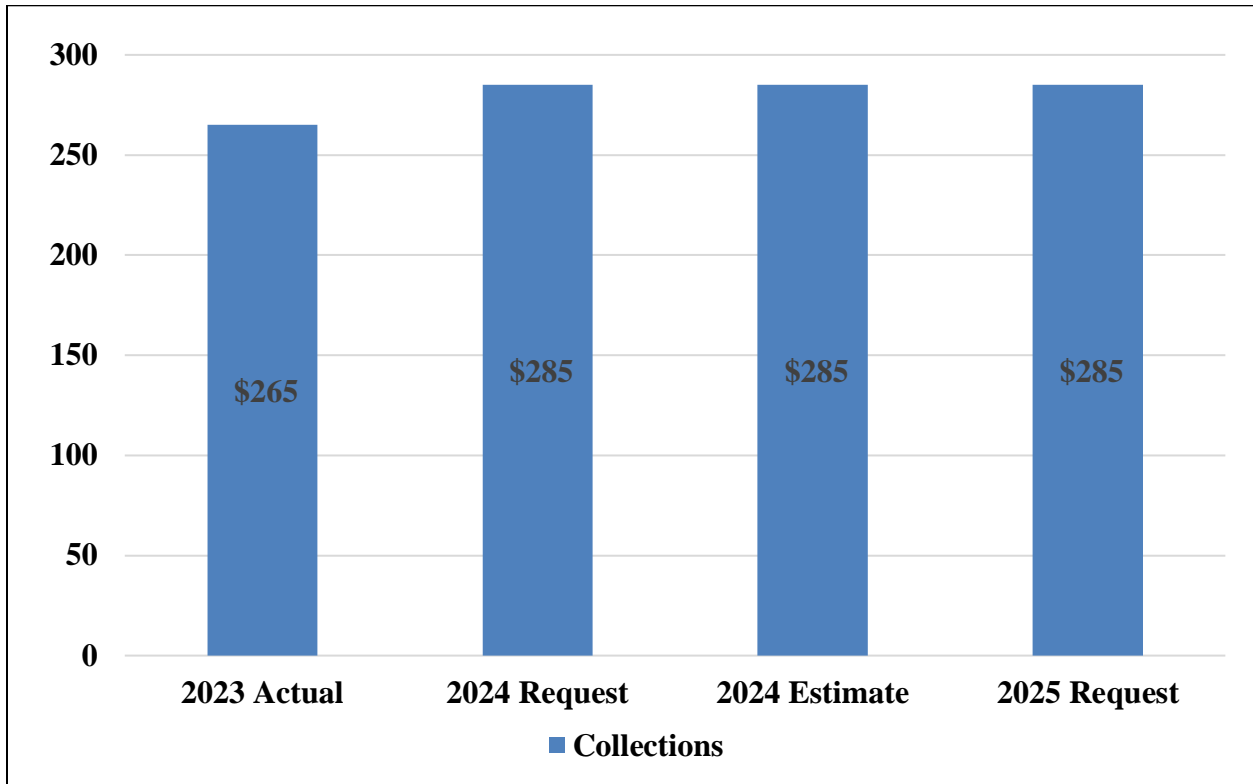
Total Obligations by State (\$)			
AK	\$3,158,277	NC	\$19,554,689
AL	\$12,837,904	ND	\$10,499,803
AR	\$32,749,492	NE	\$13,911,280
AZ	\$34,242,080	NH	\$9,731,136
CA	\$26,712,073	NJ	\$46,066,709
CO	\$6,007,010	NM	\$15,644,795
CT	\$11,975,063	NV	\$41,691,293
DE	\$21,365,459	NY	\$3,951,421
GA	\$18,263,158	OH	\$798,987
GU	\$9,266,873	OK	\$9,157,158
HI	\$48,873,000	PA	\$23,223
IA	\$9,750,374	PR	\$7,135,050
ID	\$19,006,608	RI	\$11,836,070
IL	\$1,565,325	SC	\$8,271,565
IN	\$13,868,547	SD	\$24,220,468
KS	\$21,556,088	TN	\$38,584,356
KY	\$41,829,454	TX	\$77,467,155
LA	\$48,068,519	UT	\$9,639,479
MA	\$21,025,004	VA	\$48,460,341
MD	\$60,214,187	VT	\$6,554,699
ME	\$21,992,174	WA	\$14,440,485
MN	\$39,630,854	WI	\$35,617,493
MO	\$33,832,317	WV	\$14,118,456
MP	\$5,260,988	WY	\$5,806,255
MS	\$17,260,300		
MT	\$12,435,439	Total	\$1,065,928,933

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*National Cemetery Administration
Facilities Operation Fund*

Budget Authority -- Facilities Operation Fund
(\$ in thousands)



Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Program Description

Public Law 108-454, Section 602, codified in 38 U.S.C. § 2412, provides authority to lease any undeveloped land and unused or underutilized buildings of the National Cemetery Administration (NCA), or parts or parcels thereof, for a term not to exceed 10 years.

National Cemetery Administration Facilities Operations Fund						
Obligations and Budgetary Resources						
(\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	\$0	\$400	\$451	\$400	-\$51	-11.3%
Total obligations	\$0	\$400	\$451	\$400	-\$51	-11.3%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1	\$778	\$660	\$1,074	\$908	-\$166	-15.5%
Recovery of prior year paid obligations	31	0	0	0	0	0.0%
Subtotal, unobligated balance	\$809	\$660	\$1,074	\$908	-\$166	-15.5%
Budget authority:						
Collections (special or trust)	\$265	\$285	\$285	\$285	\$0	0.0%
Subtotal, budget authority	\$265	\$285	\$285	\$285	\$0	0.0%
Total budgetary resources	\$1,074	\$945	\$1,359	\$1,193	-\$166	-12.2%
Unexpired unobligated balance, end of year	1,074	545	908	793	-115	-12.7%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Summary of Budget Request

The NCA Facilities Operation Fund is a special fund financed by proceeds from the lease of undeveloped land, the lease of unused or underutilized buildings and by the proceeds from agricultural licenses of lands under the control of the National Cemetery Administration (NCA). No appropriation action from Congress is required.

Program Activity

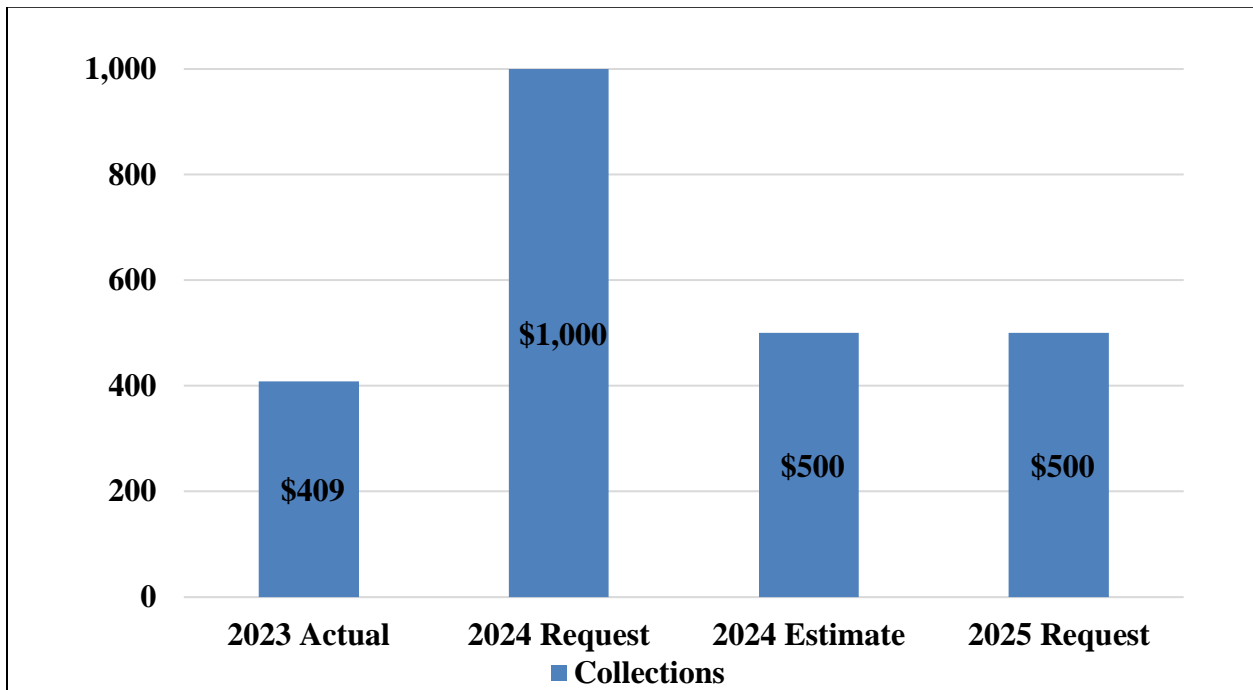
Obligations are estimated to be \$400,000 in 2025, which is consistent with the preceding anticipated fiscal year’s obligations.

The Facilities Operation Fund became operational in March 2005. NCA uses this fund to cover a portion of costs incurred in the operation and maintenance of its properties. In 2024 and 2025, NCA intends to use this fund to address deficiencies identified on the Facility Condition Assessment (FCA) to ensure safe and effective cemetery operations. The Facilities Operation Fund contributes to ensuring that national cemeteries are shrines dedicated to honoring the service and sacrifices that Veterans have made.



National Cemetery Administration Gift Fund

Budget Authority -- National Cemetery Administration Gift Fund (\$ in thousands)



Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Gift Fund Program Description

Public Law 93-43, as amended, codified in 38 U.S.C. § 2407, provides authority to accept gifts and bequests for the purpose of beautifying national cemeteries, or which are determined to be beneficial to such cemeteries.

National Cemetery Administration Gift Fund Obligations and Budgetary Resources (\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct obligations	\$213	\$1,000	\$1,000	\$1,000	\$0	0.0%
Total obligations	\$213	\$1,000	\$1,000	\$1,000	\$0	0.0%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1	\$1,549	\$1,340	\$1,752	\$1,252	-\$500	-28.5%
Recovery of prior year paid obligations	7	0	0	0	0	0.0%
Subtotal, unobligated balance	\$1,556	\$1,340	\$1,752	\$1,252	-\$500	-28.5%
Budget authority:						
Collections (special or trust)	\$409	\$1,000	\$500	\$500	\$0	0.0%
Subtotal, budget authority	\$409	\$1,000	\$500	\$500	\$0	0.0%
Total budgetary resources	\$1,965	\$2,340	\$2,252	\$1,752	-\$500	-22.2%
Unexpired unobligated balance, end of year	1,752	1,340	1,252	752	-500	-39.9%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Summary of Budget Request

The National Cemetery Gift Fund is a trust fund, which is financed from gifts and bequests from donors. No appropriation action from Congress is required.

Program Activity

Fund obligations are estimated to be \$1.0 million in 2025. Congress established the Gift Fund, which authorized the acceptance of gifts and bequests, as of October 1, 1989. The fund is used primarily for beautification and improvements to cemetery grounds such as landscaping, walkways, and benches and may be used for other items beneficial to the cemetery and the Veterans served. In this way, gift fund activity contributes to accomplishing our objective of ensuring that national cemeteries are shrines dedicated to honoring the service and sacrifice Veterans have made.

The National Cemetery Administration (NCA) is accepting online donations to the Gift Fund through [pay.gov](https://www.pay.gov). NCA donation icons have been placed on the internal and public-facing websites directing potential donors to the donation forms. Pay.gov is a program of the U.S. Department of the Treasury, Bureau of the Fiscal Service, and provides government agencies flexible online and offline internet-based services. Agency customers benefit from the ability to make and manage their payments easily 24 hours per day, 365 days per year.



Veterans Benefits Administration

Part 2

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General Operating Expenses, Veterans Benefits Administration, Executive Summary

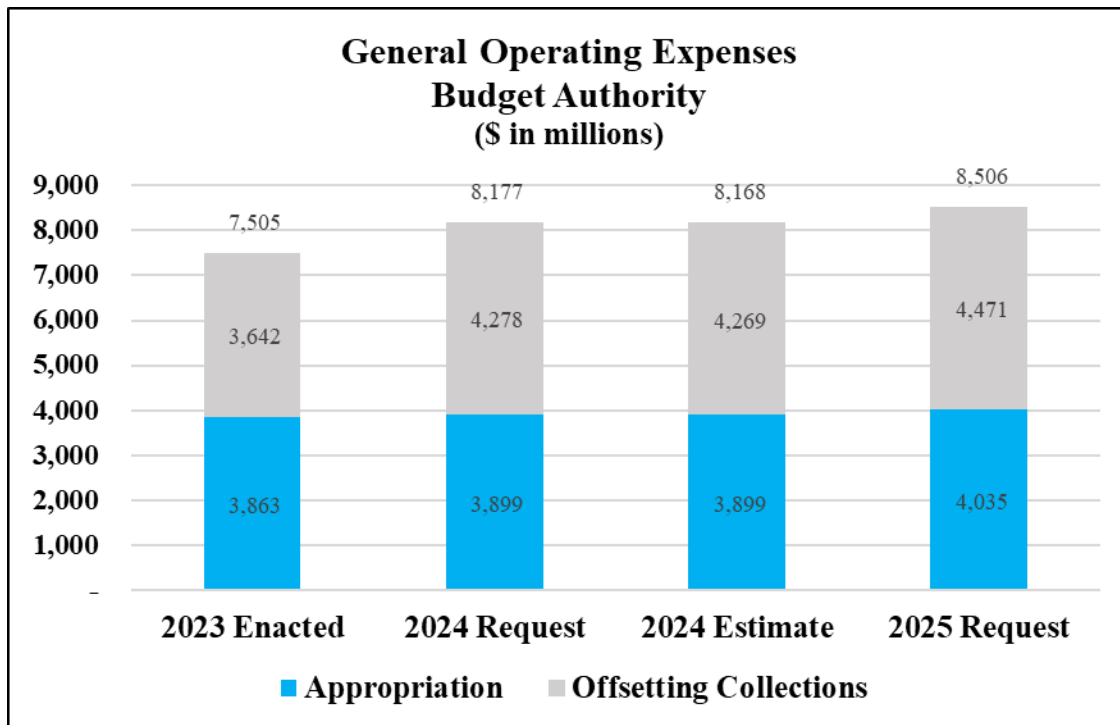
Mission Statement

To provide benefits and services to Veterans, their families, and survivors in a responsive, timely and compassionate manner in recognition of their service to the Nation.

Vision Statement

“To fulfill our Nation’s promise to those who serve by delivering the benefits and services they have earned to enable full, independent and productive lives.”

2025 Budget Authority Request: \$4.0 billion
Change over 2024 Estimate: + \$136 million / + 3.5%



Note. – A full year 2024 appropriation for this account was not enacted at the time the budget was prepared. Appropriations charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Estimate column.

Appropriation Language

For necessary operating expenses of the Veterans Benefits Administration (VBA), not otherwise provided for, including hire of passenger motor vehicles, reimbursement of the General Services Administration for security guard services, and reimbursement of the Department of Defense for the cost of overseas employee mail, \$4,035,000,000: Provided, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: Provided further, that, of the funds made available under this heading, not to exceed 10 percent shall remain available until September 30, 2026.

Summary of Budget Request

VBA's 2025 discretionary budget request of \$8.5 billion provides Veterans, their dependents, and survivors a variety of benefits and services. The request includes \$4.0 billion in General Operating Expenses (GOE) discretionary budget authority and \$4.5 billion in reimbursements from other VA appropriations.¹ This request supports the delivery of \$212 billion in mandatory benefits payments and services to Veterans and other beneficiaries, at an operating cost of about four cents for every dollar of benefits delivered. VBA will use its appropriation to continue to focus on delivering timely benefits and services to Veterans through modernization efforts to automate components of the claims process, an investment in Artificial Intelligence (AI) solutions, and in overtime to support timely processing of claims during periods of claim influx.

¹ GOE receives reimbursements for services such as contract medical exams and Omnibus Budget Reconciliation Act payments from the Compensation and Pension account; certain education printing expenses from the Readjustment Benefits account; housing and Vocational Rehabilitation Direct Loan Program costs from the credit program account; and VA life insurance program funds for VA credit and life insurance program administration for reimbursable spending by VBA.

The following table summarizes VBA’s total 2025 discretionary budget request, and subsequent sections provide overviews for each of the seven lines of business.

General Operating Expenses						
Summary of Employment, Obligations and Budgetary Resources						
(\$ in thousands and FTE)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	23,112	23,314	23,314	23,314	-	-
Management Direction and Support	2,469	2,448	2,448	2,448	-	-
Total FTE	25,581	25,762	25,762	25,762	-	-
Obligations						
Direct Obligations	3,841,916	3,899,000	4,020,500	4,035,000	14,500	0.36%
Reimbursable Obligations	3,310,089	4,277,630	4,268,595	4,470,962	202,367	4.74%
Total obligations	7,152,005	8,176,629	8,289,095	8,505,962	216,867	2.62%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	56,000	-	121,500	-	-121,500	-100.0%
Subtotal, unobligated balance:	56,000	-	121,500	-	-121,500	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	3,863,000	3,899,000	3,899,000	4,035,000	136,000	3.49%
Appropriations transferred from other accounts	19,500	-	-	-	-	-
Subtotal, appropriations	3,882,500	3,899,000	3,899,000	4,035,000	136,000	3.49%
Reimbursements	3,642,130	4,277,630	4,268,595	4,470,962	202,367	4.74%
Subtotal, budget authority	7,524,630	8,176,629	8,167,595	8,505,962	338,367	4.14%
Total budgetary resources	7,580,630	8,176,629	8,289,095	8,505,962	216,867	2.62%

Note. – Dollars may not add due to rounding in this and subsequent charts.

General Operating Expenses
Obligations by Business Line
(\$ in thousands)

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Disability Compensation	2,605,666	2,623,782	2,743,582	2,741,777	-1,805	-0.1%
Pension & Fiduciary	339,941	406,091	408,604	410,187	1,583	0.4%
Education	391,754	371,073	371,073	377,928	6,855	1.8%
Veteran Readiness & Employment	336,744	307,671	307,671	305,043	-2,628	-0.9%
Housing	34,521	46,868	46,408	54,132	7,724	16.6%
Insurance	2,075	1,646	1,294	920	-374	-28.9%
Transition & Economic Development	131,215	141,868	141,868	145,013	3,145	2.2%
Subtotal, direct	3,841,916	3,899,000	4,020,500	4,035,000	14,500	0.36%
Reimbursable						
Disability Compensation	3,137,148	4,008,138	4,000,803	4,198,695	197,892	4.9%
Pension & Fiduciary	8,348	13,012	10,500	13,429	2,929	27.9%
Education	278	155	155	158	3	1.9%
Veteran Readiness & Employment	-	2,004	2,004	2,053	49	2.4%
Housing	133,130	208,938	209,399	209,418	19	0.0%
Insurance	31,185	45,244	45,595	47,068	1,473	3.2%
Transition & Economic Development	-	139	139	141	2	1.4%
Subtotal, direct	3,310,089	4,277,630	4,268,595	4,470,962	202,367	4.74%
Total Obligations by Business Line						
Disability Compensation	5,742,814	6,631,920	6,744,385	6,940,472	196,087	2.9%
Pension & Fiduciary	348,289	419,104	419,104	423,616	4,512	1.1%
Education	392,032	371,228	371,228	378,086	6,858	1.8%
Veteran Readiness & Employment	336,744	309,675	309,675	307,096	-2,579	-0.8%
Housing	167,651	255,807	255,807	263,550	7,743	3.0%
Insurance	33,260	46,889	46,889	47,988	1,099	2.3%
Transition & Economic Development	131,215	142,007	142,007	145,154	3,147	2.2%
Total	7,152,005	8,176,629	8,289,095	8,505,962	216,867	2.6%

General Operating Expenses
Obligations by Object Classification
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	3,027,381	3,258,980	3,254,445	3,366,511	112,066	3.4%
Travel	18,168	43,041	43,042	43,900	858	2.0%
Transportation of things	3,548	1,804	1,804	1,841	37	2.1%
Rents, communications and utilities	187,747	187,095	187,094	190,837	3,743	2.0%
Printing	1,837	3,169	3,170	3,232	62	2.0%
Other services	3,899,068	4,647,542	4,768,008	4,863,942	95,934	2.0%
Supplies and materials	4,280	8,582	7,085	8,755	1,670	23.6%
Equipment	7,536	25,218	23,250	25,723	2,473	10.6%
Land and structures	28	-	-	-	-	-
Grants, judgements, interest and insurance	2,412	1,197	1,197	1,221	24	2.0%
Total	7,152,005	8,176,629	8,289,095	8,505,962	216,867	2.6%
Subtotal, reimbursable	3,310,089	4,277,630	4,268,595	4,470,962	202,367	4.7%
Subtotal, direct	3,841,916	3,899,000	4,020,500	4,035,000	14,500	0.4%

**General Operating Expenses
FTE by Funding Source**

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Funded by Direct Budget Resources						
Disability Compensation	18,369	17,443	17,443	17,461	18	0.1%
Pension & Fiduciary	2,115	2,614	2,614	2,589	-25	-1.0%
Education	1,865	1,995	1,995	1,992	-3	-0.2%
Veteran Readiness & Employment	1,701	1,856	1,856	1,799	-57	-3.1%
Housing	166	201	201	235	34	16.9%
Insurance	-	-15	-15	-	15	100.0%
Transition & Economic Development	226	217	217	219	2	0.9%
Subtotal. direct	24,442	24,311	24,311	24,295	-16	-0.1%
Funded by Reimbursable Budget Resources						
Disability Compensation	140	152	152	200	48	31.6%
Pension & Fiduciary	-	-	-	-	-	-
Education	-	-	-	-	-	-
Veteran Readiness & Employment	-	-	-	-	-	-
Housing	708	943	943	926	-17	-1.8%
Insurance	291	356	356	341	-15	-4.2%
Transition & Economic Development	-	-	-	-	-	-
Subtotal. reimbursable	1,139	1,451	1,451	1,467	16	1.1%
Total FTE by Business Line						
Disability Compensation	18,509	17,595	17,595	17,661	66	0.4%
Education	1,865	1,995	1,995	1,992	-3	-0.2%
Housing	874	1,144	1,144	1,161	17	1.5%
Insurance	291	341	341	341	-	0.0%
Pension & Fiduciary	2,115	2,614	2,614	2,589	-25	-1.0%
Transition & Economic Development	226	217	217	219	2	0.9%
Veteran Readiness & Employment	1,701	1,856	1,856	1,799	-57	-3.1%
Total	25,581	25,762	25,762	25,762	-	0.0%

Net Changes

The following table displays the net change from the 2024 President’s Budget Request to the 2025 President’s Budget Request.

General Operating Expenses, Veterans Benefits Administration		
2025 Summary of Resource Requirements		
(\$ in thousands)		
	Appropriation	FTE
2024 President's Budget	\$3,899,000	25,762
2025 Current Services Increases		
Payraise (2%) and Benefits	\$69,064	
Non-Pay Inflation (2%)	\$21,936	
Subtotal	\$91,000	
2025 Total Current Services	\$3,990,000	25,762
2025 Additional Investments		
Artificial Intelligence	\$2,000	
<i>Total Additional Investments</i>	\$2,000	
<i>Operational Increases</i>		
Overtime	\$43,000	
<i>Total Operational Increases</i>	\$43,000	
2025 Total Request	\$4,035,000	25,762

The 2025 GOE budget includes an increase of 2% in pay and 2% for non-pay inflation. Compared to the 2024 request, the 2025 GOE budget request shows an increase of \$136 million (3.5%) in direct annual appropriation.

Funding will be used for overtime expenses in 2025 to support timely processing of claims during periods of claims influx. This reflects an increase of \$43.0 million (from \$52.9 million to \$95.9 million) over 2024.

Of the requested increase, \$2 million will be used to address risks associated with rights and safety-impacting government artificial intelligence (AI). This investment in AI will support continued curation for data sets used in the training of AI models. Data curation is critical to the development of AI systems as it ensures the quality, relevance, and integrity of the data used in training and operationalizing AI products. Proper curation helps mitigate biases, enhance accuracy, and build

trustworthy AI systems by minimizing the risk of unintended consequences in rights-impacting applications such as the delivery of disability benefits.

Additionally, this investment will support expanded auditing of AI systems to ensure robust, reliable, repeatable, and standardized evaluations. Effective AI auditing techniques involve code reviews, testing for security vulnerabilities, and implementing bias detection tools. This auditing framework will become the foundation that builds ethical governance policies for AI development that promote transparency and accountability through the lifecycle of AI systems.

Project Description	Funding
The Claims Profile project will build computable Veteran claim profiles from historical data of over 700 claimed disabilities to enable adjudicators to assess new claims more quickly and accurately.	\$1,000,000
Automates control of mail for VA benefits into VA systems and automates several claim processes.	\$1,000,000
Total	\$2,000,000

Toxic Exposures Funding

VBA also plans to spend \$1.4 billion in 2025 out of the Cost of War Toxic Exposures Fund (TEF), established by the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (P.L. 117-168). Note: this funding is separate from the \$4.0 billion for 2025 in the GOE discretionary appropriation for requirements that are separate from the PACT Act.

Toxic Exposures Fund (TEF) Resources						
Obligation by Category						
(\$ in thousands)						
Obligations	2022 P.L. 117-168	2023 P.L. 117-328	2024 P.L. 118-5	2025 P.L. 118-5	Net Decrease/Increase and Percentage	
Pay	\$86,217	\$411,911	\$1,243,193	\$1,208,105	(\$35,088)	-3%
Non-Pay	\$207,726	\$63,507	\$513,950	\$180,360	(\$333,590)	-65%
VEO Reimbursement	\$8,075	\$6,924	\$11,443	\$12,640	\$1,197	10%
Totals	\$302,018	\$482,342	\$1,768,586	\$1,401,105	(\$367,481)	-21%
FTE	1,871	6,004	8,501	7,072		

President Biden signed the PACT Act into law on August 10, 2022, establishing the most significant expansion of disability compensation benefits and services for Veterans who were impacted by environmental hazards and their survivors in more than 30 years. Provisions of the PACT Act that impact VBA operational funding include adding over 20 presumptive conditions for burn pits and other toxic exposures² and adding more presumptive-exposure locations for Agent Orange and radiation.

In September 2022, VBA received \$302 million of the \$500 million initially appropriated to the TEF in 2022. These funds will remain available until September 30, 2024. In 2023, this initial funding was used to resource the accelerated hiring of 1,871 full-time equivalents (FTEs), at a cost of \$86 million, to support claims processing operations. VBA utilized \$208 million in contract support to accelerate the extraction, scanning, and digitization of millions of Veterans Official Military Personnel Files; sustain the efforts to modernize claims processing; respond to increased demand for the retrieval of private medical records; and for increased communication and outreach efforts. VBA reimbursed the Veterans Experience Office (VEO) \$8 million in support of expansion of the VEO Contact Center which serves as the front door voice for PACT general inquiries and transfer assistance.

VBA subsequently received \$482 million of the \$5 billion appropriated to the TEF in the Consolidated Appropriations Act, 2023 (P.L. 117-328). The funds from this enacted omnibus package are available until September 30, 2027. VBA began processing PACT Act claims on January 1, 2023, and, as of December 2023, received 1,128,157 claims since August 10, 2022, of which 517,433 are pending and 610,723 are complete. This surpasses VBA's original PACT Act claims projection by approximately 277,000 claims from Veterans and survivors in the first six months. The Fiscal Responsibility Act (FRA) of 2023 (P.L. 118-5) appropriated \$20.3 billion in discretionary funding for the TEF in 2024, of which VBA was allocated \$1.8 billion to support an estimated 8,501 FTE. These funds are available until September 30, 2028. The FRA also provided \$24.5 billion for the TEF in 2025, of which VBA will receive \$1.4 billion to support an estimated 7,072 FTEs. The 2025 TEF funding will be available until September 30, 2029.

The PACT Act has resulted in an influx of new claims. Since the enactment of the PACT Act through the end of December 2023, 11,128,157 PACT Act claims were received from Veterans and survivors; of those, 517,433 are pending and 610,723 are complete. By 2025, VBA projects rating claims receipts will increase by 85% and non-rating claim receipts will increase by 60% compared to 2016. This includes PACT Act claims. Through aggressive hiring strategies and advancements in automated decision support, DCP projects the backlog to decrease by approximately 137,000 from 2024 to 2025. We expect to see a reduction of claims stemming from PACT Act and a return to a stable backlog level of approximately 55,000 in 2025. This is

² The following toxic exposure conditions are now presumptive under the PACT Act for Gulf War era and post-9/11 Veterans: Brain cancer; Gastrointestinal cancer of any type; Glioblastoma; Head cancer of any type; Hypertension; Kidney cancer; Lymphatic cancer of any type; Lymphoma of any type; Melanoma; Neck cancer of any type; Pancreatic cancer; Reproductive cancer of any type; Respiratory (breathing-related) cancer of any type; Asthma that was diagnosed after service; Chronic bronchitis; Chronic obstructive pulmonary disease; Chronic rhinitis; Chronic sinusitis; Constrictive bronchiolitis or obliterative bronchiolitis; Emphysema; Granulomatous disease; Interstitial lung disease; Pleuritis; Pulmonary fibrosis; and sarcoidosis. The following Agent Orange presumptive conditions are added under PACT Act: Monoclonal gammopathy of undetermined significance and Hypertension. Please refer to [The PACT Act And Your VA Benefits | Veterans Affairs](#) for more information on eligibility.

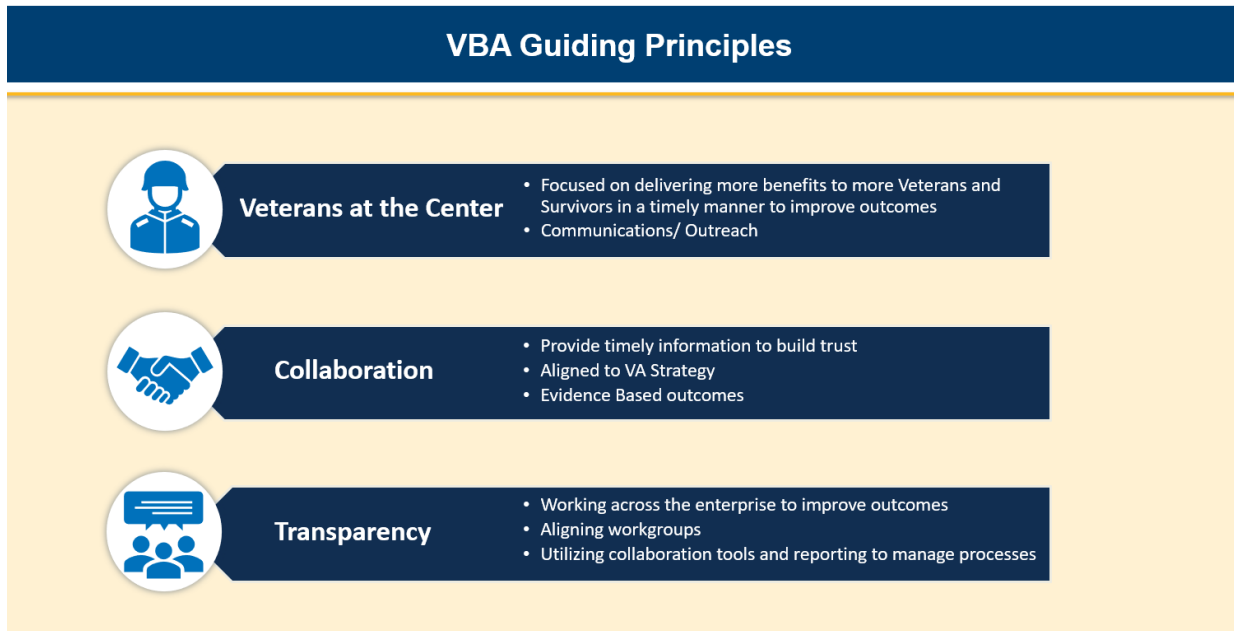
dependent on hiring, attrition, receipts, technology deployment schedule and claims complexity. Funds are also being utilized for contract support to resource hiring initiatives which include staffing services/support; background investigation services to review and process personnel suitability determinations; and training.

In 2023, VBA took the following steps to implement the PACT Act:

- VBA's Office of Human Capital Services supported Congressionally mandated hiring initiatives aligned under the PACT Act. Since April 2023, VBA onboarded 3,665 FTE's using TEF appropriations.
- VBA secured PACT Act direct hire authority from the Office of Personnel Management that has expedited the hiring of mission-critical occupations through September 30, 2027, for Human Resources Management, Human Resources Assistant, General Legal, and Kindred and Veterans Claims examining series positions. The authority is used with a system of National and regional announcements that resulted in a consistent flow of eligible applicants for selection at predetermined timeframes that meet the talent needs of the Administration. VBA has also created opportunities to increase hiring by hosting on-site and virtual hiring events designed to connect job seekers nationwide with current PACT Act vacancies for Veterans Service Representative (VSR), Rating VSR, and Legal Administrative Specialist positions. Special emphasis has been placed on military spouse hiring with events scheduled at Fort Moore (Georgia) and Fort Cavazos (Texas) in March 2024. Each new employee drives VBA's mission to ensure Veterans and survivors get the PACT Act-related benefits they have earned and deserve.
- Partnered with industry experts through managed services contracts to provide innovative solutions for automating tasks and workflows. This included automating 166 diagnostic codes (54 of which are diagnostic codes for all 26 PACT Act conditions) related to disability compensation claims. This will assist claims processors in making fast, accurate, and consistent claim decisions for Veterans.

VBA Overview and Priorities

VBA will continue to fund mission-critical agency operations in 2025. Securing the requested funding level will allow VBA to deliver benefits and services in a timely manner and with high quality to Veterans, Service members, their families, and survivors. The following three guiding principles drive the 2025 budget request:



Principle 1 – Put Veterans at the Center of Everything We Do

Putting Veterans, their families, caregivers, and survivors at the focus of every action and initiative will result in a more accountable, leaner, and efficient organization. It will also create rapid feedback processes to enable improvement based on customer satisfaction, quality findings, inquiries, and other relevant data.

Principle 2 – Foster a Culture of Collaboration

Nurturing collaborative relationships across VA, within the VBA enterprise, and with other government agencies will improve military-to-civilian transition outcomes, Veterans’ economic opportunities, and unique issues facing Guard and Reserve Components.

Principle 3 – Ensure Greater Transparency

Developing a strong, empathetic, and clear communication to affected Veterans, their families, survivors, and caregivers, and fostering preemptive data-driven actions will stop fraud, waste, and abuse of taxpayer funds.

With this 2025 budget request, VBA seeks to comply with the law, reduce risk, and deliver on the expectations of Veterans and other stakeholders.

Enterprise Risk Management

ERM implementation is in service of VBA's broader mission, and the program's impact will be measured in relation to the following goals, which outline benefits the ERM program strives to achieve. The VBA ERM program goals are also aligned with VA ERM program goals found in VA Directive 0054. Program goals adapt as the program continues to mature and needs or risk environment changes.

1. **Visibility.** VBA's ERM program should maintain an appropriate balance between emerging and existing risks, increasing visibility of emerging risks and provide an opportunity to address risks before they occur.
2. **Alignment.** VBA's ERM program seeks to connect a top-down with a bottom-up approach, breaking down risk management silos and redundancies, increasing efficiency, and ensuring leadership receives timely and complete risk information to help make decisions and focus priorities. Aligning stakeholders through enhanced risk management processes, including communications, increases leadership's confidence that they have a complete, common risk operating picture.
3. **Resource Allocation.** A mature ERM program should help VBA use risk information to evaluate the tangible and intangible tradeoffs of decisions and align resource allocation, especially financial, to the highest priority risks.
4. **Accountability.** VBA's ERM governance structure, including roles and responsibilities, should collectively incentivize behaviors that promote sponsorship and responsibility for identifying, communicating, responding to, and monitoring risk. Governance must yield measurable results, such as reduced risk and improved investments, that enhance VBA's ability to address risks that impact the quality of the Veterans' experience, public trust, and compliance with applicable laws, regulations, standards, and directives.

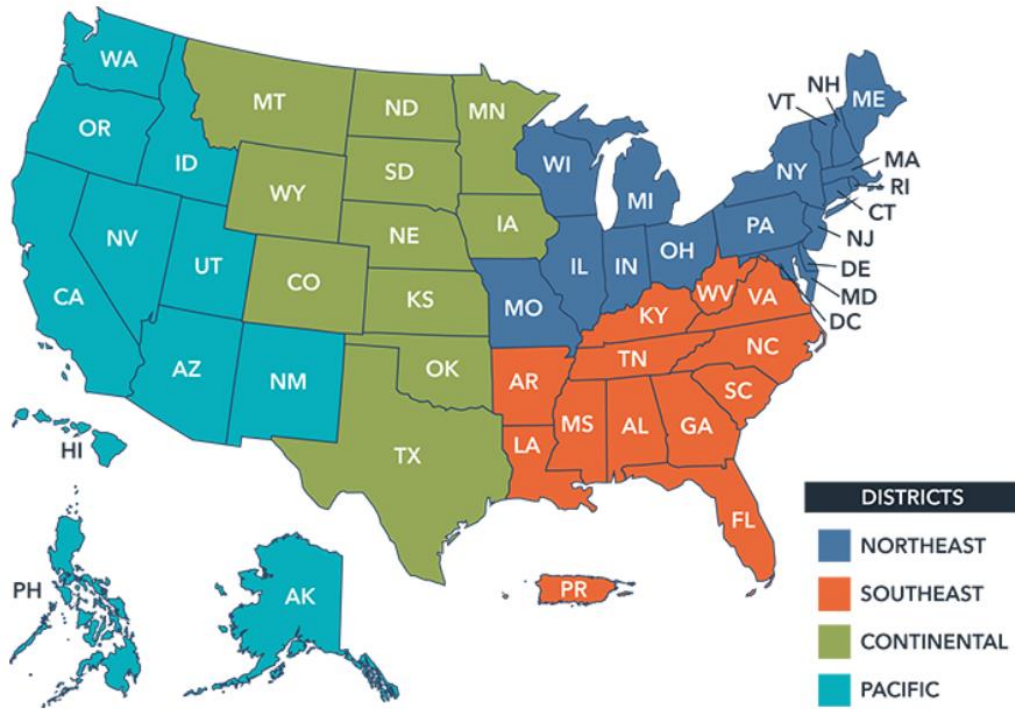
Using a risk-based budgeting approach, VBA's 2025 budget request was evaluated and prioritized with the top tier risks in mind.

Activities to Build and Use Evidence

VBA continues to make progress towards ensuring that decisions are informed by the strongest available evidence in accordance with the Foundations for Evidence-Based Policymaking Act of 2018 (P.L. 115-435), also known as the Evidence Act.

Program Overview

VBA is aligned into four Districts, which operate a national network of 56 regional offices, three Pension Management Centers (PMCs), six Fiduciary Hubs, two Education Regional Processing Offices, eight Regional Loan Centers, the Philadelphia Insurance Center, and the National Contact Center. VBA provides benefits via seven distinct lines of business, in addition to the Office of Administrative Review (OAR), Medical Disability Examination Office (MDEO), and the Office of Production Optimization (Prod Ops).



* An index to VA regional offices and a listing of additional VA facilities located in each state.

The following table displays budget authority for VBA by lines of business.

General Operating Expenses Appropriations by Line of Business (\$ in thousands)							
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Actuals vs 2024 Estimate		
					\$	%	
Appropriation							
Disability Compensation	2,626,750	2,623,782	2,622,082	2,741,777	119,695	4.6%	
Pension & Fiduciary	339,941	406,091	408,604	410,187	1,583	0.4%	
Education	391,754	371,073	371,073	377,928	6,855	1.8%	
Veteran Readiness & Employment	336,744	307,671	307,671	305,043	-2,628	-0.9%	
Housing	34,521	46,868	46,408	54,132	7,724	16.6%	
Insurance	2,075	1,646	1,294	920	-374	-28.9%	
Transition & Economic Development	131,215	141,868	141,868	145,013	3,145	2.2%	
Total appropriation	3,863,000	3,899,000	3,899,000	4,035,000	136,000	3.5%	
Net appropriation	3,863,000	3,899,000	3,899,000	4,035,000	136,000	3.5%	

Notable Accomplishments by Business Line and Staff Offices

Disability Compensation

VBA oversees the delivery of disability compensation, a tax-free monetary benefit paid to Veterans with disabling conditions that are the result of a disease or injury incurred or aggravated during active military service. Disability compensation rating claims are requests for benefits based upon the effects of disabilities, which VBA decides by reviewing medical evidence. One quarter of the total Veteran population of 20 million receives disability compensation. VBA completed 1.9 million disability compensation rating claims by the end of December 2023 and has processed more than a million rating claims per year since 2014. In 2024, DCP estimates completion of 2.4 million disability compensation rating claims. By 2025, VBA projects rating claims receipts will increase by 85% and non-rating claim receipts will increase by 60% compared to 2016.

Disability Compensation and Pension (C&P) Claims Modernization³

Building upon initial successes in 2022, VBA expanded automated decision support capabilities to a total of 57 automation-eligible diagnostic codes, 54 of which are related to new presumptive conditions established under the PACT Act. In 2023, automated decision support was further expanded to a total of 166 diagnostic codes, automating approximately 71% of claims. This resulted in VBA completing nearly 300,000 claim decisions using automated capabilities, resulting in Veterans receiving first decisions on their claims 22 days faster than claims processed using the traditional method.

Pension, Dependency, and Indemnity Compensation, Burial and Fiduciary Programs

VBA helps wartime Veterans, their families, and survivors with financial challenges by providing supplemental income through Veterans Pension, Death Pension, and Dependency and Indemnity Compensation (DIC). The Fiduciary Program protects the benefits paid to VBA's most vulnerable beneficiaries who, because of disease, injury, or infirmities of advanced age, are unable to manage their finances.

Based on financial need and eligibility requirements, this benefit provided a single Veteran up to \$16,037 annually in 2023. Veterans who are more seriously disabled may qualify for pension at increased housebound rates (up to \$19,598 annually in 2023) or aid and attendance rates (up to \$26,752 annually in 2023). Surviving spouses and dependent children of deceased wartime Veterans are eligible for monthly pension benefits if they meet the net worth and income requirements. This benefit also provided a surviving spouse with no dependents up to \$10,757 annually in 2023. The benefit amount increases according to the number of eligible dependent children. Surviving spouses with no dependents also qualified for pension at the increased housebound rate (up to \$13,147 annually in 2023) or aid and attendance rate (up to \$17,192 annually in 2023) for a more serious disability.

³ See the Disability Compensation chapter within Part 2 of Volume III for more information on C&P Claims Modernization.

Pension Automation⁴

Pension Optimization Initiative (POI): The contract for POI was awarded on September 12, 2022, and began automating claims in 2023. POI expanded VBA's automation capabilities further and reduced processing from months to weeks or days. This sets an industry standard for similar types of claims processing by implementing an end-to-end, high-performing, managed services solution that will continue to improve the accuracy, efficiency, and processing-time of the workload at PMCs. This automation effort leverages a managed service provider to automate 75% of PMC claims from end-to-end, while providing an automated touch on 100% of claims. This automation enables VBA to process simple claims faster and allows claims processors to focus on more complex decisions, ensuring a quality decision in a timely manner. Automation has also decreased processing time from 75 days in 2019 to 35 days as of June 2023. During the first quarter of 2024, VBA completed approximately 5,233 burial decisions through the automation program. From October 2023 through December 2023, Pension Automation 1.0 processed roughly 15,700 burial claims.

Education

The Education Service administers the following eight benefits programs: Post-9/11 GI Bill (Chapter 33), Montgomery GI Bill – Active Duty (Chapter 30), Montgomery GI Bill – Selected Reserve (Chapter 1606), Survivors' and Dependents' Educational Assistance Program (Chapter 35), Veterans' Educational Assistance Program (Chapter 32), Reserve Educational Assistance Program (Chapter 1607), Veteran Employment Through Technology Education Courses (VET TEC), and Veteran Rapid Retraining Assistance Program. Education processes original claims in an average of 15 days with 98% accuracy. In 2023, Education processed 3.7 million claims. These claims provided beneficiaries with benefits including tuition, fees, and monthly housing allowances, along with the books and supplies used to pursue the education or training program of their choice at an approved VA facility.

VET TEC

Veteran Employment Through Technology Education Courses (VET TEC) for Training Providers is a new, innovative five-year pilot program that pairs participating Veterans and eligible Service members with industry-leading Training Providers to help participants acquire new skills to enter the job market or enhance their business acumen. The goal is to give Veterans the high-tech skills sought by today's top employers so they can acquire meaningful employment.

As of September 30, 2023, the VET TEC Program has received 123,305 applications and issued 86,514 Certificates of Eligibility. Currently, 30 approved providers are delivering training to 459 students, with 13,261 graduating from their programs and 6,099 Veterans securing meaningful employment within 58 days of graduating a VET TEC program with an average starting salary of \$66,512.

Education Call Center

The Education Call Center answered 2.1 million calls in 2023, which increased the overall customer experience in the following areas: Benefits Payments, Eligibility and Remaining Benefits, General Education Overview, School Certifying Officials Help Line, and Survivor Line.

⁴ See the Pension, Dependency, and Indemnity Compensation, Burial and Fiduciary Programs chapter within Part 2 of Volume III for more information on POI.

Digital GI Bill (DGIB)⁵

DGIB is a modernized digital platform for Education that is transforming VA technology systems, improving GI Bill students' user experience, and optimizing benefits processes for millions of beneficiaries. September 29, 2021, marked the successful transition of Post-9/11 GI Bill® claims adjudication to a managed service platform. This was the first step in this modernization journey, which will eventually combine the functionality of dozens of legacy systems into a managed service.

Since 2022, DGIB has made significant progress with rapid releases addressing new legislation, driving automation improvements, improving the Veteran experience, replacing major legacy systems, and harnessing the power of data. In just six months since the program began, DGIB introduced a Managed Service platform, which will eventually bring IT services under one roof. To improve the Veteran experience, EDU migrated VET TEC data to process claims in the DGIB Managed Service platform, which now accepts applications, provides calculations of awards, and generates letters. DGIB has also completed seven major releases successfully retired two of the three largest legacy systems, including Online Certification of Enrollment and the Long-term Solution (LTS).

DGIB has made record-breaking progress in improving claims automation, including automating original claims for the first time ever. Improved claims automation helps reduce the number of errors, such as overpayments and underpayments, which improves both the accuracy and timeliness of an estimated \$10 billion in benefit payments annually. Since the inception of DGIB, Education has seen a steady increase in automation. Automation of Chapter 33 Original claims was nearly 17% in September 2023 (up from 0% when original claims automation in DGIB began), and Chapter 33 Supplemental claims is 63% as of September 2023 (up from around 40% in March 2021 when DGIB began). For additional information on DGIB automation, please see the Education chapter within Part 2 of Volume 3.

Housing

The VA Home Loan Guaranty (LGY) program helps eligible Veterans, Service members, surviving spouses, and members of the Reserves and National Guard (hereinafter referred to as Veterans) purchase, retain, and adapt homes in recognition of their service to the Nation. LGY provides a guaranty on residential mortgage loans made by private lenders to eligible Veterans, enabling them to make loans with more favorable terms as the guaranty helps protect lenders from loss if the borrower fails to repay the loan. LGY also oversees administration of Specially Adapted Housing (SAH) grants for certain severely disabled Service members and Veterans so they can adapt or acquire suitable housing. Since 1948, VA has awarded more than 50,000 SAH grants worth more than \$2 billion. Additionally, LGY saved more than 145,000 Veterans and their families from foreclosure. The estimated value of foreclosure claims avoided is more than \$3.0 billion.

In 2023, VA guaranteed over 400,000 loans during a challenging housing market, totaling more than 28 million loans since inception of the Home Loan Program. VA continues to be a significant industry leader despite a reduction in loans, which is consistent with the rise in mortgage rates that have affected home buyers.

⁵ See the Education chapter within Part 2 of Volume III for more information on DGIB.

Veteran Readiness and Employment (VR&E)

The VR&E Program assists Veterans and Service members with service-connected disabilities to prepare for, obtain, and maintain suitable employment; start their own business; or receive independent-living services. In 2023, this program supported more than 137,255 Veterans and achieved 17,072 “positive outcomes,” defined as Veterans who either achieved a rehabilitation plan goal, pursued higher education, obtained suitable employment, or became employment ready. VR&E continues to champion student Veterans through the VetSuccess on Campus program, which places counselors on 104 college campuses to assist nearly 86,000 student Veterans. Additionally, VR&E’s Integrated Disability Evaluation System Counselors provided one-on-one briefings to an average of 1,165 Service members per month in 2023. On average, each VR&E participant increases their annual salary by \$36,000 after completion of the program, 202597 billion.

Outreach, Transition and Economic Development (OTED)

OTED maintains oversight and management of the Military-to-Civilian Transition Services, as well as the development of economic initiatives that focus on empowering Veterans to achieve maximum economic well-being. OTED administers TAP in collaboration with interagency partners, supporting more than 200,000 transitioning Service members annually. OTED oversees the VA Solid Start (VASS) efforts, providing early and consistent contact with recently separated Service members at three key stages (90, 180, and 365 days post-separation) during their first year of transition to civilian life. VASS successfully connected with 197,615 individuals in 2023, achieving a successful contact rate of 68.2% and exceeding the goal of 50%.

In 2023, VBA processed 12,694 applications and counseled more than 2,300 Veterans in Personal Career Planned Guidance (PCPG). VBA estimates PCPG will receive 13,500 applications in 2024 and will counsel approximately 5,500 Veterans. OTED is also responsible for all VBA outreach and maintains National, state, and local partnerships that engage specific Veteran populations. These include minority, women, elderly, homeless, former Prisoner of War, LGBTQ+, rural, faith-based, Native American, and incarcerated Veterans. In 2023, OTED participated in more than 12,800 outreach events for the year, reaching more than one million Veterans.

Insurance

The Insurance Service oversees life insurance programs that provide financial security and peace of mind to Veterans, Service members, and their families. In 2023, Insurance exceeded targets of completed Service-Disabled Veterans Insurance application claims in an average of 3.4 days of processing with 98% accuracy, providing high quality service and further earning the trust of Veterans. Insurance also completed disbursement actions with an average processing time of four days for completed claims and with a 98.4% disbursement accuracy, surpassing the 2023 goals. The Insurance Service also launched Veterans Affairs Life Insurance (VALife), a new guaranteed acceptance whole life insurance program, that opened to new applications on January 1, 2023.

Insurance Service also implemented three acts of Congress in 2023 that support improved survivor benefits:

1. The Faster Payments to Veterans’ Survivors Act (P.L. 117-313), enacted on December 27, 2022, allows Insurance to reduce the timeframes to pay eligible beneficiaries.

2. The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), enacted on January 5, 2021, established VA Life, which opened to enrollment on January 1, 2023, and closed Service-Disabled Veterans Life Insurance to new policyholders effective December 31, 2022.
3. The Supporting Families of the Fallen Act (P.L. 117-209), enacted October 17, 2022, increased the maximum coverage available under the Servicemembers' Group Life Insurance and Veterans Group Life Insurance programs from \$400,000 to \$500,000, effective March 1, 2023.

OAR

VBA successfully implemented the Veteran Appeals Improvement and Modernization Act of 2017 (P.L. 115-55) in February 2019, which allows Veterans to seek faster resolution of their disagreement with a VA decision by choosing one of three options to request further review: by filing a higher-level review, a supplemental claim, or an appeal to the Board of Veterans' Appeals. Veterans with pending legacy appeals may choose to continue their appeal under that system, or they may opt into the modernized system at certain points in the legacy appeal process. VBA's goal is to complete supplemental claims and higher-level reviews in an average of 125 days. OAR continues to review data, identify potential risks, and model multiple scenarios to allocate resources. VBA reduced its inventory of pending legacy appeals by 88%, down to fewer than 27,000. Higher-level reviews are completed in an average of 57 days. VBA continues to target further reduction of the legacy remand inventory.

MDEO

MDEO's mission is to support VBA's disability claims process by administering the contract medical disability examination program worldwide to ensure Veterans receive timely and high-quality examinations. MDEO continues to maximize examinations completed by contract examination vendors to serve Veterans faster, especially in remote locations and overseas. Contract vendors completed 2,388,739 examination scheduling requests (ESRs) in 2023. Due to a large increase in volume resulting from the PACT Act, pending ESR inventory has increased from 189,195 in 2022 to 367,181 as of September 30, 2023. The contract vendors continue to increase their volume of completed ESRs each month, resulting in a 51% increase in completed ESRs from September 2022 to September 2023. MDEO's oversight resulted in increased accuracy from 95.9% to 96.1% in 2022. Oversight of the program in 2023 currently shows quality at 96.6%.

Office of Automated Benefit Delivery (ABD)

Over the past several years, VBA has experienced substantial increases in the number of disability compensation claims filed by Veterans each year. The PACT Act significantly expanded eligibility for disability compensation benefits, resulting in a surge of claims. In 2023, VBA received over 2.4 million disability compensation claims, including PACT Act claims, a 41.2% increase over the 1.7 million claims received in 2022. Year-over-year increases in claim receipts are expected to continue as VA expands outreach efforts.

VBA is undergoing business modernization efforts designed to provide intuitive and integrated technology capabilities to evolve benefits and service delivery. This technology modernization strategy includes document scanning and digitization, data architecture and governance, system

implementation and integration services, and the automation of administrative tasks and workflows.

Under the direction ABD, the technology modernization initiatives continue to produce tremendous value across VBA. Each month these initiatives produce more than 52 million images related to claims processing evidence, more than 600,000 outbound claimant and beneficiary correspondence, retrieval of more than 40,000 private medical records, automation of approximately 70% of inbound mail, automated decision support for approximately 36,000 claims processing actions, and maintenance of 1.2 million cubic feet of claims evidence. In 2023, more than 217,500 PACT Act claims utilized automation, which is now available for 166 diagnostic codes, including 54 diagnostic codes representing all 26 PACT Act presumptive conditions. ABD plans to expand Automated Decision Support (ADS) technology to over 200 diagnostic codes (over 90% of VBA's claim volume) by the second quarter of 2026.

VBA's records intake operations encompass recurring, large-scale document conversion activities. These activities include digitizing over one million Official Military Personnel Files, Service Treatment Records, Claims Files, Clinical Records, and Navy and Coast Guard deck logs each year. VBA intends to fully maximize co-located operations established at the National Archives and Records Administration during the COVID-19 pandemic to proactively extract and digitize approximately 4.1 million records, as well as establish new partnerships, particularly with National Guard and Reserve units, to ensure records needed for claims processing are acquired and available on day one of the claim process. ABD will continue to expand onsite and offsite scanning capabilities to ensure materials needed to support active claims are rapidly digitized and available to claims processors.

FTE Tables

The following tables display the estimated allocation of FTE in 2024 by grade and location and the estimated distribution of all grades from 2023 through the 2025 request.

Analysis of FTE Distribution Headquarters/Field			
Grade	2024	2024	Total
	HQ Estimate	Field Estimate	
SES	41	43	84
GS-15	154	119	273
GS-14	519	239	758
GS-13	1,018	2,198	3,216
GS-12	240	7,748	7,988
GS-11	102	3,732	3,834
GS-10	-	5,397	5,397
GS-9	48	3,055	3,103
GS-8	-	9	9
GS-7	45	285	330
GS-6	29	629	658
GS-5	1	62	63
GS-4	-	42	42
GS-3	-	7	7
GS-2	-	-	-
GS-1	-	-	-
Total	2,197	23,565	25,762

Employment Summary-FTE by Grade				
Grade	2023 Actual	2024 Estimate	2025 Request	Increase/ Decrease
SES	84	84	84	0
GS-15	280	273	303	30
GS-14	779	758	908	150
GS-13	3306	3,216	3316	100
GS-12	8212	7,988	8083	95
GS-11	3941	3,834	3766	(68)
GS-10	5548	5,397	5284	(113)
GS-9	3190	3,103	3017	(86)
GS-8	10	9	6	(3)
GS-7	340	330	275	(55)
GS-6	677	658	612	(46)
GS-5	64	63	65	2
GS-4	42	42	39	(3)
GS-3	8	7	4	(3)
GS-2	0	0	0	0
GS-1	0	0	0	0
Total	26,481	25,762	25,762	-

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Disability Compensation

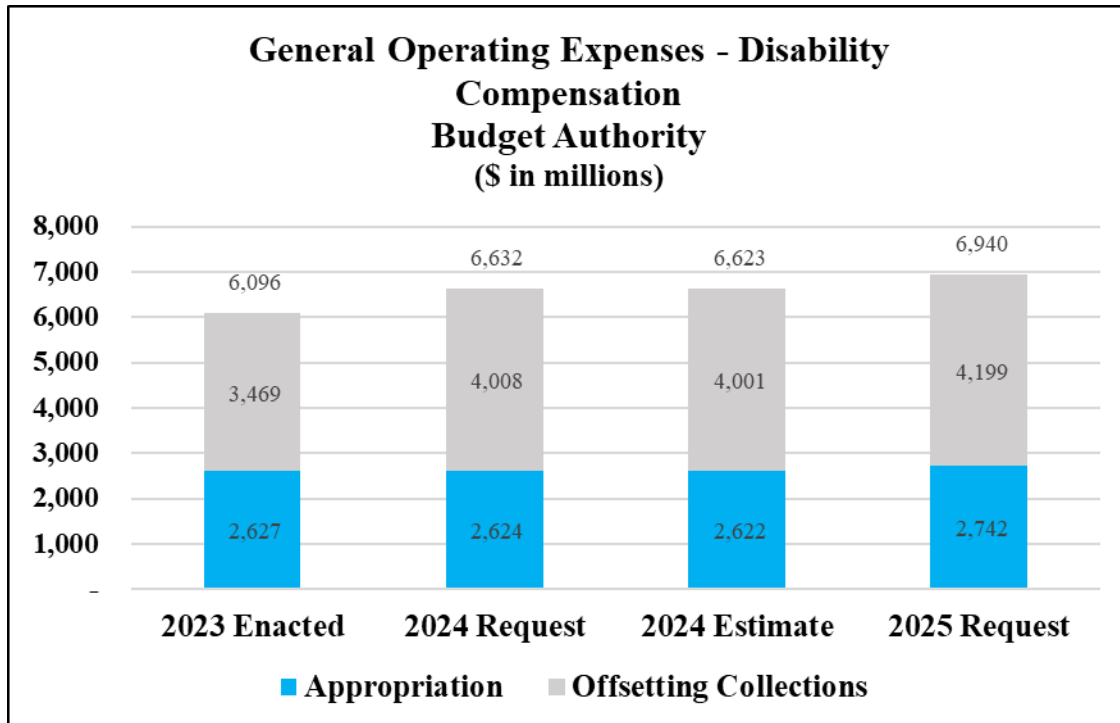
Mission

Provide monthly, tax-free payments to Veterans, their families, and survivors in recognition of the effects of a disabling condition due to disease or injury incurred or aggravated as a result of military service.

Summary of Budget Authority

2025 Budget Authority Request: \$2.7 billion

Change over 2024 Estimate: +\$119.7 million / +4.6%



Note. – A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared; Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Estimate column.

Summary of Budget Request

The Veterans Benefits Administration (VBA) requests \$2.7 billion in budget authority and \$4.2 billion in reimbursement authority to fund the Disability Compensation Program (DCP) to include operational expenses for 17,661 full time equivalents (FTE).

General Operating Expenses
Disability Compensation
Summary of Employment, Obligations and Budgetary Resources
(\$ in thousands and FTE)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	16,843	15,966	15,966	15,966	-	-
Management Direction and Support	1,666	1,629	1,629	1,695	66	4.05%
Total FTE	18,509	17,595	17,595	17,661	66	0.38%
Obligations						
Direct Obligations	2,605,666	2,623,782	2,743,582	2,741,777	-1,805	-0.07%
Reimbursable Obligations	3,137,148	4,008,138	4,000,803	4,198,695	197,892	4.95%
Total obligations	5,742,814	6,631,920	6,744,385	6,940,472	196,087	2.91%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	56,000	-	121,500	-	-121,500	-100.0%
Subtotal, unobligated balance:	56,000	-	121,500	-	-121,500	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	2,626,750	2,623,782	2,622,082	2,741,777	119,695	4.56%
Appropriations transferred from other accounts	19,500	-	-	-	-	-
Subtotal, appropriations	2,646,250	2,623,782	2,622,082	2,741,777	119,695	4.56%
Reimbursements	3,469,189	4,008,138	4,000,803	4,198,695	197,892	4.95%
Subtotal, budget authority	6,115,439	6,631,920	6,622,885	6,940,472	317,587	4.8%
Total budgetary resources	6,171,439	6,631,920	6,744,385	6,940,472	196,087	2.91%

Note. – Dollars may not add due to rounding in this and subsequent charts.

Note. – The direct and reimbursable split of 2025 Request obligations does not tie to the Budget Appendix due to a late breaking revision of estimates.

**General Operating Expenses
Disability Compensation
Obligations by Object Classification**
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	2,087,400	2,222,835	2,218,301	2,319,713	101,412	4.6%
Travel	10,682	31,169	31,169	31,792	623	2.0%
Transportation of things	2,226	940	940	959	19	2.0%
Rents, communications and utilities	127,130	132,021	132,021	134,662	2,641	2.0%
Printing	1,106	1,415	1,415	1,443	28	2.0%
Other services	3,504,883	4,220,328	4,340,794	4,428,227	87,433	2.0%
Supplies and materials	2,691	4,354	2,856	4,441	1,585	55.5%
Equipment	5,119	17,823	15,854	18,179	2,325	14.7%
Land and structures	18	-	-	-	-	-
Grants, judgements, interest and insurance	1,559	1,035	1,035	1,056	21	2.0%
Total	5,742,814	6,631,920	6,744,385	6,940,472	196,087	2.9%
Subtotal, reimbursable	3,137,148	4,008,138	4,000,803	4,198,695	197,892	4.9%
Subtotal, direct	2,605,666	2,623,782	2,743,582	2,741,777	-1,805	-0.1%

Changes from Original 2024 Request

Total obligations have increased by \$1.7 million from the original 2024 request based on revised contract medical examination estimates. Current estimates show an increase in medical examinations needed compared to what was previously planned, which is due to Veterans with a toxic exposure filing for disability compensation benefits at a higher rate than originally estimated. The medical disability exams that result from these increased claims are reimbursed to the General Operating Expense (GOE) account from the Compensation and Pension appropriation.

Changes from 2024 Estimate to 2025 Request

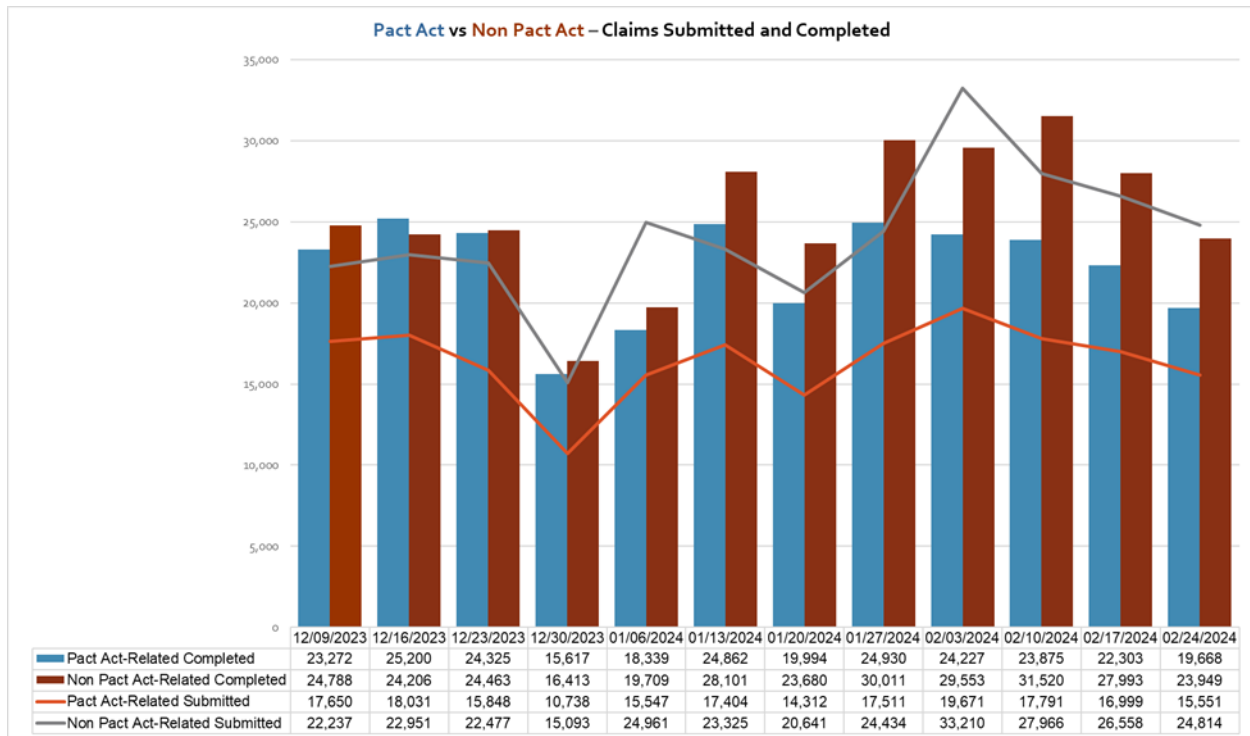
Total obligations increased by \$119.7 million from the 2024 estimate level. Changes reflect a projected increase of 2% in pay and 2% for non-pay inflation for claims processing activities, as well as a projected increase in medical disability examinations resulting from the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (P.L. 117-168).⁶ This increase is reflected in Other services.

The PACT Act significantly increased the number of Veterans filing disability claims. This results in a significant increase in Medical Disability Examination Office (MDEO) vendors exam requests that result in a significant cost increase. MDEO is funded by reimbursements from mandatory funds and does not use funding from the Toxic Exposures Fund (TEF). Since the enactment of the PACT Act through the end of 2023, 1,128,157 PACT Act claims were received from Veterans and

⁶ See the Executive Summary for General Operating Expenses, Veterans Benefits Administration, within Part 2 of Volume III and the Cost of War Toxic Exposures Fund Summary chapter in Volume I for more information on funding requests for the Cost of War Toxic Exposures Fund per P.L. 117-168.

survivors; of those, 517,433 are pending and 610,723 are complete. PACT Act claims include claims for newly recognized presumptive disabilities, non-presumptive disabilities with participation a toxic exposure risk activity, and disabilities that are explicitly or implicitly related to service in a presumptive location established by PACT Act or to a toxic exposure.

The below chart provides a comparison of the number of claims submitted and completed for PACT vs Non-Pact claims.



Program Description

Disability Compensation is a tax-free monetary benefit paid to Veterans with one or more disabling conditions that are the result of a disease or injury incurred or aggravated during active military service. In 2023, DCP completed nearly 2 million disability compensation rating claims, taking an average of 130 days to complete. Per the chart on page 9 titled “Compensation Rating Claims,” comparatively DCP completed 1.6 million disability compensation rating claims, taking an average of 149 days to complete, in 2022. In 2023, VBA received a record number of claims due to the implementation of the PACT Act. As of September 30, 2023, the inventory included 285,106 claims pending over 125 days, an increase of 113% over the previous year. The Veterans Benefits Administratin (VBA) is committed to ensuring Veterans’ claims are decided accurately, as reflected by achieving a rating quality of 95.25% in 2023, just short of the goal of 96%.

DCP estimates completion of 2.3 million disability rating claims in 2024, averaging 99 days pending 163 days to complete. DCP projects inventory of claims pending over 125 days to be approximately 191,962 in 2024, which would be a backlog reduction of approximately 93,000 compared to 2023.

By 2025, VBA projects rating claims receipts will increase by 85% and non-rating claim receipts will increase by 60% compared to 2016. This includes PACT Act claims. The Toxic Exposures Fund (TEF) provides additional resources to supplement the cost of processing PACT Act claims. In 2025, DCP estimates completion of 2.4 million disability compensation rating claims. The projected increase in claims production is a result of PACT Act claims submissions, increased automated decision support, FTE, overtime, and the sustained improvement to the claims evidence supply chain. The increase assumes continued increases in output from the contract medical examination providers and Veterans Health Administration (VHA), as well as continued improvement to Federal records access and availability. With aggressive hiring strategies and advancements in automated decision support, DCP, in conjunction with analysis from the Performance, Analysis & Integrity office, projects the backlog to decrease by approximately 130,000 in the 2024 to 2025 timeframe due to increased productivity from hiring efforts in support of PACT Act, technology enhancements, and an anticipated reduction of claims stemming from PACT Act and return to a stable backlog level of approximately 55,000 in 2025. This is dependent on hiring, attrition, receipts, technology deployment schedule and claims complexity.

To help keep pace with increases in claims receipts, DCP plans to employ 15,966 direct employees and use process optimization and automation of administrative tasks and workflows, including Dependency Rules Based Processing and Automated Hospital Adjustments. Dependency Rules Based Processing allows Veterans to add a dependent(s) to their award, and Automated Hospital Adjustments identify hospital admissions at VA Medical Centers and establish claims for adjudicative review by a VBA employee. As of March 1, 2024, VBA has automated 6 of 15 hospitalization reports with the remaining reports scheduled to be completed by the end of 2024. VBA uses evidence-based budgeting and work measurement studies to determine staffing levels. Work measurement studies assess the amount of time it takes claims processors to complete a variety of standardized actions.

VBA is committed to supporting Veteran employment to accomplish its mission. Approximately 55% of DCP employees are Veterans, and 90% of those employees are directly responsible for processing disability compensation claims and appeals. This entails gathering evidence, requesting disability examinations, and making claims decisions. These employees ensure payments of approved claims are sent to Veterans. The oversight staff include managers, administrative support, and central office functions. The programmatic activities outlined in this chapter could not be accomplished without the management and executive leadership, who provide program direction, mentoring, and oversight.

Impact of the PACT Act

The PACT Act added three new locations associated with radiation exposure and two new presumptive conditions associated with herbicide exposure, extended locations associated with herbicide exposure, amended the statute involving Persian Gulf War Veterans, established over 20 categories of presumptive diseases associated with exposure to burn pits and other toxic substances, and modified examination requirements when there is a toxic exposure risk activity. Funding from the TEF is used to pay for increased FTE for claims processing to support the increased claims being filed as a result of the PACT Act.

VA continues to implement all aspects of the PACT Act enterprise-wide, with VBA, VHA, and the rest of the Department working in lockstep to execute the law. Weekly White House and PACT Act Implementation and Integration (I&I) meetings hosted by the PACT Act Program Management Office began in 2022 and have been a major contributor to PACT Act preparation and implementation. These meetings include senior leaders from OEI, VHA, VBA and other offices and are in place to ensure synchronization and collaboration in the implementation of the PACT Act.

When the PACT Act was signed on August 10, 2022, DCP took immediate action to ensure claims processors received the guidance and training needed to begin processing claims as soon as possible. Rather than waiting to publish formal regulations, which typically takes 18-24 months, VBA prepared and issued sub-regulatory guidance in VBA Letter 20-22-10 (policy letter). In December 2022, alongside the release of the policy letter, claims processors received the training and tools needed to begin early processing of claims for terminally ill Veterans. The processing of all PACT Act-related claims began on January 1, 2023. DCP issued multiple PACT Act training modules to claims processors Nationwide to assist in processing PACT Act claims and has released three versions of the PACT Act Implementation Standard Operating Procedure (SOP) and PACT Act Frequently Asked Questions (FAQs) to refine guidance based on feedback from the field. Numerous job aids have been developed, including the Toxic Exposure Risk Activity Memorandum Tool, which was a collaborative effort between DCP and tMDEO.

Outreach efforts are ongoing across VA. Multiple VHA/VBA PACT Act events and briefings have been held across the country, including events at the Pentagon and meetings with Veterans Service Officers (VSOs) and Congressional staffers. To provide direct outreach to Veterans and their families, VA has sent more than one million outreach letters to potentially eligible Veterans and survivors. The letters provide information about the eligibility criteria for benefits and how to submit a claim.

New PACT Act Presumptive Decision-Making Process

Historically, VA has relied primarily upon reports from the National Academies of Sciences, Engineering, and Medicine (NASEM) to decide presumptions of service-connection. These reports generally were required by law. However, the governing statues dictating the use of NASEM reports and the Secretary's response to the reports expired in 2020. This allowed VA to widen the aperture of evidence to consider in its decision-making process while also addressing concerns from stakeholders that VA's process needed to be more transparent, consistent, and efficient. VA began streamlining the process in 2021, which led to the establishment of a regulatory presumption of service connection on August 5, 2021, for asthma, sinusitis, and rhinitis, including rhinosinusitis, for Veterans who served in the Southwest Asia theater of operation and other locations. The regulation was amended on April 26, 2022, to extend presumptive service connection to include nine specific rare respiratory cancers — squamous cell carcinoma (SCC) of the larynx, SCC of the trachea, adenocarcinoma of the trachea, salivary gland-type tumors of the trachea, adenosquamous carcinoma of the lung, large cell carcinoma of the lung, salivary gland-type tumors of the lung, sarcomatoid carcinoma of the lung, and typical and atypical carcinoid of the lung.

Section 202 of the PACT Act strengthens this shift toward a more vigorous and focused

presumption decision-making process. It requires that VA take into consideration public comments in the process and consider scientific evidence, VBA claims data and other factors, such as severity and rarity of the condition, when determining whether a presumption is warranted. A work group devoted specifically to address these concerns is required by section 202 and, for this purpose, VA has chartered the Military Environmental Exposures Sub Committee (MEESC), which is co-chaired by the Chief Consultant in VHA’s Health Outcomes and Military Exposures (HOME) office and the Executive Director of VBA’s Compensation Service. Closely supporting VBA’s role in the MEESC is the Military Exposures Team, a team created in 2022 within Compensation Service to focus on environmental exposure issues and work closely with HOME to identify and analyze conditions for review. The first conditions to be considered for possible presumptions using the Section 202 Presumption Decision Process are acute and chronic leukemias and multiple myeloma.

Lastly, the PACT Act requires NASEM to conduct an evaluation of VA’s process to determine presumptions based on toxic exposures. The evaluation included an assessment of whether the process adheres to scientific standards for determining the links between exposures and health outcomes and if the criteria used in the process are fair and consistent. NASEM provided its report to VA in August 2023. VA agrees with the report’s findings, and a group of process experts under the MEESC is working to incorporate NASEM's findings into VA's presumption decision process.

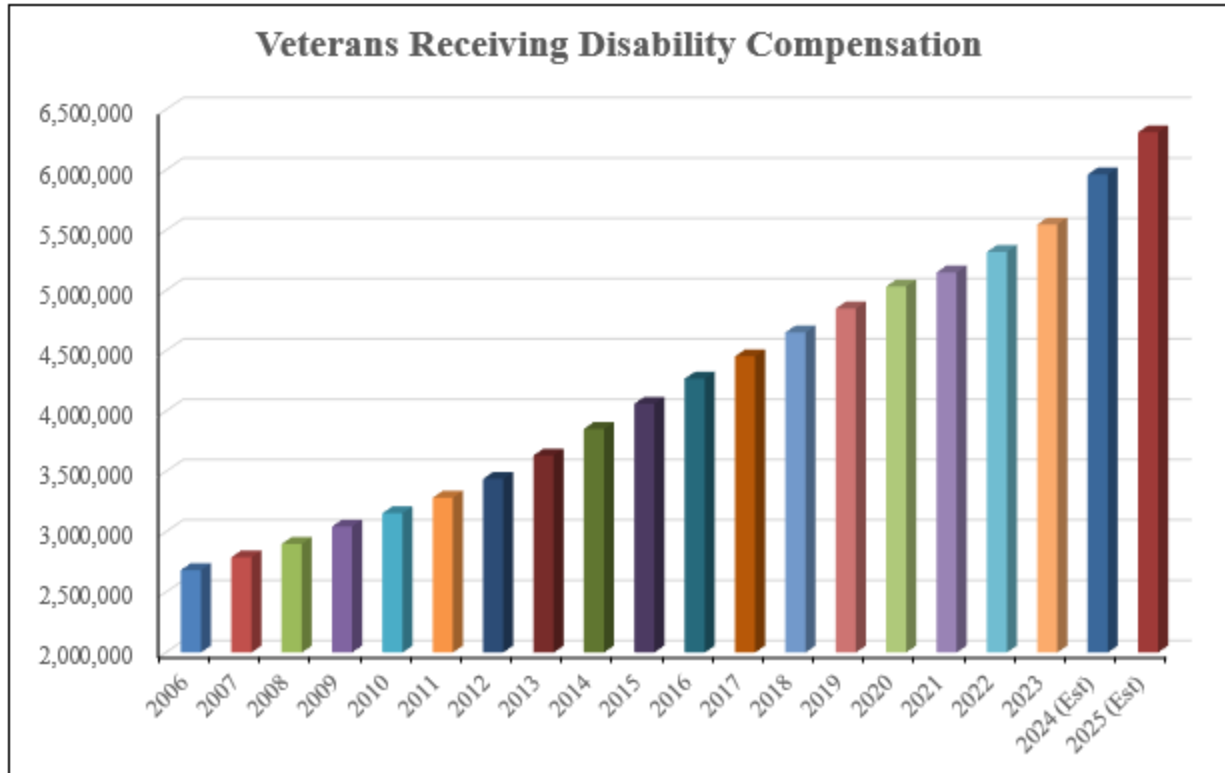
Efforts associated with the presumptive decision-making process fall under the larger umbrella of the Military Exposures Team (MET), which was established prior to the enactment of the PACT Act to institutionalize a capability within VBA similar to VHA’s HOME for resources focused on Military Environmental Exposures issues related to benefits policy, legislation, regulations, and other ongoing organizational priorities. These priorities overlap with PACT Act requirements in some cases, and FTE have been devoted to PACT Act work, but that is not the sole purpose of the MET organization or those FTE. Specific to the presumptive decision process, which was further defined in Section 202 of PACT act, VA’s authority to establish presumptions existed prior to PACT Act and VBA had FTE devoted to this work prior to enactment of the PACT Act. Therefore, the MET is funded with base discretionary appropriations.

Workload

DCP recognizes the importance of consistent recruitment, development, and retention of employees. The following tables provide a summary of the VBA disability compensation workload and direct FTE projections:

Projected Compensation Workload and FTE Requirements	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Compensation Direct Labor FTE	16,234	16,662	15,966	15,966
Rating Receipts Compensation Claims	1,622,045	2,302,517	1,964,855	2,096,954
Rating Production Compensation Claims	1,608,201	1,863,615	2,295,171	2,351,133
Year-end Inventory Compensation Claims	599,933	1,038,835	708,519	454,340

*Claims projection includes PACT Act workload, but FTE does not include TEF-funded FTE.



By 2025, VBA estimates 6.3 million Veterans will be receiving disability compensation, a 135% increase over 2006. Due to the increase in Veterans receiving compensation, VA expects to see an increase in the number of award adjustments due to dependency changes, requests for ancillary benefits, clothing allowances, specially adapted housing, and program reviews/requests for eligibility certifications for determining entitlement from other agencies.

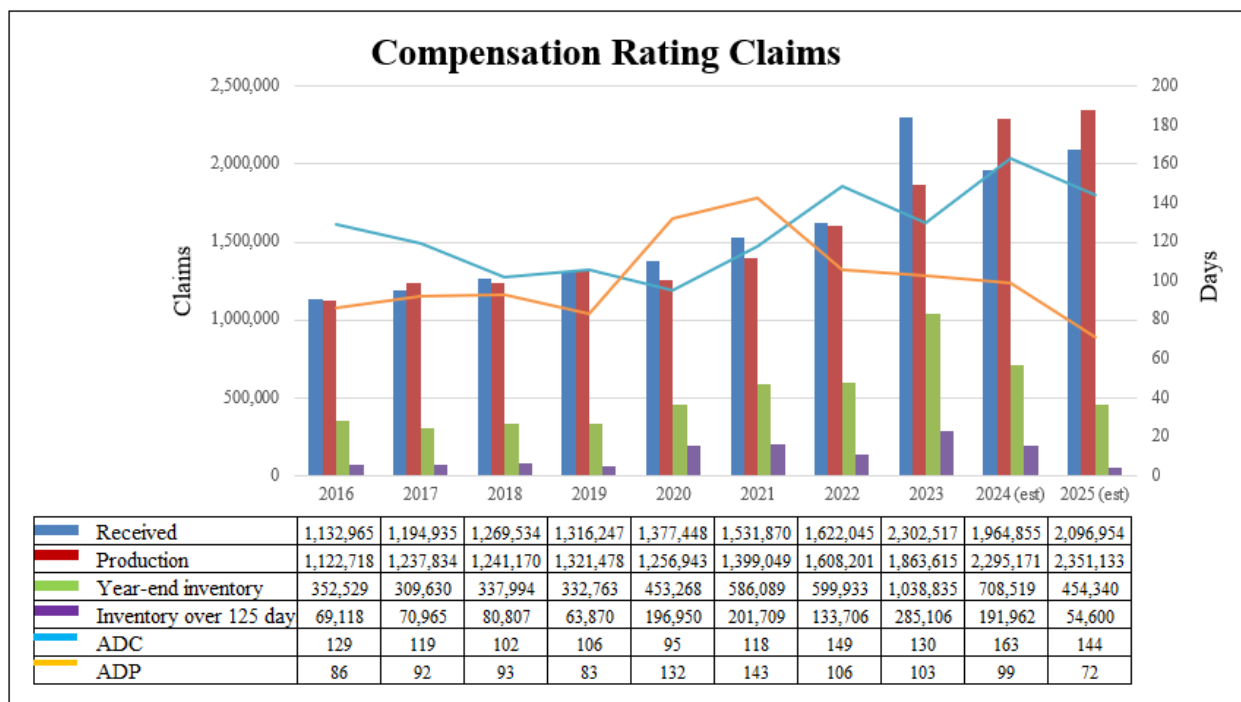
DCP sends letters to Veterans, providing them with needed information from the time their claims are filed until a final decision is completed. Veterans may inquire about their claim status by calling VA's toll-free number, 1-800-827-1000, from 8 a.m.-9 p.m. Eastern Time or by using VA's online self-service features at VA.gov to receive status updates or ask benefit-related questions. The program strives to complete all rating claims in fewer than 125 days. The following are examples of when a claim may take longer than 125 days to complete:

- Veteran claims new conditions before a decision is made on their previously claimed issues.
- Veteran submits new additional evidence for a pending claim late in the claims process.
- Veteran requests to reschedule their medical examination for personal reasons.
- A Disability Compensation processor identifies additional disabilities the Veteran did not claim.
- A Disability Compensation processor identifies additional benefits, such as adapted housing or a total disability evaluation, based on the inability to maintain gainful employment.
- Claim involves complex conditions, such as exposure to radiation or environmental contaminants.
- Claim contains numerous conditions requiring additional development activities.

Compensation Claim Types

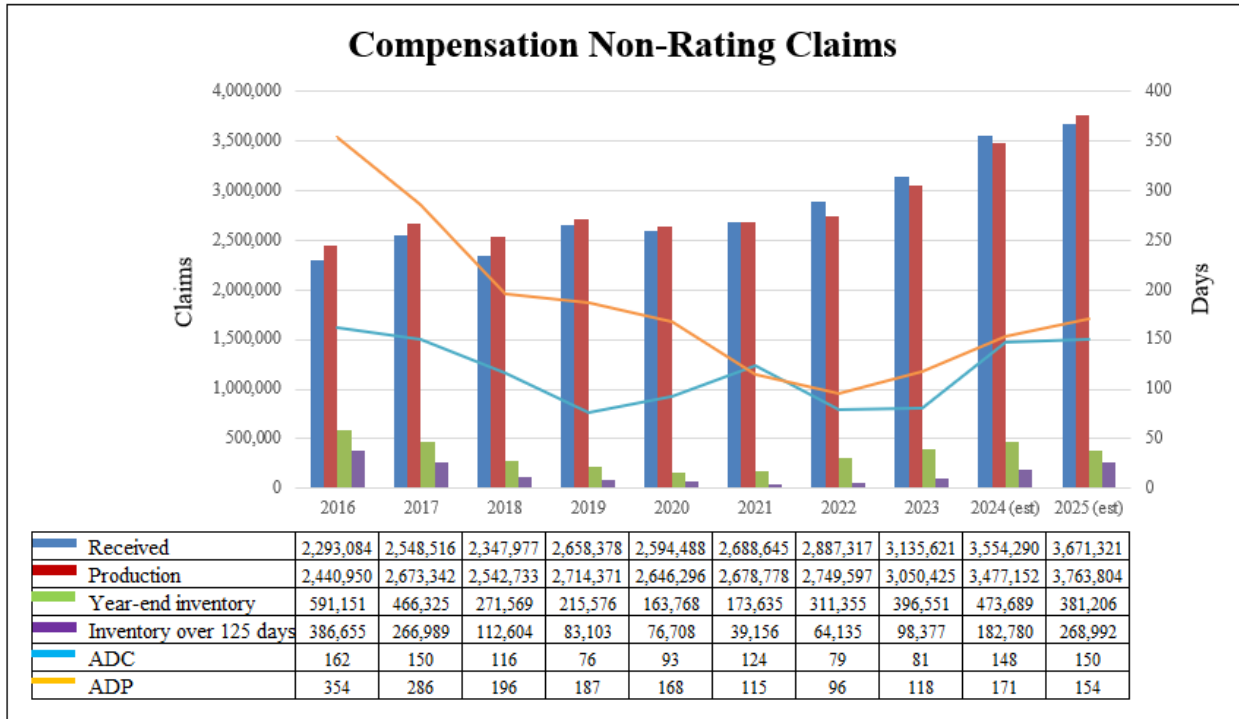
DCP divides its work into two broad categories of rating and other than rating. These categories are used by VBA's Office of Field Operations (OFO) to monitor workload tracking and reporting, as well as employee and regional office (RO) performance. The program has a balanced approach to workload management to ensure timely completion of claims. Work is aggregated into the following categories:

- **Compensation Rating Claims:** Claims filed by Veterans for disabilities that require a rating decision. The following chart shows the receipts, completions, pending inventory, associated age of the inventory, and average days to complete for rating claims.



- **Compensation Other Than Rating Claims:** claims that do not require a rating decision fall into three categories:
 - **Compensation Non-Rating Claims:** Modifications to current benefits. These include adjustments for dependency changes.
 - **Compensation Controlled End Products:** Administrative review of claims, radiation cases, and temporary 100% disability evaluations. This includes other controlled work received that does not affect entitlements or require any adjustment to monetary benefits, such as responding to correspondence.
 - **Compensation Non-Rating Other End Products:** Veteran Readiness and Employment (VR&E) eligibility, dependents' educational assistance, social security verification, Individual Unemployability, and requests for information under the Freedom of Information Act and Privacy Act.

The following chart shows the receipts, completions, pending inventory, associated age of the inventory and average days to complete for not-rating claims.



VBA predicts non-original, supplemental, Blue Water Navy (BWN), Agent Orange, and other military environmental exposure claims will continue to drive an increase in inventory.

Highlights and Achievements

VBA’s 2025 request is aligned to the Secretary’s priorities. The below table summarizes 2024 and 2025 funding for several key non-pay initiatives. These requests for 2025, along with FTE and appropriation impacts for other initiatives, are in the base budget request.

2025 Initiatives Disability Compensation (\$ in thousands)		
Initiative Name	2024 Estimate	2025 Request
Veteran Signal (VSignals)	\$0	\$1,122
Compensation & Pension (C&P) Claims Modernization	\$120,000	\$115,165
VA Schedule for Rating Disabilities (VASRD) Modernization	\$4,700	\$4,841
National Quality Assurance	\$132,000	\$135,960
Pre-Discharge Programs	\$42,000	\$43,260
Warrior Training Advancement Course (WARTAC)	\$5,000	\$5,000
National Training Curriculum (NTC)/ Competency Based Training System (CBTS)	\$1,224	\$1,261
BWN (P.L. 116-23)	\$9,400	\$0
TOTAL OBLIGATIONS	\$314,324	\$306,609

Providing Veterans with Earned Benefits

VSignals

VBA utilized a Human Centered Design (HCD) research methodology to better understand the experiential needs of Veterans who file a claim for disability compensation. From the research, VBA was able to identify the moments that matter to Veterans, their greatest pain points, and opportunities to improve the experience of customers throughout the disability claims process.

VBA mapped the journey of the Veteran’s experience in the disability claims process. A new VSignals Survey was designed and deployed in 2023 to provide Veterans with an opportunity to send immediate feedback of their experience following their engagement with the claims process. The 13-question survey assesses feedback from the categories of quality, transparency, ease of process, trust, and confidence.

VBA will use the survey results collected in 2023 to establish baseline metrics. The data collected from the HCD research and the VSignals survey results will be leveraged to implement process improvements in 2024.

C&P Claims Modernization

The C&P Claims Modernization initiative is achieving claims processing automated decision support to deliver fast, accurate, and consistent claims decisions. VBA employees still make all claims decisions, but this data-driven capability reduces manual administrative tasks and activities

from the adjudication process and enables employees to focus on key decision-making functions. This strategy is helping to keep VBA on pace with the increased volume of claims related to expansion of benefits to new eligible populations of Veterans. The C&P Claims Modernization initiative enables VBA to deliver claims decisions more quickly, fairly, and consistently than ever before.

Since the initial proof of concept launch of automated decision support at the Boise, Idaho RO in December 2021, VBA has expanded claims automation capabilities to Des Moines, Iowa; Montgomery, Alabama; Pittsburgh, Pennsylvania; New York, New York; New Orleans, Louisiana; Detroit, Michigan; and St. Petersburg, Florida (for BWN claims); Lincoln, Nebraska; Roanoke, Virginia; Little Rock, Arkansas; Los Angeles, California; Denver, Colorado; Hartford, Connecticut; Wichita, Kansas; Togus, Maine; Portland, Oregon; and Huntington, West Virginia..

Building upon initial successes in 2022, VBA expanded automated decision support capabilities to a total of 57 automation-eligible diagnostic codes, 54 of which are related to new presumptive conditions established under the PACT Act. In 2023, automated decision support was further expanded to a total of 166 diagnostic codes, automating approximately 71% of claims. This resulted in VBA completing nearly 300,000 claim decisions using automated capabilities, resulting in Veterans receiving first decisions on their claims 22 days faster than claims processed using the traditional method. While this initiative supports the processing of PACT Act claims, its benefits impact *all* disability compensation claims, and is therefore funded with base discretionary appropriations.

Piloting the technology is the final stage when automation is tested in an expanded controlled environment that replicates a national production setting. This allowed VBA to validate the performance and reliability of the automation logic as well as address any issues that were not detected during the previous stages. In July 2023, VBA released the first condition (hypertension) Nationwide.

Priorities in 2024 for automated decision support include expanding automation functionality to additional claims, including Pre-Discharge, return to active duty, and convalescence claims. VBA also proactively identified Veterans whose medical and military experiences likely entitled them to benefits and solicited claims for near-immediate decisions. Utilizing automation, VBA is able to extract information from multiple sources including the Veteran's online submissions, military medical and personnel files, and VA medical records, providing claims processors with the necessary records to make a decision on a Veteran's pending claim. By making e-file reviews more efficient and leveraging data obtained from military personnel files, service treatment records, as well as private and VA medical records, automation is helping VA make more timely, consistent, and equitable claims decisions for Veterans.

In 2025, VBA plans to expand automated decision support functionality to additional types of claims and conditions. Expansion in Pre-Discharge claim types and targeted proactive identification of Veterans who meet medical and military eligibility criteria will continue. VBA is

committed to expanding Veterans' and VSOs' access to benefit information. Veterans will be able to opt into their preferred communication method, whether electronic correspondence or paper.

VASRD Modernization

DCP is continuing to revise and update the 15 body systems contained in the VASRD in 38 C.F.R. Part 4, under the authority of 38 U.S.C. §1155. These changes incorporate medical advancements that have occurred since the last review, updating with current medical terminology and further clarifying evaluation criteria. These efforts yield a more accurate disability evaluation system and ensure Veterans with service-connected disabilities are compensated for average earning impairment based on modern medical standards.

The program utilizes a research contract to collect data to facilitate this effort. The Earnings Loss Study (ELS) evaluates chronic disabilities that may result from various exposure events and military deployments to incorporate economic impacts due to service-connected disability. ELS uses data-driven measurements based on data from the Census Bureau, Internal Revenue Service, and Social Security Administration (SSA). This data shows aggregate actual loss in earning capacity for Veterans with various types and combinations of conditions, which, along with medical and scientific data, will be utilized to update the VASRD. The ELS initiative is in its final phase of building out a model that will deliver data-driven recommendations for revising diagnostic codes and evaluation formulas for future VASRD revisions. Once completed, the program will support a five-year diagnostic code revision cycle. In 2023, VBA continued its planning for the next cycle of updates to the VASRD for 2024 through 2027, with a concerted focus on collaborating with automated decision support efforts.

National Quality Assurance

DCP has a rigorous national quality assurance portfolio that improves decision accuracy on rating and non-rating claims. The program dedicates approximately 5% of its workforce to quality efforts. DCP conducts at least 10 national Quality Calls annually plus quarterly Quality Review calls; and at least four training sessions per year for new Quality Review Specialists in ROs. DCP employs a national quality review program known as Systematic Technical Accuracy Review (STAR). STAR assessments consider whether all claimed issues were addressed and decided, whether the grant or denial of all issues is correct, and whether the percentage evaluation assigned is correct (including combined evaluation) to assess national accuracy of processed claims.

There is a 96% issue-based accuracy goal for rating claims STAR assessments. In 2023, DCP reviewed 21,634 rating issues in 3,527 claims, yielding a national issue-based rating accuracy of 95.3%. There were 3,864 non-rating claims reviewed by STAR, yielding a national accuracy of 91.1%. In addition to these reviews, DCP completed over 5,500 reviews of other types outside of STAR. These reviews included Special Focus Reviews, Notice of Error Reviews, Advisory Responses, and Error Correction Reviews. Additionally, in 2023, DCP completed 20 oversight and compliance visits.

DCP uses a tool called the Quality Management System in support of both STAR and local quality assessments. The local quality assessments are known as Individual Quality Reviews (IQRs), which focus on employee performance. Both STAR and IQR reviews are completed using detailed standardized checklists and provide a more comprehensive analysis of quality data enabling for

tailored individual feedback and training. In 2023, DCP completed more than 364,600 IQRs and increased the number of IQRs to approximately 47,000 total reviews a month across all positions based on increased staffing levels at ROs. In addition, DCP completed 488,551 Mentoring Quality Reviews and 72,539 non-punitive In Process Reviews.

Pre-Discharge Programs

DCP's Pre-Discharge Programs include the Benefits Delivery at Discharge (BDD) program and Integrated Disability Evaluation System (IDES) program. Both programs allow active-duty Service members to apply for their disability compensation benefits and provide transition assistance through upfront timely assistance before discharge.

The BDD program allows Service members who are within 90-180 days from military separation to file a claim with VA for service-connected disability compensation benefits. In 2023, VA received more than 52,795 BDD claims and completed over 43,000 claims in an average of 60.7 days post separation.

The IDES program is administered in partnership with the Department of Defense (DoD) and provides DoD and medically-discharged Service members with a single set of disability examinations. The program provides the separating Service member with a proposed rating decision, including proposed benefits and services they will be entitled to and eligible for at separation, easing the difficult and often unwanted transition. In 2023, VA received more than 26,000 IDES referrals from DoD and completed 27,317 Proposed Ratings, providing DoD with preliminary medical determination for separation, with 61.21% provided within the 20-day target goal. Thereafter, 24,675 Service members separating from the IDES program were provided their final disability compensation benefits after separation with 64.2% completed within the 30-day target goal.

VBA partners with DoD to improve the claims process for transitioning Service members. One example of recent process collaboration is the April 2023 implementation of the consolidated single examination protocol, known as the common Separation Health Assessment (SHA), that meets the needs of both VA's disability claims process and DoD's separation and retirement processes. Since 2014, VA and DoD have utilized two similar yet distinct examination templates that required duplicative efforts. On April 1, 2023, the SHA was updated to include a comprehensive self-assessment questionnaire that helps separating Service members with documenting in-service injuries, exposures, and other events that may result in additional VA benefits. Developing this new questionnaire, SHA Part A, was a significant undertaking that involved significant coordination across VA and with DoD.

Pre-Discharge Programs are managed continuously through oversight, virtual site visits to VA regional offices (VAROs), and training. In 2023, VBA provided virtual training to more than 350 claims processors and conducted an in-person IDES Summit with participants from both VA and DoD. VBA plans to resume in-person site visits and training offerings in 2024.

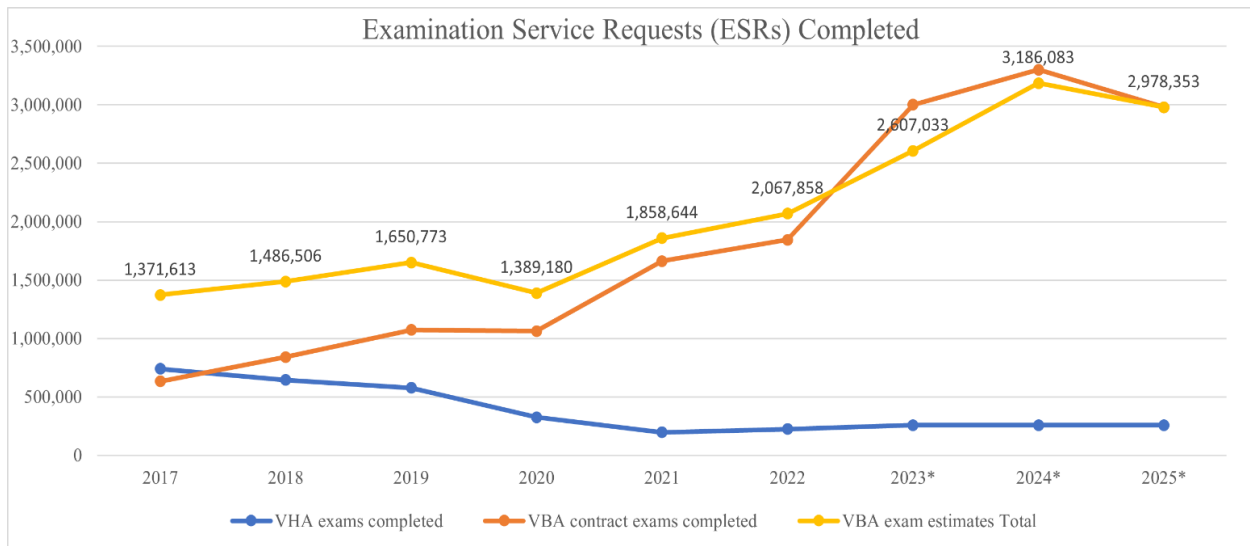
Medical Disability Examination (MDE) Program

The MDE program continues to maximize C&P examinations completed by contract medical examination vendors to serve Veterans faster, especially in remote locations and overseas. VA and DoD continue to work together to deliver the common examination protocol to be utilized for both

DoD separation examinations and VA disability examinations for transitioning Service members. In April 2023, VA contract medical examination vendors began delivering the common examination protocol disability benefit questionnaire (DBQ) for service members filing claims with the VA through the Pre-Discharge Program (either BDD or IDES). This specific DBQ has improved consistency and will help eliminate redundant examinations for discharging Service members at the time of separation or retirement from service.

Contract vendors completed 2,388,739 examination scheduling requests (ESRs) in 2023. Due to a large increase in volume resulting from the PACT Act, pending ESR inventory has increased from 189,195 in 2022 to 367,181 as of September 30, 2023. The contract vendors continue to increase their volume of completed ESRs each month, resulting in a 51% increase in completed ESRs from September 2022 to September 2023.

The MDE program forecasts contract medical examination vendors will complete nearly 3.2 million medical ESRs in 2024 and nearly 3.0 million ESRs in 2025, as reflected in the chart below. PACT Act claim receipts are expected to drop by 2025.



*2024 and 2025 are estimates

On average, each ESR yields 3.67 medical examinations and corresponding DBQs. The MDE program completed 6.9 million DBQs in 2023 and estimates approximately 10 million DBQs will be completed in 2025. The increase is a result of the new presumptions added in late 2022 from the passage of the PACT Act.

Ensuring Strong Fiscal Stewardship

Private Medical Records (PMR) Program

The PMR program reduces the time it takes DCP to obtain private medical records. These efficiencies enabled VBA to redirect approximately \$88 million to other core missions since 2011. VBA has retrieved approximately 1.7 million records from approximately 1 million different private health care providers since the program's inception. DCP anticipates increased demand through 2030 as a result of the PACT Act and other pending legislation. VBA intends to further modernize the retrieval process by leveraging automated capabilities and new connections to health

care data exchanges to ensure records are located and available to claims processors as rapidly as possible. In parallel, DCP will also expand existing independent validation and verification processes to ensure Veterans' data is protected as the retrieval process becomes more intricate.

Military Records Research Center (MRRC)

The MRRC program is an integral part of claims processing operations. It is designed to obtain auxiliary records as rapidly as possible; specifically, MRRC researches unit and command-level military records to verify stressor and exposure incidents for Veterans. Traditional research operations were significantly impacted during the COVID-19 pandemic. In response, the Office of Business Integration modified the existing contract to expand the volume of services, and DCP deployed a workflow management tool within the Veterans Benefits Management System (VBMS) that provides a fully searchable digital image repository. DCP is targeting a full operational capability of the tool by the end of 2024. The VA-DoD IT interface is critical for the MRRC and DoD to process these requests. DCP also plans to implement a scanning solution for daily research activities in 2024 which will further streamline the research and information sharing process. Due to IT funding limitations, the workflow management tool has never been fully operational. Critical business requirements were developed for 2024 for the tool. Depending on prioritization of requirements and available funding, efforts may carry over into 2025. DCP completed more than 30,900 responses to research requests in 2023. DCP anticipates continued demand for research services through 2030 as the number of annual requests continues to increase.

Veterans Claims Intake Program (VCIP)

VCIP is an integral part of VBA's claims processing framework, which leverages industry-leading technologies to eliminate or modernize costly, labor-intensive business processes to streamline supply chains, ultimately accelerating benefits delivery to claimants. These initiatives were instrumental in VBA's continuity of operations in response to the COVID-19 pandemic. During the pandemic, VBA was able to stop the exponential growth of its inventory by maintaining reliable support operations that enabled claims processors to immediately pivot to a 100% telework posture and keep pace with a historic number of incoming claims. Today, VCIP encompasses three major transformation initiatives which are essential for VBA's daily operations. Each month these initiatives produce more than 52 million images, generate 600,000 pieces of outbound correspondence, retrieve 40,000 private medical records, automate 70% of inbound mail, automate 36,000 claims processing support actions, and maintain 1.2 million cubic feet of claims evidence.

VBA's automation support services initiative leverages industry-leading technology to eliminate or modernize labor-intensive processes. Each day, approximately 17,000 pieces of mail (68% of mail received) are automatically processed with billions of pieces of metadata extracted and pushed to VBA's claims processing systems. Moreover, and in response to the PACT Act, VBA deployed automated processing support capabilities to assist claims processors, which supports approximately 500,000 claims each year. These initiatives enabled DCP to reallocate more than 3.7 million labor hours to other claims processing activities and ensure the agency leverages modern systems and processes to streamline the benefits delivery process.

Reducing Improper Payments to Veterans

VBA performs regular data matches with other federal agencies such as the SSA, Department of the Treasury, and DoD to identify potential overpayments or duplicative payments due to a

Veteran's return to active duty, reserve duty status, incarceration, or death. VBA's Office of Financial Management (OFM) Improper Payments and Internal Control (IPIC) Division and the Accounting Policy and Reporting Division validates and analyzes payment trends and audits payments identified in accordance with the Payment Integrity and Information Act. In 2023, IPIC, VA's Office of Business Oversight, and OFM's Benefits Delivery Protection and Remediation Division identified over \$16 million in improper payments.

The IPIC Division accomplished the following:

- Conducted extensive reviews of active benefit payments delivered to Veterans to identify trends in improper payments.
- In 2023, identified 2,045 active C&P benefit awards with recurring improper payments. In collaboration with OFO, all 2,045 awards were assigned and corrected to prevent additional improper payments to beneficiaries.
- In 2024 (through February 29, 2024), identified 1,039 active C&P benefit awards with recurring improper payments. In collaboration with OFO, all 1,039 awards were assigned and corrected to prevent additional improper payments to beneficiaries.
- Collaborated with the Department of the Treasury to enhance the process for utilizing the Treasury Working System under the Do Not Pay Initiative for verification of continued eligibility for C&P beneficiaries.

Fraud, Waste, and Abuse (FWA) Prevention

The Benefits Delivery Protection and Remediation (BDP&R) mission is to safeguard the hard-earned benefits of Veterans and their families through prevention, early detection, and timely mitigation of fraud, waste, and abuse. In 2023, BDP&R accomplished the following:

- Developed new fraud monitoring scripts to find payment redirect fraud and protected (prevented) or recovered (returned to Treasury from the fraudulent bank account) \$874,167.40 of Veterans' benefits from being stolen by predatory actors.
- Investigated 11,928 referrals for potential fraud, which resulted in a total of 832 confirmed fraud incidents. In all instances of confirmed fraud, BDP&R provided one-on-one remediation support to the Veteran.
- Ensured 633,054 Veterans received email notification via GovDelivery within 24 hours of a change being made to their direct deposit banking information that alerted them to this change and provided them with detailed information on what to do if they did not make the change.
- Leveraged partnerships with the VA Office of Inspector General (OIG) and other law enforcement agencies to bring justice to individuals who perpetrate fraud against Veterans. Conducted data analyses and provided investigative support to OIG on 56 separate case investigations. Educated Veterans and the public about predatory and fraudulent activities through 11 fraud prevention campaigns, including more than 260 fraud prevention communication engagements.
- Reached over 45 million Veterans, beneficiaries, survivors, family members, and Service members through multiple channels and platforms. These included emails to subscribers, newsletters, GovDelivery communications, social media posts, blogs, fact sheets, and proactive media and speaking engagements to educate Veterans and their families to

improve awareness of potential financial exploitation schemes, fraud, and prevention strategies.

Fostering a Culture of Collaboration

Foundational Training

Virtual and In-Person Progression (VIP) Training

A significant percentage of VIP graduates—92% of Rating Veterans Service Representatives (RVSRs) and 92.4% of Veterans Service Representatives (VSRs)—are meeting or exceeding the individual quality performance standards. VIP also reduces travel requirements for employees compared to VBA’s prior Challenge training model, by utilizing expertise at the ROs during the instructional process.

VBA has added to the number of class offerings and expanded training cohort size to support a hiring surge related to PACT Act claims processing needs. VIP more than doubled the typical capacity of training cohorts up to 420 for VSRs and 525 for RVSR personnel to support the increase of newly hired employees and back fills due to internal promotions. In 2023, VBA completed 17 VSR and RVSR training sessions, graduating 5,497 employees. VBA added PACT Act-specific learning during VIP for new claims processors.

The Office of Human Capital Services (HCS) executed evaluation plans for each VIP and special mission training program in 2023 to incorporate feedback and lessons learned. The plans are aligned to VBA’s training evaluation policy signed by the Acting Under Secretary for Benefits (AUSB) in December 2021 requiring all nationwide training programs in VBA to have an annual training evaluation plan. The plans also comply with the tenets of VBA’s *Strategy for Evaluating VBA Training Programs and Training Systems: Fiscal Year 2023*, published in January 2023. In 2023, HCS instituted a structured and repeatable After-Action Review program to collect and integrate administrative best practices and lessons learned from each training cohort. This continuous process improvement and addition of instructional rigor has resulted in growth and improvement in training processes and standardization across VBA.

WARTAC

WARTAC is an entry-level education and employment program for Wounded Warriors and transitioning Service members. Successful completion of the training program allows Service members to apply for VSR or RVSR positions at VBA. VBA has started to resume in-person WARTAC classes after utilizing a 100% virtual environment during the COVID-19 pandemic. Virtual training has since been implemented as an option for Service members who are not co-located at an in-person training location. Nearly 84.1% of WARTAC graduates meet or exceed production performance standards and the employment retention rate for WARTAC graduates is 76%. Of the 1,913 WARTAC program graduates since its inception in 2014, 100% have been offered positions at ROs. In 2023, WARTAC graduated 592 Service members, of which 100% accepted positions. The graduates filled 379 VSR and 213 RVSR positions. VBA expanded live military installation training to two locations, Fort Drum and Fort Bliss, and plans to continue expansion of WARTAC offerings at other military installations. Additionally, the WARTAC virtual program has significantly increased the WARTAC footprint, thus giving Service members opportunities in locations that were previously unattainable because of logistical issues.

Specialized Training

NTC/CBTS

CBTS is a culmination of specialized coursework that provides a tailored training plan based on an employee's individual learning needs. CBTS enables VBA to provide enhanced, efficient, targeted training for VSRs and RVSRs and replaces a "one-size-fits-all" training model. CBTS uses national trends and collaboration with stakeholders as a baseline while adding the essential element of an individualized training plan. An individualized training plan, based on a diagnostically assessed need, creates efficiencies by reducing unnecessary or redundant training hours and provides claims processors with training that addresses their specific needs.

VBA launched CBTS for RVSRs in 2022. In 2023 VBA launched CBTS for Pre-Determination VSRs and continued the administration of RVSRs. As a result of the success, the program will continue administration to previous cohorts and will launch to the remaining cohorts to include the Benefit Eligibility Support Teams and Post-Determination VSR cohorts in 2024.

National Work Queue (NWQ)

NWQ gives VBA the ability to assign any claim to one of its 56 ROs. NWQ currently has 26 employees. NWQ staff analyze the daily workload and distribute it by national availability to current workload goals. The DCP quality assurance strategy routinely returns incorrect claims to the employee who previously worked them in an effort to provide feedback and training. All pending claims that require avoidable rework are returned to the office that completed the first action for claims processing efficiency. Unique Mission Tracking provides a work queue (WQ) for ROs that have special missions. ROs manage their work using the VBMS queue. In addition to the daily operations of workload management, the operational improvement mission of NWQ is to:

- Enhance system functionality to integrate with automation initiatives.
- Improve system capability through WQ modernization.
- Integrate real time workload distribution capabilities.
- Enhance system functionality to group concurrent pending claims.
- Enhance command center functionality to effectively manage the workload.
- Enhance system functionality for ROs to distribute work.

The ability to grow the use of the WQ and NWQ within VBMS requires modernization. Modernizing the WQ framework by implementing an architecture based on command query responsibility segregation pattern allows for new future data points that can be added to the WQ in a more cost-effective manner and with an improved impact on performance. WQ/NWQ modernization was originally anticipated to be fully released by December 2023; however, increased complexity has extended the timeline and the two efforts have been decoupled to allow for incremental roll-out and to enable earlier delivery of modernized NWQ apart from modernized WQ. We now project that NWQ modernization will roll out in quarter four of 2024, and WQ modernization will roll out in 2025. Completion of modernization efforts allows for more cost-effective transition into the NWQ 2.0 efforts. This initiative is funded by the OIT appropriation.

NWQ 2.0 is a re-architecting of the current workload management tools to supplement the functionality that currently exists. NWQ 2.0 will allow for more real-time workload distributions

and recalls. This will allow for claims to be reviewed and ranked against NWQ rules more frequently to ensure VBA is distributing the highest priority claims as claims processors are available to receive work. NWQ 2.0 will automate many features that are currently manual, such as work requests from the field, simulation validation, and system notifications. NWQ 2.0 will also allow for new data tracking and insights for improved oversight of workload processing and management. NWQ 2.0 efforts are dependent upon the completion of WQ/NWQ modernization.



Pension, Dependency and Indemnity Compensation, Burial, & Fiduciary Programs

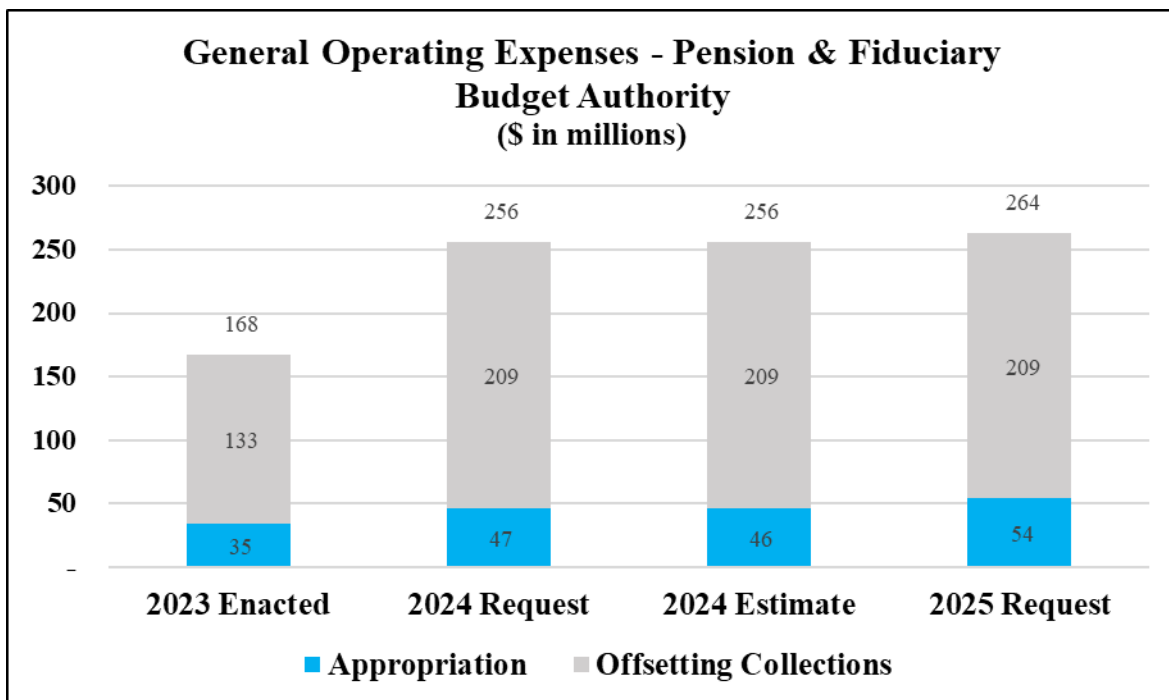
Mission

Help Veterans, their families, and their survivors cope with financial challenges by providing supplemental income through Veterans and Survivors pension benefits, Dependency and Indemnity Compensation (DIC), and burial allowances, while also providing oversight for VA’s most vulnerable beneficiaries through the Fiduciary Program.

Summary of Budget Authority

2025 Budget Authority Request: \$410.2 million

Change over 2024 Estimate: + \$1.6 million / + 0.4%



Note. – A full year 2024 appropriation for this account was not enacted at the time the budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Estimate column.

Summary of Budget Request

VA requests \$410.2 million in budget authority and \$13.4 million in reimbursement authority to fund the discretionary portions of the Pension and Fiduciary Service’s (P&F) Pension, DIC, Burial and Fiduciary programs, to include the administrative expenses for 2,589 full time equivalent (FTE), as reflected in the below chart.

General Operating Expenses
Pension & Fiduciary
Summary of Employment, Obligations and Budgetary Resources
(\$ in thousands and FTE)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	1,849	2,343	2,343	2,343	-	-
Management Direction and Support	266	271	271	246	-25	-9.23%
Total FTE	2,115	2,614	2,614	2,589	-25	-0.96%
Obligations						
Direct Obligations	339,941	406,091	408,604	410,187	1,583	0.39%
Reimbursable Obligations	8,348	13,012	10,500	13,429	2,929	27.9%
Total obligations	348,289	419,104	419,104	423,616	4,512	1.08%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	339,941	406,091	408,604	410,187	1,583	0.39%
Subtotal, appropriations	339,941	406,091	408,604	410,187	1,583	0.39%
Reimbursements	8,348	13,012	10,500	13,429	2,929	27.9%
Subtotal, budget authority	348,289	419,104	419,104	423,616	4,512	1.08%
Total budgetary resources	348,289	419,104	419,104	423,616	4,512	1.08%

Note. – Dollars may not add due to rounding in this and subsequent charts.

**General Operating Expenses
Pension & Fiduciary
Obligations by Object Classification**
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	258,242	318,393	318,393	320,891	2,498	0.8%
Travel	1,845	3,605	3,605	3,677	72	2.0%
Transportation of things	164	282	282	288	6	2.1%
Rents, communications and utilities	16,506	19,546	19,546	19,937	391	2.0%
Printing	143	427	427	435	8	1.9%
Other services	70,051	73,757	73,757	75,232	1,475	2.0%
Supplies and materials	380	1,139	1,139	1,162	23	2.0%
Equipment	656	1,897	1,897	1,935	38	2.0%
Land and structures	3	-	-	-	-	-
Grants, judgements, interest and insurance	299	58	58	59	1	1.7%
Total	348,289	419,104	419,104	423,616	4,512	1.1%
Subtotal, reimbursable	8,348	13,012	10,500	13,429	2,929	27.9%
Subtotal, direct	339,941	406,091	408,604	410,187	1,583	0.4%

Changes from Original 2024 Request

Total obligations have not changed from the original 2024 request.

Changes from 2024 Estimate to 2025 Request

Total obligations increase \$4.5 million from the 2024 estimate. Changes reflect a projected increase of 2% in pay and 2% for non-pay inflation.

Program Descriptions

Pension for Veterans and Survivors

P&F's [Pension](#) program provides monthly payments to wartime Veterans who meet age or disability requirements and whose income and net worth are within the yearly limits set by law. Survivors of wartime Veterans may also be eligible for monthly survivors' pension benefits if their income and net worth are within the yearly limits set by law.

[Veterans' Pension](#) is a needs-based benefit program for wartime Veterans who are age 65 years or older, have a permanent and total non-service-connected disability, are a patient in a nursing home for long-term care because of a disability, or are in receipt of Social Security benefits, who meet service eligibility requirements to include at least one day of war time service and who have limited income and net worth. Based on financial need and eligibility requirements, this benefit may provide a single Veteran up to \$16,551 annually in 2024. Veterans who are more seriously disabled may qualify for pension at increased housebound rates (up to \$20,226 annually in 2024) or aid and attendance rates (up to \$27,609 annually in 2024). Surviving spouses and dependent children of

deceased wartime Veterans are eligible for monthly pension benefits if they meet the net worth and income requirements. Based on financial need, this benefit may provide a surviving spouse with no dependents up to \$11,102 annually in 2024. The benefit amount increases according to the number of eligible dependent children. Surviving spouses with no dependents may also qualify for pension at the increased housebound rate (up to \$13,568 annually in 2024) or aid and attendance rate (up to \$17,743 annually in 2024) for a more serious disability.

[Survivors Pension](#) - Surviving spouses and dependent children of deceased wartime Veterans are eligible for monthly pension benefits if they meet the net worth and income requirements. Based on financial need, this benefit may provide a surviving spouse with no dependents up to \$11,102 annually in 2024. The benefit amount increases according to the number of eligible dependent children. Surviving spouses may also qualify for pension at the increased housebound rate (up to \$13,568 annually in 2024) or aid and attendance rate (up to \$17,743 annually in 2024) for a more serious disability. Helpless adult children may also be eligible for the survivors pension if deemed unable to care for themselves due to a disability that happened before age 18. The maximum income for these beneficiaries is \$2,831 annually in 2024.

Dependency and Indemnity Compensation (DIC) and Parents' DIC

[DIC](#) provides a monthly benefit for survivors of Veterans who died in the line of duty or because of or related to their service-connected disabilities. There are no income restrictions for surviving spouses and children who are eligible for this benefit.

[DIC](#) benefits are provided to two categories of survivors. P&F provides monthly benefits to surviving spouses (basic monthly rate of \$1,612.75 in 2024) and to dependent children (monthly rate of \$680.94 in 2024 for one child, which is adjusted on an incremental basis when there is more than one eligible child of the Veteran) in recognition of the economic loss caused by a Veteran's death during military service or after discharge from military service, because of a service-connected disability or a condition related to service. P&F also pays these benefits to the survivors of a Veteran whose death is not service-connected but who was rated by VA as being totally disabled due to a service-connected disability for a specified period immediately preceding death. In addition to the DIC program for surviving spouses and dependent children, surviving dependent parents of a Service member or Veteran whose death is service-connected may be eligible for [Parents' DIC](#) if they meet certain income requirements (monthly rates are dependent on annual income).

Burial

The program provides financial assistance for the dignified burial of Veterans by providing a one-time payment towards the burial of the Veteran. The maximum amount of the burial allowance benefit varies depending upon whether the death was service-connected (\$2,000) or non-service-connected (\$948 for 2024). The benefit will generally cover a portion of the actual cost of the funeral and burial expenses up to the maximum amount prescribed by law. Veterans entitled to non-service-connected burial may be entitled to a plot allowance (\$948 for 2024). Reimbursement for transportation expenses may be payable for Veterans buried in a national cemetery or who meet the requirements of 38 U.S.C. § 2303(a).

Fiduciary

The [Fiduciary](#) program protects VA's most vulnerable beneficiaries who, as a result of injury, disease, the infirmities of advanced age, or by reason of being less than age 18 are unable to manage their VA benefits. Every beneficiary has the right to manage their VA benefits; however, if medical evidence shows they cannot, VA can appoint a fiduciary to assist the beneficiary. Prior to the appointment of a fiduciary, P&F conducts an initial field examination to identify and investigate a fiduciary and assess the well-being and needs of the beneficiary and dependents. To ensure the selected person is qualified to serve, the assessment of the fiduciary may include a credit history check, a criminal background check, character witness interviews, and a face-to-face meeting. A face-to-face meeting with the beneficiary may also occur as part of the assessment of their well-being and needs.

After appointment of the fiduciary, P&F monitors the performance of the fiduciary through follow-up oversight, which may include field examinations, additional background checks, and financial reviews to ensure the fiduciary is properly managing the beneficiary's funds and ensuring all needs are being met. For the criminal background checks, P&F has a robust risk scoring matrix that places fiduciaries clearly into red, yellow, or green categories, which determines if the fiduciary is eligible or will remain eligible to serve as fiduciary. This process increases standardization, improves efficiency, and lessens subjectivity in the appointment process. In addition to performing the background checks prior to appointment of a fiduciary and during subsequent financial reviews, VA also utilizes a batch review each year wherein each current fiduciary is reevaluated, and action is taken to replace the currently serving fiduciary when the risk score categorizes them as high-risk.

Staffing

An estimated \$318.9 million, or 75%, of the 2025 request for these programs is for salaries and benefits. As of September 2023, VBA employed 743 pension employees in the Pension Management Centers (PMCs) located in Philadelphia, Pennsylvania; Milwaukee, Wisconsin and St. Paul, Minnesota. A total of 493 employees are Veterans Service Representatives (VSR) and Rating Veterans Service Representatives (RVSR) responsible for developing, adjudicating and promulgating pension, DIC and burial claims.

Also, as of September 2023, there were 188 employees functioning as Supervisors, Assistant Supervisors, Claims Assistants (CAs), Capture Unit Staff, Rating Quality Review Specialists (RQRS) and Authorization Quality Review Specialists (AQRS). The Supervisors and Assistant Supervisors are responsible for ensuring all workload processed is consistent with employee performance standards. The CAs are responsible for reviewing claims material and establishing claims in the system, as well as file and mailroom duties. The Capture Unit Staff is responsible for scanning documents containing federal tax information. The RQRSs and AQRSs are responsible for reviewing pending and completed work to ensure overall accuracy.

Dedicated Quality Review Teams (QRT) at each PMC evaluate decision accuracy of the individual employees at the PMCs and perform in-process reviews to eliminate errors at the earliest possible stage in the claims process. The QRTs are comprised of 60 quality review specialists (RQRSs and AQRSs) across three PMCs who are trained by national quality assurance staff to ensure local reviews are consistently conducted according to national standards. The QRTs have directly

contributed to the overall accuracy rate of more than 97% of all claims, exceeding the target of 94% by ensuring the claims submitted are adjudicated properly.

As of September 2023, VBA employed 1,131 fiduciary employees in six fiduciary hubs: Columbia, South Carolina; Louisville, Kentucky; Indianapolis, Indiana; Lincoln, Nebraska; Milwaukee, Wisconsin, and Salt Lake City, Utah. There are 397 Field Examiners (FE) who conduct field examinations for beneficiaries VBA has determined are unable to manage their VA benefits. There are 370 Legal Instruments Examiners (LIE) who finalize field examinations, release retroactive benefits, audit accountings and process misuse cases. Additionally, 116 Fiduciary Service Representatives (FSR) are responsible for promulgating competency decisions. During fiduciary field examinations, FEs conduct interviews and obtain appropriate signature(s) when appointing a fiduciary. LIEs, FSRs and FEs work to ensure Veterans and their survivors are receiving their benefits. There are 248 employees functioning as Supervisors, Assistant Supervisors, Management Analysts (MA), Quality Service Representatives (QSR), and Program Support Assistants (PSA). The Supervisors and Assistant Supervisors are responsible for ensuring all workload is processed according to employee performance standards. The MAs are responsible for analyzing workload and identifying workload trends. The PSAs are responsible for establishing claims in the system as well as file and mailroom duties. The QSRs are responsible for reviewing pending and completed work to ensure overall accuracy.

As of September 2023, there were 93 employees at VBA Central Office (VBACO). P&F provides various support and oversight to the field to include updating policies and procedures, proposing legislation and drafting regulations, responding to congressional and field inquiries, developing and conducting training, performing quality assurance and oversight functions, providing system enhancement requirements, and providing oversight to automation program operations. P&F maintains open communication with PMC and Fiduciary Hub employees to provide consistent guidance, ensuring benefits are processed correctly and timely.

Quality and Oversight

As part of its quality and oversight process, P&F uses special focused reviews and site visits to assess performance and compliance with policies and procedures for both the Pension and Fiduciary programs.

Specific to the Pension program, P&F performs upfront income verification using federal tax information from the Internal Revenue Service (IRS) and Social Security Administration (SSA) at each of the PMCs. This exchange of data between relevant agencies reduces reliance on self-reported information, improves program integrity, reduces improper payments, reduces claimant burden, and positions the Pension Program for automated rules-based processing and pension automation.

P&F has taken steps to improve the efficiency of the program by developing training tools for [Fiduciary Program personnel](#) and [VA-appointed fiduciaries](#). These tools identify and address fiduciary misuse of VA benefits. P&F began processing fiduciary workload within the Veterans Benefits Management System (VBMS) in 2021. The move into VBMS has increased efficiency, enhanced timeliness, and improved accuracy of the workload in all areas. In 2023, field exam overall accuracy was 95.7%, exceeding the target of 92%, largely attributed to VBMS processing.

Workload

Because the Pension and Fiduciary programs are two separate and distinct programs, workload projections must be addressed for each program individually.

Pension Management Center (PMC) Workload

The end-product (EP) system is the primary PMC workload management tool to conduct special reviews and correct a previous erroneous action. Correct use of the EP system facilitates proper control of pending workloads and appropriate work measurement credits. PMC workload is aggregated into the following categories:

- Veterans' Pension: a needs-based claim for Veterans;
- DIC: a claim for monthly compensation for a surviving spouse, child, or parent because of a Veteran's service-connected death;
- Survivors' Pension: a needs-based claim filed by a surviving spouse or child;
- Burial Allowances and Reimbursements: a claim for burial, plot and/or transportation allowances;
- Accrued Benefits: benefits that are due but not paid prior to the Veteran's death;
- Other Pension Non-Rating Claims: a claim that requires benefit adjustments based on dependency or income changes and other changes in circumstances; and
- Pension Other: the combination of workload not included in the regular pension non-rating claims, such as correspondence and Privacy Act/Freedom of Information Act requests.

The below table details PMC workload projections.

Pension Management Center - Production	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Pension Rating Claims (Includes Reopened Claims)	42,404	48,962	53,209	58,369
Dependency and Indemnity Compensation (Includes Reopened Claims)	59,160	69,277	78,532	85,721
Original Survivors Pension Claims	25,941	20,915	28,911	26,914
Burial Claims (Non-Add to Other Pension Non-Rating)	175,944	145,774	157,043	151,789
Accrued Benefits (Non-Add to Other Pension Non-Rating)	3,000	3,883	3,589	1,924
Pension Non-Rating Claims	344,409	329,165	336,539	308,580
Pension Controlled End Products	72,295	67,496	65,763	62,060
Pension Other End Products	95,598	63,304	85,719	93,865

The following table provides a summary of the workload and FTE projections. This summary includes data for only pension and DIC claims considered to be part of VBA's overall disability claims inventory (i.e., "rating claims").

Projected Pension and DIC Claims Workload and FTE Requirements	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Pension, DIC, & Burial Direct Labor FTE	831	890	890	890
Total Receipts	125,191	131,212	126,038	134,999
Pension Claims	56,519	50,710	48,696	55,440
DIC Claims	68,672	80,502	77,342	79,559
Total Production	101,564	118,239	131,741	144,090
Pension Claims	42,404	48,962	53,209	58,369
DIC Claims	59,160	69,277	78,532	85,721
Total Year-end Inventory	40,045	53,018	47,315	38,224
Pension Claims	20,432	22,180	17,667	14,738
DIC Claims	19,613	30,838	29,648	23,486

Fiduciary Workload

P&F employees work to identify and complete all pending misuse matters, including final misuse determinations, debt establishment, and benefit reissuance at the Fiduciary Hubs. P&F recognizes fiduciary misuse of benefits can cause financial hardship for beneficiaries and has taken additional steps to address this vulnerability. This includes requiring fiduciaries to submit detailed financial documents, emphasizing reporting of misuse allegations to fiduciary employees, and aggressively pursuing recoupment of VA benefits when misused.

The EP system is the primary Fiduciary Hub workload management tool to conduct field examinations and oversight activities. Correct use of the EP system facilitates proper control of pending workloads and appropriate work measurement credits. Fiduciary Hub workload is aggregated into the following categories:

- Initial Appointment Field Examinations: the appointment of an original or replacement fiduciary;
- Follow-up Field/Alternate Examinations: oversight mechanism that requires beneficiary and/or fiduciary contact;
- Accountings: review of a fiduciary's written report regarding the income and funds under management during the accounting period identified by VA for cases that incorporate any condition which would require this oversight mechanism; and
- Fund Usage Reviews: a review of three months of financial statements and supporting documentation for targeted oversight on fiduciaries who are not accepted.

The following table provides a summary of the workload and FTE projections. This summary includes data for the examination and oversight activities which are currently utilized by Fiduciary Hubs to fulfill the mission of the program.

Fiduciary Program Workload Completed and FTE Requirements	2022 Actuals	2023 Estimate	2024 Estimate	2025 Estimate
Direct Labor FTE	1,225	1,335	1,335	1,335
Initial Appointment Field Examinations	25,050	30,774	30,513	30,427
Follow-up Field Examinations	-	-	-	-
Follow-up Alternate Field Examinations	-	-	-	-
Follow-up Field/Alternate Examinations	66,840	46,724	45,935	45,288
Percentage IA	27.3%	39.71%	39.91%	40.19%
Total Field Examinations	91,890	77,498	76,448	75,714
Accountings	44,032	34,724	34,138	33,945
Fund Usage Reviews	5,489	16,958	16,672	16,577
Total Financial Reviews	49,521	51,682	50,810	50,522

Performance Measures

The 2025 requested resource level supports the following performance measures:

- National Claim-Based Quality of 93% for Pension Rating Claims: National Claim-Based Quality for Pension at the end of 2023 was 97%.
- National Fiduciary Quality of 92% for Fiduciary Claims in 2023. National Fiduciary Quality at the end of 2023 was 95.7%.
- 70% of Fiduciary Field Examinations completed within 54 days: The percentage of Fiduciary Field Exams completed within 54 days at the end of 2023 was 87.4%.

Highlights and Achievements

P&F's 2025 request is aligned to the following VA Secretary's priorities:

Providing Veterans with Earned Benefits

Below are some of the ways P&F is working to strengthen the workforce, improve service and delivery of benefits:

- P&F is modernizing the Fiduciary program by enhancing background check capabilities. Automated mechanisms for the evaluation of criminal records are being used to streamline the background check process, thus decreasing subjectivity. This has improved the consistency of evaluation, which allows for a more effective level of oversight for

beneficiaries who need fiduciary support.

- P&F launched the Competency Based Training System for Fiduciary Service Representatives (CBTS-FSR) for 2024 on November 8, 2023. CBTS is designed to equip employees with an individualized training plan tailored to fit their specific needs. CBTS is a training tool, designed to assess technical competence, identify training based on assessment scores, and upon review and approval, automatically populate annual training plans of employees. Currently 100% of FSRs have taken the CBTS diagnostic assessments. P&F is working with local Training Managers to track and ensure FSRs complete remedial training based on results of diagnostic assessment by September 30, 2024. The national quality for FSRs has increased since the implementation of CBTS. Fiduciary Hub leaders have been touting the benefits of CBTS and would support transitioning all Fiduciary Hub job positions into the CBTS training model. P&F is planning to transition two more Fiduciary positions into CBTS training model in 2024.
- P&F realigned VA forms oversight and stood up a team to comprehensively review and update P&F owned forms on an ongoing basis. Primary P&F forms for Survivor benefits (VA Form 21P-534EZ), Veteran pension (VA Form 21P-527EZ), and burial benefits (VA Form 21P-530 EZ) all received substantial updates in 2023. Substantive changes were made to the Medical Expense Report (VA Form 21P-8416). It was released to the public on November 22, 2023. An overhaul was also performed on the Income and Asset Statement in Support of Claim for Pension or Parents' Dependency and Indemnity Compensation (DIC) (VA Form 21P-0969). It was updated to improve clarity and to assist in the modernization goals of Pension Automation. The intent of the form updates was to streamline the claims process, reduce the need for claims development, and enhance the automatability of claims.

Improve Accessibility and Service to Veterans and Beneficiaries

P&F is collaborating with the Office of Field Operations to establish a Fiduciary Contact Center in 2024. This increases availability and access to fiduciaries and beneficiaries seeking information related to the fiduciary program.

During the initial appointment with a prospective fiduciary, the Field Examiner is required to provide various training information including the [VA Fiduciary Guide](#) and several training modules entitled *Fiduciary Basics (101)* and *Acceptable Expenses*, which are located on the [VA Fiduciary website](#). The Field Examiner may provide this information via email, telephone call, or text message when scheduling the field examination. They must also provide information on the use of the Fiduciary Accounting Submission Tool FAST for submission of financial documents including accountings and fund usage reports. P&F also conducts outreach through targeted marketing campaigns (letters, social media platforms, etc.). Fiduciaries are notified that P&F is actively monitoring their activities and here to help them be successful.

Provide Specialized Services for Survivors

P&F has consolidated the processing of DIC and burial benefits to the Philadelphia PMC. The center is staffed with benefits advisors trained to meet the unique needs of surviving family members. Claims processors and benefits advisors provide support for grieving survivors to ensure claims are processed with the least amount of burden. The PMC specializes in targeted outreach and personalized services for vulnerable survivors.

Pension Optimization Initiative (POI)

Pension Automation 1.0 was completed in 2021 and is in sustainment. POI will expand automation capabilities further. The POI contract was awarded on September 12, 2022. This automation effort seeks to leverage a managed service provider to automate 75% of PMC claims from end-to-end, while providing an automated touch on 100% of claims. In 2023, P&F had a goal of achieving 25% end-to-end automation and progressing up to 75% in subsequent years. This automation enables VBA to process claims faster and allows claims processors to focus on those claims that automation cannot process, ensuring a quality decision in a timely manner.

In 2023, during the base year of the POI contract, POI successfully automated 22.2% of claims end-to-end, and additionally implemented automation of rating decisions, which did not count towards the completion goal. POI successfully automated death of beneficiary claims which are historically processed by the PMCs. The first death of beneficiary claim was automated in January 2023. Since then, P&F has continued to expand automated processing of this workload. From January through the end of fiscal year 2023 81% of the claims attempted were successfully automated, resulting in more than 30,000 claims processed by POI. The quality of the automated decisions exceeds 99%. POI is now positioned to process these claims as soon as they are received and has reduced the inventory of this workload by 90% in this timeframe. Additionally, POI built Pension eligibility and rating decision capabilities into automation, providing a much-needed foundation for expansion of automation. POI successfully automated close to 400 rating decisions during the base year. Looking ahead, POI is continuing to expand automation of pension claims to include more scenarios and claim types.

In addition, P&F has expanded Pension Automation capabilities in 2023 and will continue to do so in 2024. Since the inception of Pension Automation 1.0 burial inventory has decreased from approximately 37,000 (as of end of year 2019) to approximately 10,000 (as of June 30, 2023). This is a 73% reduction in inventory. Automation has also decreased processing time from 75 days in 2019 to 38 days as of June 2023. The continuous improvements in automation resulted in an 18.3% increase in burial claim production since 2019. During the first quarter of 2024, VBA completed approximately 5,233 burial decisions through the automation program. From October 2023 through December 2023, Pension Automation 1.0 processed roughly 15,700 burial claims.

Claims can currently take from four to six months to process. Expanding automation to pension claims through POI will free up FTE for other VBA priorities. About 700 employees will be needed on a full-time basis for continued current-state processing of large segments of the pension workload. POI will significantly reduce the backlog over the course of the project, modernize the claims process and provide the managed services capability that will result in a zero-backlogged claims model target. VBA will ultimately be positioned to process claims within days or weeks of receipt, which would set an industry standard for similar types of claims processing.

Ensuring Strong Fiscal Stewardship

The following programs actively ensure we are fiscally responsible stewards of taxpayer dollars:

- From October 2022 through September 2023, P&F matched more than 54,000 awards using the Social Security Death Master File match (Pension claim labels only).

- P&F receives a quarterly SSA Income Data Match, which enables the identification of reported income discrepancies. In turn, this affords P&F the opportunity to adjust benefits in a timely manner and reduce excessive overpayments.
- The Post Award Audit (PAA) process is a periodic audit of pension and parents' DIC active benefit payments that assesses the accuracy of payments using earned and unearned income.
- P&F expanded automated state plot benefit payments to State Veterans Cemeteries that intern the remains of Veterans. This automation ensured the proper updating of Veterans' records and expedited payments to the cemeteries. In 2023, 83% of state plot claims have been completed within six days.
- P&F generated more than 144,000 burial, DIC and pension decisions in FY 2023. This exceeded the FY 2022 output of 87,264 completions and FY 2021 output of 59,397 automated decisions.
- Pension claims are now completed in an average of 146 days while DIC claims are completed in an average of 95 days.

Fostering a Culture of Collaboration

Collaboration and communication with Veterans and other stakeholders are priorities for P&F. Stakeholders include Veterans, dependents, and survivors. Partners include VA-recognized Veterans Service Organizations (VSO), the Veterans Health Administration, the National Cemetery Administration, the Board of Veterans' Appeals, the Department of Defense, the Defense Finance and Accounting Service, the Department of Justice (DOJ), IRS, SSA, Office of Inspector General (OIG), and other Federal government agencies.

- P&F represents VA on the Elder Justice Coordinating Council under the direction of DOJ to identify elder abuse markers and provide resources in rural areas where most vulnerable Veterans and beneficiaries live. The council allows for cross-agency collaboration and information sharing.
- P&F collaborates with VSOs to provide them information and updates on process changes in both the Pension and Fiduciary programs.
- SSA and IRS share data with P&F to verify income for its needs-based benefit programs.
- P&F collaborates with OIG by routinely sharing information concerning cases in which fiduciaries misuse a beneficiary's VA funds. This affords OIG an opportunity to pursue further investigations and possible charges against fiduciaries that intentionally abuse our beneficiaries in a financial manner.



Education

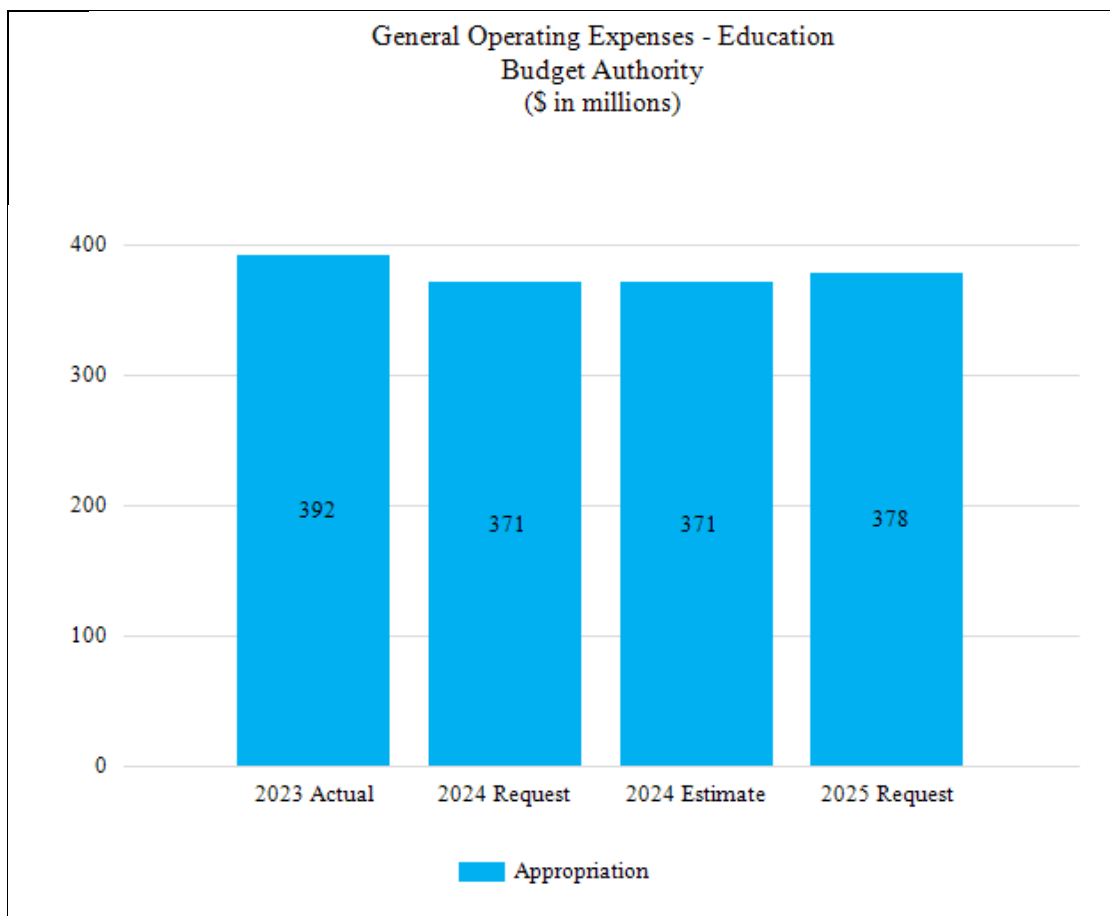
Mission

Provide educational assistance programs to Veterans, Service members, National Guard and Reserve members, and eligible dependents by providing financial assistance, generally in the form of monthly benefit payments, as mandated in Titles 38 and 10, United States Code.

Summary of Budget Authority

2025 Budget Authority Request: \$377.9 million

Change over 2024 Estimate: + \$6.9 million / +1.8%



Note. – A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 Estimate reflects the 2024 President’s Budget request for discretionary appropriations with updates to balances, recoveries, and collections.

Summary of Budget Request

The Department of Veterans Affairs (VA) requests \$377.9 million in budget authority and \$158,000 in reimbursement authority to fund Education Service (Education) for the administrative expenses of 1,992 full time equivalent (FTE) detailed in the table below. Total budget authority and offsetting collections will fund obligations of \$378.1 million. This request will support timely and accurate delivery of benefits.

General Operating Expenses						
Education						
Summary of Employment, Obligations and Budgetary Resources						
(\$ in thousands and FTE)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	1,677	1,803	1,803	1,803	-	-
Management Direction and Support	188	192	192	189	-3	-1.56%
Total FTE	1,865	1,995	1,995	1,992	-3	-0.15%
Obligations						
Direct Obligations	391,754	371,073	371,073	377,928	6,855	1.85%
Reimbursable Obligations	278	155	155	158	3	1.94%
Total obligations	392,032	371,228	371,228	378,086	6,858	1.85%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	391,754	371,073	371,073	377,928	6,855	1.85%
Subtotal, appropriations	391,754	371,073	371,073	377,928	6,855	1.85%
Reimbursements	278	155	155	158	3	1.94%
Subtotal, budget authority	392,032	371,228	371,228	378,086	6,858	1.85%
Total budgetary resources	392,032	371,228	371,228	378,086	6,858	1.85%

Note. – Dollars may not add due to rounding in this and subsequent charts.

General Operating Expenses
Education
Obligations by Object Classification
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	232,407	233,507	233,507	237,611	4,104	1.8%
Travel	2,080	1,941	1,940	1,979	39	2.0%
Transportation of things	188	220	220	225	5	2.3%
Rents, communications and utilities	18,980	12,455	12,455	12,704	249	2.0%
Printing	374	693	693	706	13	1.9%
Other services	136,457	120,600	120,599	123,011	2,412	2.0%
Supplies and materials	615	848	848	865	17	2.0%
Equipment	753	921	921	939	18	2.0%
Land and structures	3	-	-	-	-	-
Grants, judgements, interest and insurance	175	45	45	46	1	2.2%
Total	392,032	371,228	371,228	378,086	6,858	1.8%
Subtotal, reimbursable	278	155	155	158	3	1.9%
Subtotal, direct	391,754	371,073	371,073	377,928	6,855	1.8%

Changes from Original 2024 Request

Total obligations have not changed from the original 2024 request.

Changes from 2024 Estimate to 2025 Request

Total obligations increase by \$6.9 million. Changes reflect a projected increase of 2% in pay and 2% for non-pay inflation.

Program Description

Education assists beneficiaries with licensing and certification exams; provides on-the-job training placement programs; and provides beneficiaries with financial assistance for training at Institutions of Higher Learning (IHL) or non-college degree programs (NCD). These VA Education benefits help the United States Armed Forces both recruit and retain Service members, as well as assist Service members' readjustment to civilian life. Ultimately, Education benefits help enhance the Nation's competitiveness through the development of a more highly educated and productive workforce.

Benefits Administered

Education administers the following eight benefits programs: Post-9/11 GI Bill (Chapter 33) (Forever GI Bill); Montgomery GI Bill – Active Duty (Chapter 30); Montgomery GI Bill – Selected Reserve (Chapter 1606); Survivors’ and Dependents’ Educational Assistance Program (DEA) (Chapter 35); Veterans’ Educational Assistance Program (Chapter 32); Reserve Educational Assistance Program (Chapter 1607); Veteran Employment Through Technology Education Courses (VET TEC); and Veteran Rapid Retraining Assistance Program (VRRAP). These benefits programs are discussed in detail in the Readjustment Benefits Chapter in Part 3 of Volume 3.

Education Call Center (ECC)

The ECC, located in Muskogee, Oklahoma, employs 327 employees who respond to calls from Veterans, Service members, and school officials regarding the various education programs. Calls are fielded by 276 call center employees. These employees are well versed on all education programs, providing information about basic program eligibility and caller-specific benefits information. The remaining 51 employees consist of the ECC Leadership Team, Senior Education Case Managers, and support personnel. The ECC maintains a dedicated hotline for School Certifying Officials (SCOs) to quickly reach an Education Case Manager (ECM) to discuss student certification or enrollment. Also, the ECC has a dedicated line for survivors to answer questions and connect them with other resources related to survivor benefits.

The ECC answered 2.1 million calls in 2023, compared to 1.98 million calls in 2022, which increased the overall customer experience in the following areas:

- **Benefits Payments:** Agents work directly with beneficiaries regarding their payment issues and provide opportunities for corrections or better-informed customers regarding their claim.
- **Eligibility and Remaining Benefits:** Agents assist beneficiaries in making informed decisions based upon service history and existing benefits. These calls help beneficiaries make better decisions on how to use their benefits.
- **General Education Overview:** These calls help beneficiaries understand the available benefits and how legislative changes may impact their benefits.
- **SCO Help Line:** This is a dedicated line where agents assist the SCO with questions regarding student enrollment status and proper claim entry. These calls help ensure that a greater percentage of claims are automated, which reduces beneficiary wait time.
- **Survivor Line:** This is a dedicated line for a child or surviving spouse who can contact the Education Call Center at 1-888-442-4551 and select Option 5 for assistance with education benefits or survivor-related resources.

Oversight and Accountability Division

Education’s Oversight and Accountability Division consists of 210 employees. The primary mission of the Oversight and Accountability Division is safeguarding the integrity of the GI Bill.

This portfolio includes Integrity and Protection; Approvals, Compliance and Liaison (AC&L); Agreements and Federal Programs; and Federal and State Approval. Employees are based out of Washington, DC; two RPOs; and other regional offices (ROs) across the Nation. The division ensures the propriety of GI Bill payments, enforces compliance with GI Bill approval requirements, and improves beneficiary satisfaction through:

- **Program Approvals:** Grant approval and/or reapproval for various education and training programs to participate in the GI Bill programs. Approval activities are completed by the designated State Approving Agency (SAA) and then provided to VBA for review and acceptance or are completed by VBA acting as the SAA. Without these approvals, beneficiaries are unable to utilize their education benefits at the school or training provider of their choice. The team manages approximately 400,000 approved programs. This maximizes educational and training options available to GI Bill beneficiaries, while also ensuring approved programs meet Federal and State standards, along with other applicable statutory requirements.
- **Compliance Surveys:** Administers programs responsible for conducting thousands of annual compliance surveys performed at schools and training providers, with approved programs, across the Nation as required by 38 U.S.C. § 3693. This compliance activity ensures VA and GI Bill beneficiaries are not overcharged; schools and training providers adhere to their curricula requirements and policies; and Education benefits are not used improperly or unnecessarily. In 2023, 3344 audits were completed, resulting in Education continuing to safeguard the integrity of the GI Bill and \$11 billion in education benefit payments paid.
- **Risk-Based Surveys:** Administers a program responsible for SAA performance of educational program reviews based on risk factors identified in 38 U.S.C. § 3673A. These reviews, developed in partnership with the SAAs, may be regularly scheduled, based on a high composite risk profile score, or ad hoc, due to a notice of action by a Federal or State agency described in 38 U.S.C. § 3673(e). SAAs perform risk-based surveys, rather than compliance surveys.
- **Integrity and Protection Actions:** These employees monitor comments and feedback submitted through the GI Bill Feedback Tool. Additionally, these employees look for trends in potential noncompliance with GI Bill approval, recordkeeping, and reporting requirements. These employees also work closely with other Federal agencies, including law enforcement agencies and VA's Office of Inspector General, to investigate noncompliance and undertake enforcement actions when necessary. These actions reduce harm to GI Bill beneficiaries and ensure the VA is a good steward of taxpayer funds.

VBA Central Office (VBACO)

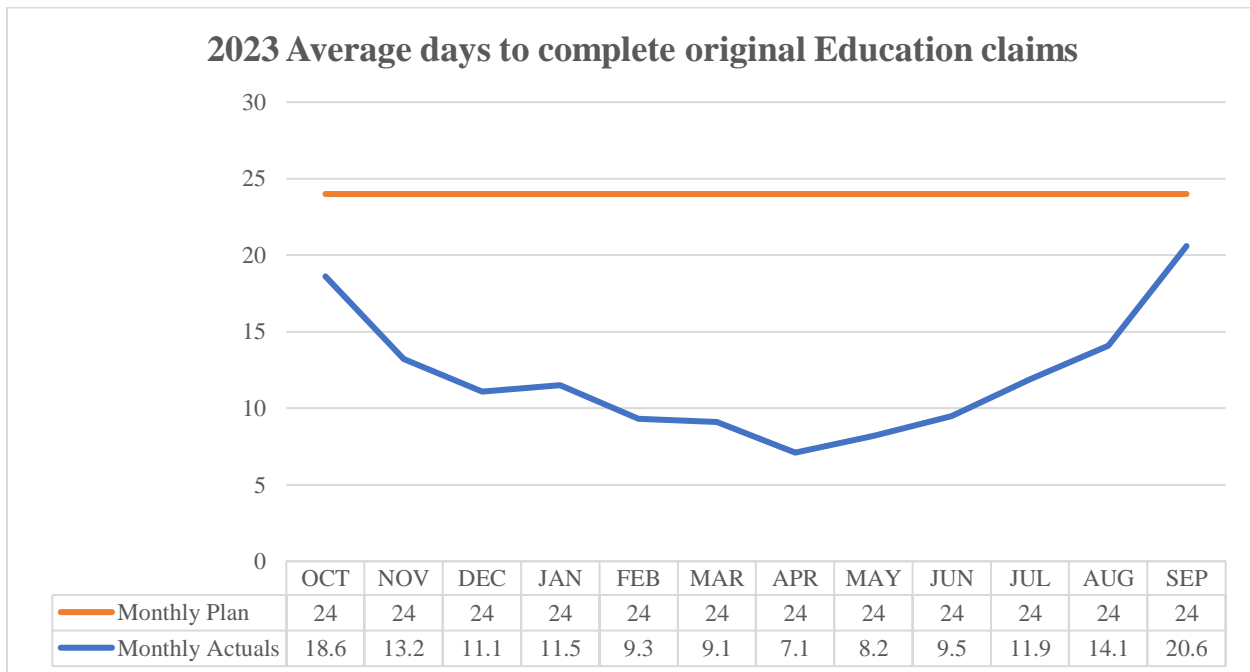
In 2023, Education employed 185 staff located at VBACO in Washington, DC, which included 25 term Digital GI Bill employees. These employees develop and implement policy, procedures, legislation, strategic oversight, communications, and training. The staff also responds to inquiries from the Office of Management and Budget, Congress, and other stakeholders.

Workload

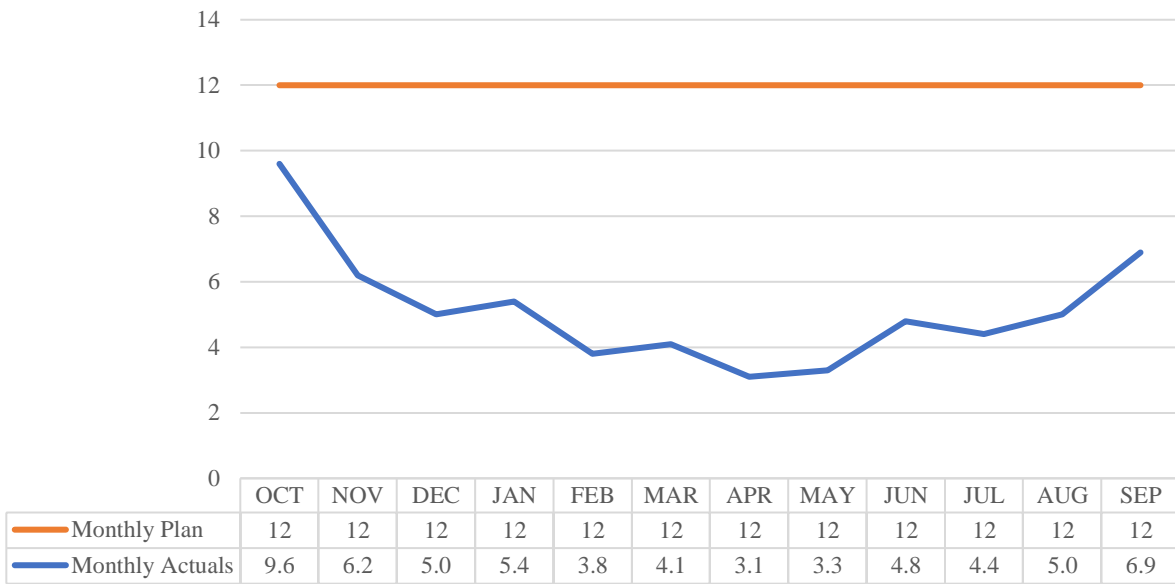
Projected Education Workload and FTE Requirements	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Direct Labor FTE	1,626	1,803	1,803	1,803
Total Claims Completed	3,551,580	3,738,179	3,862,135	3,934,581
Change in Claims Completed (over previous year)	3.0%	5.3%	3.7%	1.9%
Compliance Reviews	1,988	3,344	3,400	3,495
Calls Processed at Call Center (Answered)	1,981,632	2,095,987	2,768,633	2,410,762

Workload for the ECC is determined by the number of callers and inquiries received. The ECC is open from 7 a.m.- 6 p.m., Central Time, Monday through Friday. If a beneficiary is unable to call during normal business hours, they can access information on the education and training page located at VA.gov. Beneficiaries are encouraged to submit their questions through the "Ask A Question" site on the website as this contact method is available all the time. In 2023, the ECC answered 2.1 million calls, a 6% increase compared to the prior year, with an average speed to answer of 4 minutes and 16 seconds, and quality of 94.4%.

Workload for the AC&L team is determined by the number of approval requests from the education and training providers in conjunction with the requirements of SAAs. AC&L ensures accurate and consistent application of the laws, regulations, and policies governing GI Bill approval activities.



2023 Average days to complete supplemental Education claims



VA also conducts a compliance survey of approved programs with at least 20 beneficiaries, unless waived due to a history of compliance. To meet the requirements of the law, the AC&L team must conduct, on average, a minimum of 2,500 compliance surveys per year. Additional ad hoc surveys, referred to as Risk Based Surveys (RBSs) and Targeted Risk Based Surveys (TRBSs), are conducted based on the existence of identified risk factors, complaints, and enforcement actions by State or Federal agencies indicating possible violations of GI Bill requirements. This work helps to safeguard the integrity of the GI Bill and ensure that \$11 billion of benefits awarded are paid correctly.

Performance Measures

Performance Measures & 2025 Targets	2023 Actual	2024 Target	2025 Target
Average Days to Complete Original Claims	12	20	20
Average Days to Complete Supplemental Claims	5	10	10
Payment Accuracy	98.7%	95.0%	96.0%
Agent Availability	82.7%	77.0%	75.0%
Average Speed to Answer (seconds)	256	120	120
Average Days to Complete Education Program Approvals	20	35	35
Average Days to Complete Compliance Survey Reports	22	80	80

Targets for 2024 and 2025 were developed based on a review and analysis of claims timeliness of

other Federal agencies and the insurance industry. As of September 30, 2023, Education processed original claims in an average of 12 days and supplemental claims in an average of 5 days. Historically, Education claims processing times vary throughout the year, primarily due to the fall and spring peak enrollment periods as demonstrated in the workload table above. The chart below shows how claims processing times varies per month based on the enrollment periods.

The 2025 requested resource level supports the following performance measures:

- **Average Days to Complete Original Education Claims:** The average number of days to process an initial application for education benefits. The target in 2025 is 20 days.
- **Average Days to Complete Supplemental Education Claims:** The average number of days to process subsequent claims for education benefits after eligibility is established. The target in 2025 is 10 days.
- **Payment Accuracy:** The amounts are reported as a percentage of the number of correct payments made as the result of a broad sample of claims selected and graded during quality reviews. Payment accuracy is measured based on the number of correct payments made to the accurate school, program, and recipient versus the number of incorrect payments made and discovered during quality reviews. This measurement includes items such as the correct amount of entitlement, tuition, fees and whether accurate eligibility determination was made. The target for 2025 is 96%.
- **ECC Performance Metrics include Agent Availability and Average Speed to Answer.** The target for Agent Availability, the percentage of time an agent is actively available to take calls, in 2024 and 2025 is 75%. The target for Average Speed to Answer in 2024 and 2025 is 120 seconds.
- **Beneficiary Satisfaction:** The target in 2025 for Veterans or beneficiaries who are satisfied with the value received from their GI Bill is 80% based on customer satisfaction surveys.
- **Average Days to Complete Education Program Approvals:** VBA reviews program approval documents submitted by SAAs to ensure that they meet statutory and regulatory requirements. The target in 2025 is 35 days.
- **Average Days to Complete Compliance Survey Reports:** VBA reviews and finalizes survey reports, conducted by both VA and SAAs, for accuracy and completeness to ensure that approved programs continue to meet statutory and regulatory requirements. The target in 2025 is 80 days.

Recent Legislation

Veterans Eligible to Transfer School (VETS) Credit Act P.L. 117-297, which was signed into law on December 27, 2022, eases the burden on students applying for restoration of entitlement due a school closure or disapproval to continue participating in GI Bill programs. It also removes the requirement for a transferor to declare an effective period for the transfer of Post-9/11 GI Bill benefits.

The Consolidated Appropriations Act, 2023, P.L. 117-328 was signed into law on December 29, 2022. The law includes the following:

- Automatic redistribution of transferred entitlement upon the death of a Veteran;
- Elimination of secondary school training under Survivors' and Dependents' Educational Assistance Program;
- Establishment of protections for a member of the Armed Forces who leaves a course of education, paid for with certain service;
- Extension of time limitation for use of entitlement under Department of Veterans Affairs educational assistance programs by reason of school closures due to emergency and other situations; and
- Elimination of delimiting date under Survivors' and Dependents' Educational Assistance Program for those persons who first become eligible on or after August 1, 2023.

The Veterans Auto and Education Improvement Act of 2022, P.L. 117-333 was signed into law on January 5, 2023. The law includes the following:

- Provides protections to students impacted by declared national emergencies;
- Streamlined approvals for students enrolled in study aboard programs;
- Fry Scholarship eligibility for sole survivorship discharges;
- Requirement to establish a uniform application; and
- Exemption to the second certification requirement in certain limited situations.

Highlights and Achievements

Providing Veterans with Earned Benefits

GI Bill

The [GI Bill Comparison Tool](#) provides information about education programs and benefits at different schools. The GI Bill Feedback System is available to support beneficiaries with smartphone access. Designed specifically with mobile users in mind, it simplifies the user experience amongst a diverse population of beneficiaries.

Education provides beneficiaries with the most up-to-date benefit information by email and social media. In 2023, Education emailed over 1.2 million beneficiaries on topics such as legislative changes, school closures, benefits updates, and Digital GI Bill modernization efforts.

Education Service utilizes Facebook to help reach many of its beneficiaries and published 766 Facebook posts in 2023. These posts reached over 119,961 followers, which led to over 98,200 social media engagements related to the posted material.

Digital GI Bill (DGIB)

DGIB is a modernized digital platform that is transforming VA technology systems, improving GI Bill students' user experience, and optimizing benefits processes for millions of beneficiaries. The new solution, designed with partner Accenture Federal Services (AFS), is improving operations within Education Service (EDU) and providing streamlined services to Veterans, beneficiaries, and school partners. DGIB operations will result in increased accuracy and timeliness of claims processing. DGIB also allows EDU to respond to new legislative requirements quickly.

DGIB has made significant progress with rapid releases addressing new legislation, driving automation improvements, improving the Veteran experience, replacing major legacy systems, and harnessing the power of data. In just six months since the program began, DGIB introduced a Managed Service platform, which will eventually bring IT services under one roof. In two years, DGIB has completed seven major releases and successfully retired two of the three largest legacy systems, including VA Online Certification of Enrollment (VA-ONCE) and the Long-term Solution (LTS).

DGIB has made record-breaking progress in improving claims automation, including automating original claims for the first time ever. Improved claims automation helps reduce the number of errors, such as overpayments and underpayments, which improves both the accuracy and timeliness of an estimated \$10 billion in benefit payments annually. Automation of Chapter 33 Original claims was nearly 17% in September 2023 (up from 0% when original claims automation in DGIB began), and Chapter 33 Supplemental claims are 63% for September 2023 (up from around 40% in March 2021 when DGIB began).

For the first time in 78 years, GI Bill applicants who used to wait up to a month to receive an eligibility decision can receive a same-day education benefits eligibility decision. A simplified application experience enabled by DGIB has made applying for Post-9/11 GI Bill education benefits faster and easier than ever, with features including pre-filled service history, quicker eligibility decisions, an updated user interface, and intuitive designs. DGIB provides Veterans the ability to download and view digital copies of their COE and decision letters, so Veterans no longer need to wait up to five days for a paper copy to arrive in the mail. Through the integration with VA/DoD Identity Repository (VADIR), Veterans may now experience pre-filled service history, eliminating manual entry. The streamlined application was rolled out for eligible Veterans and Service members in March 2022. Since March 2023, Transfer of Entitlement recipients may also experience pre-filled sponsor data and the streamlined application experience.

On March 6, 2023, DGIB's Enrollment Manager replaced VA-ONCE, providing over 14,000 SCOs an improved platform to certify and submit millions of student enrollments. Enrollment Manager has improved the SCO user experience through streamlined processes, reduced manual data entry, faster processing times, and an improved workflow. Within Enrollment Manager, a new GI Bill Chatbot, Billie, provides SCOs live 24/7 support and quick access to answers and key information. DGIB built Enrollment Manager for SCOs, with SCOs, and listened to their feedback every step of the way. VA distributed omni-channel communications to share guidance on the new system and will continue to do so in fiscal year 2024. Through design workshops, in-person events, and highly interactive training courses, DGIB put end users at the center of the GI Bill experience, providing SCOs important resources and communications before and after go-live.

Education developed and implemented the Enrollment Manager Communications Plan based on insights from the Enrollment Manager Design Thinking session with Communications Product Owners. The plan details Enrollment Manager communications objectives, approach, stakeholders, key messaging, campaign branding, outreach activities, and channels to reach the target audience. The Enrollment Manager Communications Plan takes an omni-channel approach that blends both traditional and grassroots efforts to proactively reach internal and external

stakeholders, and effectively communicate Enrollment Manager changes being implemented to increase awareness, engagement, and trust in VA.

The DGIB solution supports business intelligence for evidence-based decisions, along with centralized access to business analytics and reporting services that will track and harness data that resides in different systems today. In June 2023, the DGIB team delivered the new Data Mart database which compiles data from all Education systems into a single central location to directly access and query data. The Data Mart serves as a one-stop shop to combine and transform Education systems data, provide advanced analytics functionalities, increase efficiencies in generating operational reports, provide Power BI analytics usage, and model Artificial Intelligence (AI) and Machine Learning (ML) capabilities.

Education plans to deploy further DGIB business capabilities including:

- Ch33 Automation Improvements
- Approval Manager
- Web Enabled Approval Management System (WEAMS) Consolidation
- Workload Manager
- The Image Management System (TIMS)/eFolder Migration
- Ch33 Enterprise Management of Payment Workload and Reporting (eMPWR-VA or eMPWR) Interface
- Payment Service

Workload Manager will replace TIMS as the new system for Veteran Claims Examiners (VCEs) used to view and manage workload of GI Bill claims that need processing. This system will connect with My Education Benefits (the va.gov site where GI Bill students go to apply or receive updates on their education benefits) and Benefits Manager (a future DGIB microsystem in which Veterans Claims Examiners (VCEs) will create and update claims) to transform how VCEs are assigned tasks. Workload Manager will bridge the gap from a Veteran's application to the claims processing end of Benefits Manager. A VCE will review new claims in Workload Manager, create work credits, and route it to the proper processing end in Benefits Manager.

The Edith Nourse Rogers STEM Scholarship

Since inception of the program through September 30, 2023, 12,408 students have been awarded a Rogers STEM Scholarship. The Rogers STEM Scholarship requires beneficiaries to satisfy at least six criteria for eligibility, and the scholarship includes a yearly cap of \$100 million for the total amount of paid benefits allowable. The eligibility requirements include:

- Entitlement to Chapter 33 benefits;
- Entitlement use within 180 days of applying;
- Submission of a STEM specific application;
- Enrollment in a STEM program that requires 120 semester credit hours or 180 quarter credit hours; and
- Completion of 60 standard (or 90 quarter) credit hours, completion of a STEM undergraduate degree and currently pursuing a teaching certification.

Applications are prioritized for individuals who are entitled to 100% of Post-9/11 GI Bill benefits, require the most credit hours to complete their program and have not transferred their eligibility to a family member or dependent.

STEMText

The implementation of text message verification through the STEMText program highlights Education's ability to modernize education benefits delivery and customer experience for GI Bill students. There is a 93% opt-in rate from eligible Rogers STEM Scholarship awardees, with 98% of those who have elected to opt-in verifying their benefits for monthly housing via text.

Training

Education is developing micro-learning training videos to deploy to the ECC. This targeted training will provide an overview of various training topics to call center agents in a format that limits impact on their call availability. NTTP deployed numerous training videos addressing new legislation and updates on modernization efforts under the DGIB. NTTP also deployed multiple training videos on the new enrollment verification process implemented as the result of P.L. 116-315 § 1010. In collaboration with other divisions of EDU, NTTP began to provide training for ECC personnel; a new training program, Achieving Call Excellence (ACE), is being developed and deployed to entry-level and journey-level ECC personnel. Six products, including *The ABCs of ECC*, *Verifying/Updating Beneficiary Contact Information*, and *Caller Verification Protocol* were released in 2023.

Similar efforts are underway for Comprehensive Upstream Training (CUT), a training curriculum developed specifically for the clerical staff at the RPOs. This initiative began when My Education Benefits (MEB) deployed, which changed the way clerical staff processed original claims. NTTP established a workgroup to identify training needs, and developed targeted training on this process, as well as the *Centralized Mail Portal*. They are expanding their efforts and will continue to develop training products for entry-level and journey-level clerical staff.

The National Training Team – Compliance (NTTC) also developed national training for the compliance field staff. A full session of *Approvals 101* with reworked content and updated training evaluation metrics was completed in July 2023. A full session of *Compliance 101* was presented in collaboration with AC&L for all interested ECSS employees and supervisors in June 2023. Additional sessions for new ELRs and ECSSs and ELRs are offered as needed when ten or more employees in either position are onboarded. In addition to new employee training, NTTC deployed quarterly procedural refresher training for compliance field staff in March 2023 and June 2023.

Education conducts in-depth analysis of training to determine customer satisfaction with deliverables, and applicability to processing claims for benefits, ensuring compliance and processing enrollment certifications through the efforts of the NTTP, NTTC and National Training Team-Schools (NTT-S) teams, respectively. The National Training Teams have deployed four dashboard-style reports in Microsoft Power BI that are synced with course-level training evaluation data. These dashboard reports automatically update daily with customer satisfaction scoring and assessment results. Review of evaluation data from these sources indicate relevancy and applicability scores averaging above 90% for positive and neutral reporting. Reports for the

Compliance 101 training course also reflect a net promoter score of 61, approximately 11 points higher than an excellent score using absolute scoring methods.

Ensuring Strong Fiscal Stewardship

Oversight and Accountability

In 2023, 3,344 compliance actions were completed, which resulted in the recovery of \$6 million in benefit payments. Education projects over 2,500 compliance surveys and an increased amount of RBSs and Targeted Risk Based Reviews will be completed in 2025 as VA and the SAAs shift focus to a risk-based model, with an estimated savings of \$21 million. Education annually administers 53 cooperative agreements with SAAs whose core functions are approvals, compliance, liaison, and technical assistance to the education and training providers in their home state. Enforcement actions are regular and ongoing in collaboration with other trusted federal agencies to include VA, Office of Inspector General (OIG) Criminal Investigation Division, Department of Justice (DOJ), Federal Trade Commission, Department of Education, and others to include multiple State Offices of the Attorney General.

To improve and standardize compliance procedures, a platform was developed in the Salesforce application to manage compliance surveys. This centralized application is used by both VBA and SAA partners for entry, tracking, storage, and analysis of compliance survey data. This application allows employees to complete a survey electronically and increase mobility rather than relying on hand carrying and tracking paper files. Additionally, the application is a repository for school program approval. This web-based cloud computing platform allows its users to manage program approval workload from any location with unlimited storage capabilities, eliminating hard copy files. Since deployment in 2017, this platform has received multiple enhancements to update and keep pace with changing initiatives, congressionally mandated reports, and statutory and procedural changes.

Quality Control

The Education quality review program conducts reviews at the national and local level. A focus of the national review is payment accuracy. Failure to meet the established targets requires implementation of Corrective Action Plans (CAPs) to remediate any deficiencies. Reports of payment accuracy between 2021 and 2022 showed an improvement in accuracy rates from 97.9% to 98.7%. In 2023, the rolling 12-month payment accuracy rate was 98.7%. VA has worked with DoD to improve data reporting of creditable service periods in the Veterans Information Solution.

CAPs cannot resolve every issue associated with each payment error, such as a data entry issues, but do assist with providing refresher training on specific topics affecting payment accuracy rates. Any establishment of debts against a claimant or facility is established and tracked by VBA. Education used industry-standard best practices in statistical sampling and review of the quality assurance program. The sample design accounts for workload population, broken down by benefits programs and is based on GAO's formula provided in Veterans' Disability Benefits: Improvements Could Further Enhance Quality Assurance Efforts (Publication No. GAO-15-50).

Education has payment controls in place to ensure larger payments are thoroughly reviewed and authorized before release. Additional reviews are conducted by station and VBACO leadership as

needed to identify any required corrections. Based on the information gathered through quality reviews, Education personnel participate in annual training targeted to ensure best practices are shared and implemented. Education is committed to adhering to the highest quality standards to ensure we are good stewards of the taxpayers' dollars.

Safeguarding the Integrity of the GI Bill

From 2019 through 2023, Education, in partnership with VA's OIG Criminal Investigation Division and DOJ, closed over a dozen criminal and civil cases, to include settlements and jury convictions of school owners, administrators, and training providers. These actions support the projected recovery of over \$389 million in restitution owed to the government.

Fostering a Culture of Collaboration

Children of the Fallen Patriots Foundation (CFPF)

In 2023, Education continued to collaborate with CFPF, an organization that provides college scholarships and educational counseling to military children who have lost a parent in the line of duty. The partnership between VBA and CFPF was established in a Memorandum of Understanding that is being extended through 2023. In 2022, the collaboration helped enroll 431 new Survivors' and Dependents' Educational Assistance students. Since the initiation of this partnership in June 2019, Fallen Patriots enrolled 1,249 students as a direct result of very successful email campaigns performed by VBA to share scholarship and enrollment information. This partnership has allowed CFPF to grant 89 of those new students over \$1.4 million in total scholarships in 2022 and to date over \$5.4 million to 283 students, with another 966 students accounted for in the pipeline.

Veterans' Advisory Committee on Education (VACOE)

VBA facilitates VACOE. The statutory Committee provides advice to the Secretary on the administration of education and training programs. VACOE recommends new and improved education benefit programs and services in reports to the Secretary and Congress. The current Committee is comprised of leaders from Veteran Service Organizations, technology corporations, and higher education institutions, as well as a representative from an SAA and a current GI Bill student. The Committee schedules two public meetings a year with the last meeting hosted virtually on November 13-15, 2023. The next meeting will be held virtually on April 3-5, 2024.

Enterprise Data Management System (EDMS)

Education continues to build out capabilities that allow DoD to engage with VA directly through EDMS. This is used to track requests for information sent to DoD instead of email and Microsoft Excel spreadsheets. Hosting a single platform that allows DoD to access and track requests has improved timeliness standards. Historically, this process has taken 30 to 45 days to complete. This process has decreased to less than 30 days and it is anticipated this number will continue to decline as enhancements are added to EDMS.

SCO Annual Training Program

In 2023, Education continued to build and enhance the SCO annual training program required under Section 305 of the Colmery Act. Section 305 requires annual training at all institutions that have 20 or more enrolled beneficiaries; these institutions are referred to as covered educational

institutions. In 2023, over 4,000 educational institutions completed over 140,000 hours of training.

2025 Planned Activities

- VACOE will host two committee meetings in 2025, one virtual and one in-person contingent on the availability of travel funds.
- The National Training Team for Schools (NTT|S) is pursuing a modernized learning management system (LMS) for the SCO audience through the purchase of approximately 22,000 licenses.
- VA is developing a new system to replace WEAMS as Education continues to move functionality into the DGIB Managed Service. Approval Manager will be the new system for Education Liaison Representatives (ELRs), SAAs, and Education staff to approve new programs for education benefits. Approval Manager will help improve the end user interface, save Education staff time generating Compliance Survey Worksheets, and streamline the profile for each school, including a consolidated list of all SCO and Point of Contact types, as well as a single page that displays all programs by approval status. Additionally, Approval Manager's connection with Enrollment Manager will help more quickly reflect any changes to a school or program in Enrollment Manager.

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Housing

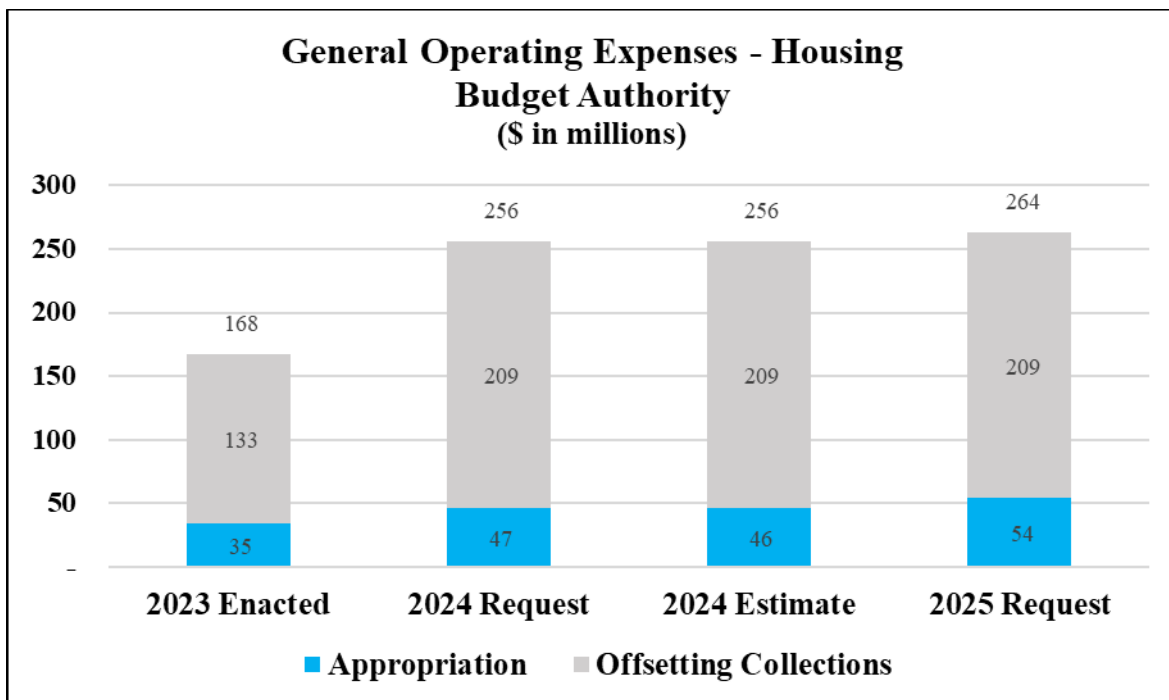
Mission

Maximize Veterans’ and Service members’ opportunity to obtain, retain and adapt homes by providing a viable and fiscally responsible benefit program in recognition of their service to the Nation.

Summary of Budget Authority

2025 Budget Authority Request: \$54.1 million

Change over 2024 Estimate: + \$7.7 million / + 17%



Note. – A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 Estimate reflects the 2024 President’s Budget request for discretionary appropriations with updates to balances, recoveries, and collections.

Summary of Budget Request

VA requests \$209 million in reimbursement authority from the credit administration accounts and \$54 million in budget authority to fund the discretionary portion of the Specially Adapted Housing (SAH) program as reflected in the table above. This request will provide funding for 1,144 full time equivalent (FTE), an increase of 73 FTE, detailed in the table below.

General Operating Expenses
Housing
Summary of Employment, Obligations and Budgetary Resources
(\$ in thousands and FTE)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	782	1,051	1,051	1,051	-	-
Management Direction and Support	91	93	93	110	17	18.28%
Total FTE	873	1,144	1,144	1,161	17	1.49%
Obligations						
Direct Obligations	34,521	46,868	46,408	54,132	7,724	16.64%
Reimbursable Obligations	133,130	208,938	209,399	209,418	19	0.01%
Total obligations	167,651	255,807	255,807	263,550	7,743	3.03%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	34,521	46,868	46,408	54,132	7,724	16.64%
Subtotal, appropriations	34,521	46,868	46,408	54,132	7,724	16.64%
Reimbursements	133,130	208,938	209,399	209,418	19	0.01%
Subtotal, budget authority	167,651	255,807	255,807	263,550	7,743	3.03%
Total budgetary resources	167,651	255,807	255,807	263,550	7,743	3.03%

Note. – Dollars may not add due to rounding in this and subsequent charts. Net Appropriation represents SAH funding.

Note. – The direct and reimbursable split of 2025 Request obligations does not tie to the Budget Appendix due to a late breaking revision of estimates.

General Operating Expenses
Housing
Obligations by Object Classification
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	133,068	157,939	157,938	163,724	5,786	3.7%
Travel	976	3,259	3,259	3,324	65	2.0%
Transportation of things	17	162	162	165	3	1.9%
Rents, communications and utilities	2,287	6,817	6,817	6,953	136	2.0%
Printing	15	83	83	85	2	2.4%
Other services	31,134	86,244	86,244	87,969	1,725	2.0%
Supplies and materials	48	539	539	550	11	2.0%
Equipment	91	747	747	762	15	2.0%
Land and structures	-	-	-	-	-	-
Grants, judgements, interest and insurance	15	18	18	18	-	0.0%
Total	167,651	255,807	255,807	263,550	7,743	3.0%
Subtotal, reimbursable	133,130	208,938	209,399	209,418	19	0.0%
Subtotal, direct	34,521	46,868	46,408	54,132	7,724	16.6%

Changes from Original 2024 Request

Total obligations have not changed from the original 2024 request.

Changes from 2024 Estimate to 2025 Request

Total obligations increase by \$7.7 million. Changes also reflect a projected increase of 2% in pay and 2% for non-pay inflation. Additionally, the request includes an increase in other services for contract needs supporting modernization in the year of execution. Specifically, VA is supporting the environmental social governance initiatives, the Property Appraisal Valuation Equity initiative and modernization of program business requirements. This also includes contract project management implementation and support for other program requirements.

Program Description

The VA Home Loan Guaranty (LGY) program helps eligible Veterans, Service members, surviving spouses and members of the Reserves and National Guard (hereinafter referred to as Veterans) purchase, retain and adapt homes in recognition of their service to the Nation. LGY provides a guaranty on residential mortgage loans made by private lenders to eligible Veterans, enabling them to make loans with more favorable terms as the guaranty helps protect lenders from loss if the borrower fails to repay the loan. By utilizing the benefit, Veterans may take advantage of competitive interest rates, no down payment requirements, limitations on closing costs and servicing assistance in times of financial difficulty. If a VA home loan is foreclosed, VA will pay mortgage servicers a guaranty claim to cover a portion of the loss associated with the property, provided the prescribed conditions are met. LGY proactively conducts oversight of mortgage lenders and servicers to ensure loans are closed in accordance with the law, regulations and

program directives and that homeowners are afforded every opportunity to retain their home and/or avoid foreclosure.

In 2025, VBA will employ 1,161 FTE across the following locations for LGY:

- Atlanta
- Cleveland
- Denver
- Houston
- Nashville
- Phoenix
- Roanoke
- St. Paul
- St. Petersburg
- VBA Central Office (VBACO)

The 2025 Budget includes FTE funded by reimbursements to support the LGY program in Loan Production, Loan Administration, Construction and Valuation, and VBACO, which also includes FTE for the Native American Direct Loan (NADL) program. The need for an additional 29 FTE for NADL is based on the program's growing construction demand, as well as a renewed focus on ensuring Native American Veterans are provided the opportunity to pursue home ownership on trust lands. More than 75% of the staff from LGY is for program operations. LGY continues to develop technology enhancements to evaluate lender performance, understand credit risk and expand capabilities for robust data analytics. These advancements require six additional staff to analyze the comprehensive program information and robust data. This includes supporting the President's Justice40 initiative, which looks at government spending through socially and environmentally conscious data reporting and planning.

Loan Production (LP)

Loan Production plays a pivotal role in providing the administration and oversight of all loan origination activities. Although loan volume has decreased in the last year due to a high interest rate environment, it is even more critical that lenders and stakeholders are adhering to VA regulations and statutes. Increased staffing levels are imperative to keep up with all the new legislative changes to the program to ensure proper compliance is upheld. Although VA has seen a reduction in loan volume, LGY is focusing on additional training, education, communications, outreach, and borrower, and we continue to promote the program as the home loan choice for all Veterans. To do this, we need all available resources to make sure not only our daily operations are being done expediently, but also that we are proactive in our outreach to all lenders to break down any perceived or real barriers to Veteran home ownership utilizing the VA Home Loan Program.

Average Loan Amount	Total Loan Volume	Year over year (YoY) Change in Loan Volume	Avg. Loan Amount	YoY Increase in average Loan Amount
2020	1,246,817	99.6%	\$301,044	7.1%
2021	1,441,745	15.6%	\$310,175	3.0%
2022	746,091	-48.3%	\$343,894	10.9%
2023	400,695	-46.3%	\$360,883	4.9%

LP reviews a subset of the loans guaranteed, as referenced above, by completing the Full File Loan Review (FFLR) process. This is a vigorous process that our Loan Specialists review VA underwriting, origination, and fee requirements and guidelines. This review ensures the lenders follow our regulations and are not overcharging the Veterans that are utilizing the benefit they have earned. We completed about 23,000 FFLR processes in FY 2023. Please note, by 2025, LGY plans to complete 100% file review, whether automated or manual, to determine education, training, oversight, or enforcement.

The LP staff nationwide includes LP Officers, Assistant LP Officers and Loan Specialists who provide closing activities. VA purchase home loans closed on average in 32 days in FY 2023, and 33.2 days for all VA loans, including refinance loans.

LP assists in the loan application process by ensuring valid Certificates of Eligibility (COE) are issued for any Veteran interested in using their home loan benefit. COEs are used by mortgage lenders to verify eligibility for the VA Home Loan Program. Of the nearly 1.2 million COEs requested in FY 2023, over 900,000, or nearly 75%, were issued instantaneously due to these requests being validated against VA records. The remaining 270,000 requests were reviewed manually by LP staff. LP continues to make technological improvements to further automate all future COE requests. The downward trend in reduced manual COE volume is a direct result of these technological advances and decreased loan volume. As rising interest rates and rising property values slowed down demand, COE requests have declined. COE determinations manually processed by LP staff may include simple system corrections or complex time intensive reviews that require further research and analysis to validate the applicant's proof of discharge, type, or length of service. If evidence reflects the Veteran's character of discharge is Other than Honorable or Bad Conduct and the minimum length of service is met, then LP staff refers the case to the Veteran's Service Center (VSC) to determine if the Veteran has the requisite character of discharge for program eligibility.

COEs manually reviewed and completed by LP FTE	FY 2021	FY 2022	FY 2023
Manually issued COEs	557,077	331,183	249,569
Average processing time in hours	46,426	27,599	20,798
Average processing time in 8-hour workdays	5,803	3,450	2,560
Year over Year change in manual processing time	-7.1%	-40.5%	-25.80%

*Average processing time of 5 minutes per COE determination

LP fully underwrites prior approval loans to determine if a Veteran is a satisfactory credit risk and has verified income to make the monthly mortgage payment. VA prior approval is required to limit

risk to both the Veteran and agency. LP assists mortgage lenders and Veterans with any loan qualification or underwriting questions.

A key benefit for stakeholders is the availability of subject matter experts to assist between 8 a.m. and 6 p.m. eastern standard time, Monday through Friday. The surge in program use in previous years significantly increased calls. Increased call volume and average talk times resulted in increasing average wait times, as demonstrated in the table below. In 2022, LGY released an updated phone system to better account for different caller types. This new phone routing system is also designed to better address the reasons stakeholders reach out to VBA and limit unnecessary call transfers. The software to provide the analytics is pending deployment by OIT. LGY continues to work with OIT to make the analytics available in the near future.

FY	Calls Entered Queue	Calls Answered	YoY change in calls Answered	Time spent in Call Status (hours)	YoY change in time spent in call status	Avg. Talk Time	Average Speed to Answer (Seconds)
2020	618,381	599,516	10.9%	51,458	27.9%	0:05:09	0:00:55
2021	532,705	515,189	-14.1%	46,796	-9.1%	0:05:27	0:01:01
2022	392,021	386,707	-24.9%	33,300	-28.8%	0:05:10	0:00:36
2023	292,231	281,743	-27.1%	26,766	-19.6%	0:05:42	0:01:08

LP is responsible for conducting oversight and assisting Veterans and industry stakeholders after loan closing, including funding fee refunds. Congress enacted the funding fee to help reduce the government’s costs associated with loans guaranteed, made, or insured. A Veteran who paid a funding fee and later received a rating for a service-connected disability that was retroactive to a date prior to the loan closing, is entitled to a funding fee refund LP processed close to 12,000 refunds, totaling close to \$90 million for 2023.

Construction and Valuation (C&V) and Specially Adapted Housing (SAH)

C&V Value Stream environment consists of staff members dispersed nationwide. C&V’s primary function is to assist and administer the VA Home Loan Program as it relates to real estate appraisals. This consists of providing oversight to the Lender Appraisal Processing Program (LAPP), issuing the Notice of Value (NOV) for independent lenders, providing appraisal technical support for Loan Management Section and providing customer service through stakeholder management including but not limited to Veterans, VA fee panel appraisers, staff appraiser reviewers (SARs), builders, lenders, and servicers.

LAPP appraisal reviews and NOV’s contain the opinion of reasonable value used to determine the amount of guaranty. Through the issuance of NOV’s and oversight of LAPP appraisal reviews, C&V staff are validating the quality of appraisal reports and ensuring basic property condition requirements as security for VA-guaranteed loans. The NOV details the conditions required for closing related to the property including VA’s Minimum Property Requirements and adherence to VA appraisal requirements as outlined in 38 U.S.C. 3731. The Blue Water Navy Vietnam Veterans Act of 2019 (P.L. 116-23) removed the VA loan limits in certain circumstances, and subsequently

C&V staff duties were expanded to heighten valuation reviews to limit risk. Value determinations completed by C&V staff for pre-liquidation properties are very important as they impact VA's financial interest in properties and affects continued lender participation in the VA-guaranteed home loan program and the interests of the Veteran obligor. Valuation staff provide valuation services to stakeholders encompassing partial release of liability, NOV issuance, reconsideration of value, high risk and overall appraisal oversight reviews. Representing a minimum baseline of valuation end products is the issuance of the NOVs and appraisal valuation oversight reviews.

Average Valuation End Products	Total NOV & Appraisal Reviews	YOY increase in Volume
2020	48,524	-15.2%
2021	41,446	-14.6%
2022	45,174	9.00%
2023	45,676	1.1%

C&V staff appoint, maintain, and provide oversight to approximately 6,500 appraisers serving on the VA fee appraiser panel. The panel processes leave requests and complaints; answers appraisal and policy questions; and performs annual license updates, case transfers and cancellations, and payment collection. P.L. 116-23 created the Assisted Appraisal Processing Program, which expanded the information available to VA fee panel appraisers to assist in the appraisal process. VA fee panel appraisers can utilize data based on third-party information to complete appraisal reports.

Ancillary end products the C&V staff perform in support of the program are builder registration, condominium project reviews, and real time customer service inquiries. With a projected 481,329 appraisals for FY 2024 and projected 571,868 for FY 2025, the review appraisers, loan specialists and team leads will provide a varying degree of assistance in association with those appraisals to include live customer service through phone and email.

C&V/ SAH Phone Hunt Group	Calls Entered Queue	Calls Answered	Year over Year Change in Calls Answered	Time Spent in Call Status (hours)	Year over Year Change Time Spent in Call Status	Avg. Talk Time	Average Speed to Answer (Seconds)
2021	209,072	202,355	---	11,939	---	0:03:54	0:00:19
2022	179,474	175,817	-13.11%	12,112	1.45%	0:04:13	0:00:22
2023	140,457	138,010	-21.50%	9,201	-24.04%	0:04:00	0:00:21

The SAH function consists of staff members dispersed geographically nationwide. SAH staff are responsible for administering and delivering the SAH grant program benefit to/for eligible Veterans. SAH staff assess the residences and provide hands-on guidance and suggestions for incorporating home modifications to improve mobility and promote independence. The primary focus of the grant program is to deliver industry standard options for total home accessibility,

ranging from passageway access to full bathroom functionality. SAH staff manage projects during active construction and serve as liaisons between the Veteran and the contractor completing the construction. SAH staff ensure quality through review of compliance inspections and conducting final field reviews to ensure the property has been constructed in accordance with VA's approved plans and specifications, including SAH minimum property requirements, recommended adaptations (RAs) and ensuring each Veteran's unique mobility needs are addressed. Since 1948, VA has awarded over 50,000 grants (through end of 2023) totaling more than \$2 billion.

All adaptation functions previously performed by Veteran Readiness and Employment (VR&E) are now performed by LGY SAH staff in alignment with P.L. 115-177. To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to furnish assistance for adaptations of residences of veterans in rehabilitation programs under chapter 31 of such title, and for other purposes. This This includes Veteran engagement, construction assessments and project management. In 2023, an estimated 237 VR&E Independent Living (IL) projects were referred to the SAH program as shown in the following table.

VRE IL Referrals		
Fiscal Year	Totals	Year over year (YOY) increase in Volume
2020	88	
2021	89	1.14%
2022	128	43.82%
2023	311	142.97%

Loan Administration (LA)

The LA staff include LA Officers, Servicing Officers, Loan Specialists and Loan Technicians. LA is responsible for all VA-guaranteed loans after origination until the loan is paid in full or terminated. Once a home loan becomes 61 days delinquent, servicers are required to:

- Report the Electronic Default Notification event to VA
- Work with the borrower to consider loss mitigation options or alternatives to foreclosure; and
- Report monthly updates on the status of the loan to VA. VA loans are reviewed during default to ensure that servicers have provided adequate servicing and explored all options to reinstate the loan and avoid foreclosure

Cases are reviewed to provide additional assistance to borrowers by LA, serving as an intermediary between the Veteran and servicer. Veterans are contacted, offered financial counseling, and presented loss mitigation options.

The chart below shows the increasing workload in the LA function. The most significant decreases to the processes listed from 2023 are for regulatory infractions and servicer incentive payments. While those decreases seem significant, the actual time it takes to complete these processes are

minimal compared to many other processes listed, such as partial claims, claim payments, pre-foreclosure reviews and review equity. During the final phase of the COVID flexibility, Refund Modifications, which has been extended until May 31, 2024, LA expects to continue to work these cases until all are completed. Although the Partial Claim program sunset in October 2022, VA is currently working to implement a new program, within existing authority, called the VA Servicing Purchase (VASP) program that will assist Veteran borrowers in a rising interest rate environment. The time commitment dedicated to completing partial claims is expected to be replaced with VASP reviews.

Loan Administration National Data							
High Volume Processes	FY 2021	FY 2022	FY 2023	Low Volume Processes	FY 2021	FY 2022	FY 2023
Adequacy of Servicing	129,058	63,270	60,481	Claims	5,977	4,081	6,036
Servicer Incentive	90,989	72,615	43,143	Appealed Claim	3,256	2,280	3,626
Suspicious Mod	23,402	11,346	908	Supplemental Claim	1,910	1,335	1,294
Pre-Approval	12,256	20,074	37,067	Post Audit Claim	549	220	161
Pre-Foreclosure	5,656	16,227	24,085	Post Audit Incentive	5,909	6,806	1,949
Equity	2,877	13,525	20,605	Acquisition	1,766	2,837	4,982
Reg Infraction	30,640	26,268	16,436	Early Pmt Default	1,194	1,400	397
Partial Claim	0	33,978	53660	Bill of Collection	628	2,709	3,048
				Return of Custody	114	84	141
Totals	94,878	257,303	256,385	Totals	21,303	21,752	21,634

Program Management and Performance

The 15 member staff includes five Account Management Officers and ten Management Analysts. This team is responsible for providing innovative tools and business solutions that support and improve workload distribution, quality of work, and feedback from staff and stakeholders across all operational work performed by LGY. They support systems modernization by creating and implementing real time solutions to improve and ensure uninterrupted workload operations, while long-term planning and modernization efforts occur. In addition to focusing on innovation, the team manages all operational data and reporting needs, and identifies trends in workload or quality that will require further operational review by staff or leadership. They also coordinate with local

facilities and all LGY business lines to ensure continuity of operational work through workload management, resource management and executing operational budgets.

VBA Central Office (VBACO)

The staff provides updated policies, procedures, and proposed legislation and regulations; responds to congressional and program inquiries, as well as other training and communications; and conducts quality assurance and other oversight responsibilities. Staff includes loan specialists, realty specialists, appraisers, economist, an Actuary and Mathematical Statistician, Management and Program Analysts, Leadership, Programmatic and Support personnel.

Loan and Property Management

Loan Management serves as the primary resource for the operational staff and industry partners regarding VA policy and the servicing of delinquent home loans. Loan Management is responsible for policies and procedures, as well as supporting VA Loan Electronic Reporting Interface (VALERI) application updates, regulatory work and legislative proposals.

While VA makes a great effort to assist Veterans in avoiding foreclosure, home loans that go to foreclosure can be conveyed to VA. The Property Management section provides oversight and direction to the contractor, who maximizes the return on investment to the Government and minimizes the time properties are held in inventory. This requires preparing, listing, marketing, sale and satisfying all title transfer requirements. The program has authority to offer VA-backed financing of VA-acquired properties. The Property Management team is responsible for policies and procedures as well as regulatory or legislative work to ensure consistent operations. During 2023, the Property Management team supervised an average of over 2,600 properties monthly, acquiring over 4,900 properties and selling over 3,000 properties. The return on sale is just over 92.6%, with the value of properties sold over \$588 million.

Loan Policy and Valuation

Loan Policy and Valuation Staff develop policies and procedures, as well as support the regulatory and legislative work relating to loan origination and eligibility. The staff research regulations and statutes, analyze market trends and review standing policy to ensure the program remains current with conventional mortgage and lending industry standards.

The LP Policy Division provides oversight of the loan origination process. This includes the entitlement and eligibility determination for potential program participants and the development of policy for VA-guaranteed loan options.

This division also manages the policy direction for the Native American Direct Loan (NADL) program. Congress established the NADL program as a pilot in 1992 and made it permanent in 2006. The program extends the VA home loan benefit to Veterans living on Trust Land, mirroring the benefit that would otherwise be available through a third-party lender. NADL provides an earned benefit to eligible American Indian, Alaskan Native, Pacific Islander Veterans who wish to purchase, construct, or improve a home on trust lands. The NADL program does not require a down payment, and no private mortgage insurance is needed.

Oversight

LGY internal controls, oversight and enterprise risk management activities are administered through systematic review of program operations, field employees and private sector partners. Oversight currently consists of the Quality Assurance (QA) team and the Monitoring Unit (MU). The staff performs the following key internal control and oversight functions:

Quality Assurance (QA):

- Oversight of contracted property management and portfolio loan service providers
- Quality assurance through virtual site visits of program operations
 - QA performs four surveys annually for all functional areas of the LGY program (LP, LA, C&V and SAH)
- Internal Controls assessments – QA monitors and tests all listed internal controls annually
- Risk management functions
- QA manages OIG inquiries, Congressional inquiries, fraud investigations on both internal and external stakeholders, and special projects for LGY

Monitoring Unit:

- Lender and servicer audits will accomplish approximately 6,000 accuracy reviews and an estimated 45 lender and servicer audits in 2024 for all functional areas of the LGY program (LP, LA, C&V and SAH)

Oversight is conducted through VALERI, WebLGY, Stakeholder Information Management (SIM), Veterans Benefit Management System (VBMS), and other LGY applications to ensure program integrity.

Regulations

The Regulations team works with both internal and external stakeholders to coordinate, develop, and implement LGY legislative and regulatory priorities. The staff ensures that policy and program priorities are effectively developed and translated into regulations and policy. This includes coordinating and leading diverse working groups to ensure strategic policy development across LGY, drafting regulatory amendments, and developing economic and regulatory impact analyses. This team also works with VA partners and OMB on all actions coming from Congress to address and develop legislative proposals with the goal of these proposals becoming laws in the benefit of Veterans. This includes analyzing incoming bills, providing technical assistance to Congress, and coordinating with budget staff to develop costing for legislative proposals.

Training

The Training team ensures both internal and external stakeholders associated with the LGY home loan program are informed on program changes and complex issues, and thus able to translate those into positive operational directions to support the LGY mission. This team identifies, defines, develops and delivers training to strengthen expert skill sets, knowledge and specialization of both internal and external stakeholders. The team maximizes internal staff opportunities across all LGY business functions to help facilitate growth and resiliency of the workforce. Training is also

entrusted with professional development of the LGY workforce. The team collaborates with industry partners by ensuring external training is completed for lenders, appraisers, realtors, servicers, builders, and NADL organizations. They are also responsible for dissemination of training across all stakeholders of policies, regulations, and procedures in fulfilling the home loan program objectives.

Data and Technology Solutions

The data and technology solutions team serves as the primary liaison between the Office of Information and Technology and LGY. The Product Management and Technology Solutions team is responsible for coordinating, planning, and leading with OIT the development and maintenance of system updates for LGY. The Business Insights and Data Solutions team is responsible for data management and solutioning data needs for LGY.

Communications

In 2023, LGY established a communications team to develop proactive messaging to Veterans and mortgage industry stakeholders about our program. This team manages and responds to all media inquiries and develops communication plans and strategies for program developments. They are responsible for improvement of LGY internal communications processing as well as leading LGY’s web presence and updates.

Workload

In 2023, VA guaranteed over 400,000 loans. VA continues to be a significant industry leader despite a reduction in loans, which is consistent with the rise in mortgage rates that have affected home buyers. Workload projections are as follows:

Projected Housing Workload and FTE Requirements	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Direct Labor FTE	759	978	1,051	1,051
Total Guaranteed Loan Volume	746,091	400,695	411,029	432,764
Total Purchase Loans	410,365	320,274	333,914	357,879
Total Refinance Loans	335,726	80,421	77,116	74,886
Total Loan Amount*	\$256,576,574	\$144,604,418	\$147,967,467	\$158,912,789

*Dollars represented in thousands.

Performance Measures

Performance measures guide continuous improvement and accountability. LGY conducts outreach to Veterans, private-sector loan servicers and other industry stakeholders to ensure VA remains at the forefront of the industry in offering home retention options and alternatives to foreclosure.

The Default Resolution Rate (DRR) targets are set based on national mortgage and economic trends in the industry. VBA continuously monitors these trends and adjusts performance targets accordingly, using VALERI to track data on home loans and provide proactive default and foreclosure avoidance assistance to Veteran borrowers.

The DRR was about 95% in 2023, exceeding the target of 84% for the sixth consecutive year. The number of borrowers avoiding foreclosure in 2023 was over 93%, a 29% decrease over 2022. The estimated value of claims avoided in 2023 is over \$3.0 billion.

Claim Savings	2022 Actual	2023 Actual	2024 Estimate
Estimated Guaranty Claim Savings in Millions	\$3,992	\$2,581	\$3,077
Claim Payments Avoided	204,947	144,762	157,266
Borrowers Avoided Foreclosure	205,702	145,480	158,100

Highlights and Achievements

VBA's 2025 request is aligned to the Secretary's priorities, a framework to put the needs, expectations and interests of Veterans and their families first and ensure the timely delivery of benefits and services. In June 2023, VA guaranteed its 28 millionth loan.

Providing Veterans with Earned Benefits

LGY personnel provide exception-based servicing and home retention solutions to avoid foreclosure. VBA assisted more than 145,000 Veterans and their families in avoiding foreclosure in 2023, maintaining one of the lowest foreclosure rates in the industry (0.74%). VBA's exception-based servicing saved over \$3.0 billion in potential claim payments during 2023.

The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315) made numerous changes to the loan program. These include expanding eligibility for the VA home loan benefit to members of the National Guard who perform certain full-time National Guard duty (as that term is defined in 10 U.S.C. § 101), but do not qualify for the home loan benefit under existing National Guard eligibility requirements. Such expansion enables many who served in support of the COVID-19 national emergency access to the home loan benefit. P.L. 116-315 also amended VA statute pertaining to loan fees (38 U.S.C. § 3729), requiring VA to collect a statutory loan fee at the "initial loan" rate, rather than the "subsequent loan" rate, if a Veteran's home secured by a VA-guaranteed loan is substantially damaged or destroyed due to Presidentially declared major disaster. VA has approved over 1,200 applications since the law was passed.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) (P.L. 116-136) was enacted. VA issued guidance to its program participants to ensure compliance with

the relevant sections of the CARES Act (Sections 4021, 4022 and 4024). This included outlining and extending the 120-day moratorium on certain eviction and foreclosure actions for properties with a VA-guaranteed loan. VA implemented Section 4022, which mandates that holders of VA-guaranteed loans grant a borrower's request to forbear monthly installment payments if the borrower affirms that they are experiencing a COVID-19 related financial hardship. LGY tracks loans in a CARES Act/COVID-19 forbearance and issued guidance for servicers to ensure that Veteran borrowers are given full access to the forbearance protections. On May 28, 2021, VA published a final rule implementing a temporary relief program, entitled the COVID-19 Veterans Assistance Partial Claim Payment Program (COVID-VAPCP). This assists borrowers when exiting a COVID-19 forbearance. This program has now sunset, and during 2023 VA received 15,591 Partial Claim submissions and certified 27,569 payments, resulting in those Veterans and their families saving their homes from foreclosure.

On July 23, 2021, VA published further guidance to assist borrowers facing economic uncertainty, including those who have experienced permanent income loss due to the pandemic. VA outlined a waterfall of home retention options to assist servicers helping borrowers affected financially by the pandemic in VA Circular 26-21-13. This Circular also announced the COVID-19 Refund Modification, a loan modification specific to those borrowers needing payment reductions when exiting COVID-19 forbearance. VA also called a foreclosure pause through May 31, 2024, in a press statement in November 2023, followed by Circular guidance.

LGY is working to implement three sections of the Consolidated Appropriations Act, 2023 (P.L. 117-328), known as the Cleland-Dole Act. Section 203 amends VA's authority to require VA to change its underwriting standards to account for estimated energy cost savings. Specifically, VA is required to prescribe regulations and issue guidance to help lenders decide whether an energy efficiency report's estimate of a Veteran's expected energy cost savings should justify an increase to the Veteran's residual income. VA is required to establish and consult an advisory group comprised of individuals representing various interests, including lenders, appraisers, energy raters, home builders, VSOs, and others. Section 203(b) amends 38 U.S.C. § 3704(f) to adopt energy efficiency standard/codes for new residential properties. Section 204 extends VA's authority to collect home loan fees at their current rates through March 14, 2032. Section 304 reauthorizes and expands VA's authority to use properties acquired under VA's housing loan programs to help fight Veteran homelessness. This authorizes VA to sell, lease, lease with an option to purchase, or donate properties to non-profit organizations or to any State or political subdivision for the purpose of assisting homeless Veterans and their families acquire shelter or permanent housing.

Ensuring Strong Fiscal Stewardship

VALERI is a modernized, robust, paperless oversight and servicing system. VALERI is the primary means of communicating with LGY to report events, submit documents, and perform revisions and loan cancellations. LGY provides status and feedback on Veteran loans through reports in the portal. VALERI improves LGY's program oversight capability and reduces the cost of servicing and liquidation of VA loan defaults.

LGY leveraged VALERI to assist over 1.5 million Veterans and their families with avoiding foreclosure and retaining their homes since 2009, saving over \$46 billion in potential claim

payments. The system enables LGY to track those most at risk for loan default, which is a key measure to prevent Veteran homelessness. VALERI helped over 145,000 Veterans and their families avoid losing their homes, saving over \$3.0 billion in claim payments during 2023.

Another system used to serve Veteran borrowers is the Appraisal Management System/Automated Valuation Model (AMS/AVM). AMS/AVM provides an in-depth risk assessment of every completed appraisal. VBA exceeded 450,000 assessments in 2023, allowing employees to focus on high-risk appraisals, increase the quality of appraisals and recruit appraisers. AMS/AVM processed and analyzed over \$150 billion in annual total loan volume in 2023.

Addressing Climate-Related Financial Risk

In accordance with the President's Executive Order on Climate-Related Financial Risk (EO 14030), LGY is working with the Departments of Agriculture and Housing and Urban Development to consider approaches to better integrate climate-related financial risk into Federal credit programs. In 2025, LGY will assess the impact of any potential program changes to determine their impact on Veteran access to the home loan benefit subject to appropriations.

Fostering a Culture of Collaboration

VA continues to maintain an outsized share of the overall residential mortgage market. Nationally, Veterans make up 5.5% of the entire US population, but in 2023 VA loans were close to 14% of the entire mortgage market. This is indicative that outreach and communication efforts are reaching the desired audience, as reported in industry source data obtained on a quarterly basis. VA loan volume was just over 400,000 in 2023, below the record 1.4 million loans originated in 2021, and, in that time period, our market share went from 12% to near 11%. The program is still forecasted to remain a significant industry leader despite expected lower loan volumes. Although the loan volume is down, LGY continues to offer training, education, and outreach, as well as support to the over 3.7 million active loans.

LGY hosts webinars, events and training online using advanced software capabilities to reach internal and external stakeholders. These events include closed captioning and monitoring participant engagement in real-time. LGY records and provides timely information to keep stakeholder abreast of any change to regulations and handbooks.

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Veteran Readiness and Employment

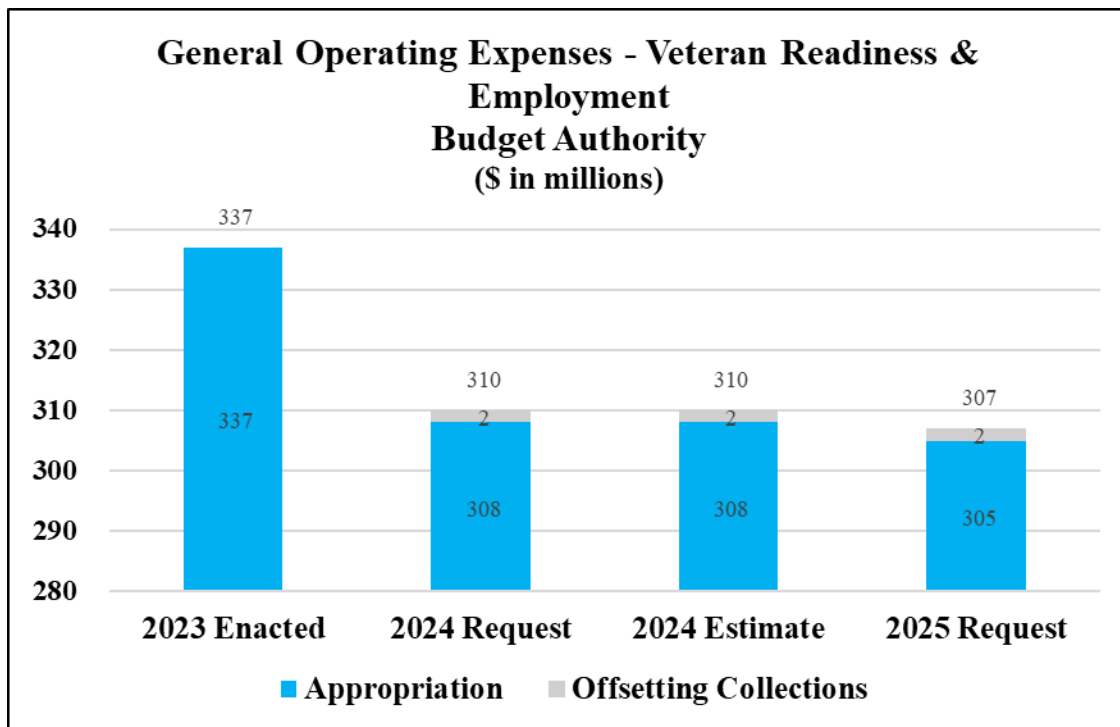
Mission

Provide and administer comprehensive services and assistance to enable Veterans and Service members with service-connected disabilities and employment barriers to prepare for, find, and maintain suitable employment. For Veterans with service-connected disabilities so severe that they cannot immediately consider work, the Veteran Readiness and Employment⁷ (VR&E) Program offers services to improve their ability to live as independently as possible in their homes and communities.

Summary of Budget Authority

2025 Budget Authority Request: \$305.0 million

Change over 2024 Estimate: - \$2.6 million / - 0.9%



Note. – A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 Estimate reflects the 2024 President’s Budget request for discretionary appropriations with updates to balances, recoveries, and collections.

⁷ Formerly “Vocational Rehabilitation and Employment.”

Summary of Budget Request

VA requests \$305.0 million in budget authority and \$2.1 million in reimbursement authority to fund discretionary portions of VR&E to include administrative expenses for 1,799 full-time equivalent (FTE) employees.

General Operating Expenses Veteran Readiness & Employment Summary of Employment, Obligations and Budgetary Resources (\$ in thousands and FTE)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	1,478	1,628	1,628	1,628	-	-
Management Direction and Support	223	228	228	171	-57	-25.0%
Total FTE	1,701	1,856	1,856	1,799	-57	-3.07%
Obligations						
Direct Obligations	336,744	307,671	307,671	305,043	-2,628	-0.85%
Reimbursable Obligations	-	2,004	2,004	2,053	49	2.45%
Total obligations	336,744	309,675	309,675	307,096	-2,579	-0.83%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	336,744	307,671	307,671	305,043	-2,628	-0.85%
Subtotal, appropriations	336,744	307,671	307,671	305,043	-2,628	-0.85%
Reimbursements	-	2,004	2,004	2,053	49	2.45%
Subtotal, budget authority	336,744	309,675	309,675	307,096	-2,579	-0.83%
Total budgetary resources	336,744	309,675	309,675	307,096	-2,579	-0.83%

Note. – Dollars may not add due to rounding in this and subsequent charts.

**General Operating Expenses
Veteran Readiness & Employment
Obligations by Object Classification**
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	243,980	258,265	258,265	254,658	-3,607	-1.4%
Travel	1,481	2,922	2,922	2,980	58	2.0%
Transportation of things	852	199	199	203	4	2.0%
Rents, communications and utilities	16,256	13,411	13,411	13,679	268	2.0%
Printing	142	510	510	520	10	2.0%
Other services	72,696	32,289	32,289	32,935	646	2.0%
Supplies and materials	377	1,600	1,600	1,632	32	2.0%
Equipment	653	438	438	447	9	2.1%
Land and structures	3	-	-	-	-	-
Grants, judgements, interest and insurance	304	41	41	42	1	2.4%
Total	336,744	309,675	309,675	307,096	-2,579	-0.8%
Subtotal, reimbursable	-	2,004	2,004	2,053	49	2.4%
Subtotal, direct	336,744	307,671	307,671	305,043	-2,628	-0.9%

Changes from Original 2024 Request

Total obligations have not changed from the original 2024 request.

Changes from 2024 Estimate to 2025 Request

Total obligations decreased by \$2.6 million from 2024. Changes reflect a projected increase of 2% in pay and 2% for non-pay inflation.

Program Description

VR&E assists Service members and Veterans with service-connected disabilities and barriers to employment prepare for, obtain, and maintain suitable employment. VR&E also helps Service members and Veterans with a serious employment barriers obtain independent living services. Additionally, VR&E assists family members of Service members and Veterans. VR&E is the only federally mandated program, 38 U.S.C. Chapter 31 Part III - Readjustment and Related Benefits, established to provide Veterans with service-connected disabilities with comprehensive vocational rehabilitation benefits with the goal of employment.

VR&E Regional Office (RO) Operations

In the 2025 request, more than \$254 million is for salaries and benefits. VR&E employs 1,201 Vocational Rehabilitation Counselors (VRCs). This includes 1,017 VRCs assigned to work Chapter 31, 98 VRCs who execute the Integrated Disability Evaluation System (IDES) mission, and 86 VRCs who execute the VetSuccess on Campus (VSOC) mission. In addition, VR&E established a new position in 2023, Vocational Rehabilitation Specialist (VRS). There are currently 30 VRS staff members providing services to Veterans enrolled in the VR&E program.

VR&E field staff have 72 Employment Coordinators (ECs), 168 Management staff, and 186 administrative staff supporting VR&E's mission and field operations. A total of 1,657 professionals provides Veterans with support to acquire suitable employment. VR&E's service delivery model supports Veterans at over 350 office locations, including the 56 ROs, the National Capital Region Benefits Office, 142 out-based offices, 70 IDES installations, and 104 VSOC schools/sites.

Employment Coordinators (ECs)

VR&E's 72 ECs assisted approximately 11,000 Veterans in finding, applying for, and securing employment in 2023. ECs provide support for professional job placement training, preparing resumes, interviewing skills, career counseling, and other job readiness activities. The numbers of ECs and Veterans they assist have remained consistent in recent years and are expected to continue to stay relatively flat.

The EC role is essential to the placement of Veterans in suitable employment. This is measured through "employment outcomes." There are three ways to obtain positive outcomes in VR&E: 1) maximum rehabilitation gain, 2) additional education pursued, and 3) Veteran obtains suitable employment. VR&E currently places approximately 14,000 employment outcomes for Veterans each year. Based on the ongoing results from the Longitudinal Study, Veterans who complete the VR&E program earn on average \$20,000-\$30,000 more per year than Veterans who discontinue the program.

Employment Services (ES) is an employment-oriented program that helps transitioning Service members and Veterans with service-connected disabilities and an employment handicap to prepare for, obtain, and maintain suitable employment. Services may include employment assistance, short- or long-term training, purchase of required supplies and equipment, and on-the-job training. The ES 2.0 pilot is designed as a seven month pilot which includes one month of standardized training and implementation of the Employment Coordinator function, build business partnerships that create measurable increases in employment placement, leverage labor market expertise to education and train Veterans for in demand jobs, expand specialized partnerships with employers through the increased utilization of Non-Paid Work Experience, On-the-Job Training, Apprenticeships, and Special Employer Incentive. VR&E will evaluate the efficacy of the program by looking at the increase in positive outcomes of participants. VR&E projects that the ES 2.0 model will increase the number of employment outcomes each year. ES 2.0 results combined with the increased number of claimants in the VR&E program will yield an increased return for taxpayers and stakeholders. The pilot is planned to begin in the third quarter of 2024 and will not require additional funding in 2025, as it is a virtual program. It will involve 12 employment coordinators from the selected pilot sites.

Integrated Disability Evaluation System (IDES)

IDES provides early intervention to combat homelessness, address financial challenges, and promote a smooth transition into civilian life. VR&E's 98 counselors provide direct services to IDES participants. IDES VRCs provided one-on-one briefings to an average of 1,783 Service members per month during 2023. IDES VRCs provide comprehensive rehabilitation evaluations to determine abilities, skills, and interests for employment purposes. Transitioning, wounded, ill, and injured Service members receive timely benefits and enhanced services from IDES VRCs.

VetSuccess on Campus (VSOC)

The VSOC program supports a population of nearly 86,000 Veterans at 104 institutions of higher learning. VSOC enables student Veterans to stay in college to complete their degrees and enter career employment by assisting them with applying for VA benefits, coordinating with school officials, and providing adjustment counseling and referrals throughout the student Veterans' degree programs. VSOC Counselors responded to 74,718 inquiries or follow-ups from over 20,000 students, Veterans, and family members during 2023. Student inquiries included questions about financial aid, debt management, VA education benefits, mentoring and tutoring requests, health care referrals, employment assistance, professional counseling, and assistance with VA claims.

VR&E Service – Central Office (VACO)

VR&E employs 115 FTE in VBA Central Office, consisting of the Executive Leadership Team, Vocational Rehabilitation professionals, program support staff, and management and program analysts. VR&E VACO staff are currently executing six modernization efforts across the enterprise, including Electronic Virtual Assistant (e-VA), Readiness & Employment System (RES), Invoice Payment Processing System (IPPS), Centralized Mail, Tele-counseling, and ES 2.0.

VR&E Contract Management and Improvement Services

VR&E utilizes Contract Management and Improvement Services for continuity of operations and sustainment of modernization and transformation initiatives. The current contract provides project management and business analysis services. The contractor supports VR&E staff with project schedules, work breakdown structures, the identification and mitigation of risk, the collection of meeting minutes/action items, and the development of integrated master schedules across initiatives within VR&E Service. The period of performance is from August 28, 2023, through August 27, 2024, plus one option year.

Employment, Training, and Outreach (ET&O)

The ET&O Division collaborates and partners with National, state, public, private, and Federal organizations in support of VR&E's mission. ET&O provides VR&E field staff with world-class training; and marketing and outreach services for Service members, Veterans, Veteran Service Organizations (VSOs), and other VA partners to provide a program of services for the VSOC and the IDES special initiatives and to ensure that these special initiatives are carried out effectively.

VR&E participated in 42 employment events from October 1, 2023, through December 31, 2023, of which 22 were sponsored by VR&E. One of the VR&E events was a hybrid career fair with four in-person events and one virtual event, all running simultaneously. These events are open to all Service members, Veterans, and military spouses. More than 19,000 attendees participated in these VR&E events. VR&E will host at least four events and participate in approximately 15 events in 2025.

Outreach and marketing materials are vital to draw interest in the VR&E program. With recently passed legislation, such as the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (P.L. 117-168) and the Cleland-Dole Act (P.L. 117-226, Max Cleland VA Medical Center Act), marketing and outreach items are necessary

to support VR&E Service's efforts to reach the greatest number of newly eligible Veterans and help them understand if VR&E is right for them.

Central Office Operations

Operations Division

The overall mission of the Operations Division is to provide innovative tools and business solutions that support and improve benefits delivery. To achieve this, the Operations Division implements technology and automated systems intended to improve capabilities. The Operations Division consists of 23 FTE and provides direct support to the field. They also manage more than five multi-year modernization contracts valued at over \$200 million focused on modernizing systems and processes within VR&E. These modernization initiatives present new and challenging requirements, which increase the demand on VR&E to provide support to field staff. As modernization continues, there will be increased data reporting and systems level requirements necessary to support and sustain the business line.

Readiness & Employment System (RES)

VR&E is currently utilizing a 25-year-old legacy case management system that is antiquated and requires manual oversight. The data aligned with this system are limited and reduce VR&E's ability to provide transparent data on the efficacy and human capital activities associated with the program. These concerns will be alleviated with the RES system.

VR&E awarded a 10-year period of performance contract to GovCIO on March 28, 2023, to develop a next-generation case management solution, known as RES, that will enable up to 2,500 VRCs and support staff nationwide to deliver timely benefits and quality services to over 120,000 Veterans and Service members each year to prepare for, find, and maintain suitable employment. Currently, VRCs and support staff rely on a legacy case management system, Corporate WINRS (CWINRS), which was deployed in 1998 and lacks integration with most modern VA systems. VRCs must also use Microsoft Excel for manual calculation of complex awards. CWINRS was not designed with data in mind and the business has gaps in data and limitations in quantitative capabilities.

VR&E is targeting the first quarter of 2025 to begin pilot efforts for Release 1 RES, which will introduce robotic process automation and artificial intelligence capabilities using the Appian[®] platform, designed to provide administrative relief to field staff, which translates to more time for direct Veteran engagement. The automation effort will include complex award calculations, dynamic document and approval routing, and integration with more than 20 VA systems and data sources to reduce the number of counselor-to-system touchpoints. An integration effort of this magnitude will also ensure VR&E Service is leveraging modernization investments such as the Integrated Financial and Acquisition Management System, Veterans Benefits Management System (VBMS), and e-VA to streamline tasks such as adding documents to repositories and capturing electronic program participant signatures, eliminating hours from document handling and days or potentially weeks from obtaining signatures through regular postal services. Additionally, RES will be built with a modern data infrastructure to ensure VR&E leaders and

managers at all levels have ready access to critical data to make business decisions quickly and effectively.

Quality and Oversight

Oversight

The overall mission of the VR&E Quality Assurance (QA) program is to ensure delivery of quality services, identify best practices, and ensure consistency in service delivery and program operations. The QA Oversight Team consists of nine FTE that conduct oversight of ROs through site visits, oversight visits, collaborative support visits, audits, and special focus reviews. This oversight ensures consistency of services to Veterans and their dependents. Activities conducted by the Oversight Team support VA's QA program in accordance with 38 U.S.C. § 7731-7734, the generally applicable governmental standards for independence (GAO-18-568G), and internal controls (GAO-14-704G).

Through site and oversight visits, the Oversight Team reviews the program management and operations of the Division, provides an analysis of the data and information to identify risks or areas of concern, and provides VR&E Divisions with constructive recommendations to improve services and operational structure to ensure the effectiveness of benefits delivery to Veterans. The Oversight Team also collaborates with the District Offices to conduct Collaborative Supportive Visits (CSVs) as needed. During a CSV, the District does the on-site visit and the VR&E Oversight Team provides support remotely by reviewing the VR&E Division's performance, workload, and quality data. The purpose of the collaboration is to ensure VR&E Service, the District, and the RO have a clear understanding of the VR&E Division's performance, including best practices, areas of concern, or actions to be taken. Audits and special focus reviews are also conducted to further assess targeted issues across all ROs.

VR&E conducted four site visits and eight oversight visits in 2023, with five in-person and seven virtual. Additionally, the QA Oversight Team is scheduled to conduct four site visits and eight oversight visits each year in 2024 and 2025.

Compliance

The QA Compliance Team, consisting of 16 FTE, conducts case reviews to assess the quality of services provided. In 2023, 12,348 National QA reviews, also known as STAR, were completed. In 2023, the Compliance Team was also responsible for overseeing approximately 33,072 local QA reviews to assess the performance of individual employees. The results of these reviews are used to identify trends and training needs to ensure compliance with laws, regulations, policies, and procedures. VR&E analyzes results to determine if there are trends in specific questions or areas of a review, to determine if performance has improved or declined in a certain area. If there is an improvement, analysts attempt to identify a best practice that can be shared with other offices. If there is a decline, analysts look for reasons, such as a training need. The number of national QA reviews is expected to increase by 1,500 per year in 2024 and 2025.

National QA reviews the accuracy of entitlement and outcome decisions, fiscal activities, and service delivery. VR&E uses a statistically valid sampling methodology for National QA. The statistical methodology considers the population size, past performance confidence level (CL), and

margin of error. The formula used is provided in the Government Accountability Office's (GAO) "Veterans' Disability Benefits: Improvements Could Further Enhance Quality Assurance Efforts" (Publication No. GAO-15-50). A 95% CL is the level commonly used by researchers and is considered the industry standard.

In 2023, VR&E began the phased implementation of Quality Review Teams (QRTs) to conduct local QA reviews and to assess individual case manager performance for all VR&E Divisions. QRTs are expected to be onboarded by the end of 2024; however, training will continue into 2025. These field staff will conduct case reviews in the same manner as the National QA reviews conducted by the Compliance Team.

Internal Review

The QA Internal Review Team (IRT), consisting of six FTE, was established in 2023, to conduct internal reviews to ensure accuracy and consistency of National and local QA reviews. In 2023, the team was onboarded, trained, and began developing processes and procedures to accomplish their mission. As the QRTs are implemented, the IRT will facilitate training to ensure the QRT reviewers know how to conduct QA reviews and that these are done consistently with National QA reviews. The IRT will conduct consistency studies to improve and ensure interrater consistency among QA reviewers at the Local and National level. The IRT will also facilitate collaboration between the National Compliance Team and QRTs, provide training regarding findings from case reviews and consistency studies, and serve as technical consultants/advisors to National and Local QA reviewers on issues related to quality and internal controls.

Program and Policy

VR&E Service reorganized the Policy and Procedures Teams to develop Program and Policy, which consists of Policy, Procedures, and Field Services. The teams are comprised of 24 FTE. The Policy Team determines the impact of legislation to make appropriate recommendations for regulatory additions and amendments, develops legislative proposals, and suggests policy changes resulting from legislation that impacts service delivery to participants receiving benefits in the VR&E program. The Procedures Team is responsible for developing and delivering the procedures and agency guidance needed to implement the VR&E benefits, as well as maintenance of the M28C manual. The Field Services Team is responsible for responding to Veteran and RO inquiries, reviewing various case activities for approval, and serving as Service Recovery Technicians for the V-Signals mission.

The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), requires policy and procedural changes to be developed and implemented. VR&E worked with the Office of Management and Budget regarding updating VA Form 28-10281 for restoration of entitlement, which was approved and published in March 2023.

VR&E RO Direct Service Delivery

In 2022, the Direct Service Delivery Staff (DSDS) consisted of 1,052 VRC FTE. Additional DSDS were deployed in 2023 totaling 1,231 FTE (+179 FTE, 17.0% increase). Their primary role is to provide comprehensive individualized rehabilitation services to beneficiaries. The position

requires a master's degree in Rehabilitation Counseling or a related field with at least 30 hours of specific coursework. However, due to staffing shortages of the professional rehabilitation counselor, 2023 DSDS is inclusive of 25 VRS who provide direct support and case management to Veterans.

In developing individualized rehabilitation plans, VRCs assess Veterans' interests, skills, and abilities. VRCs provide services addressing activities of daily living, personal adjustment counseling, and support services. Veterans can receive education or vocational training for up to 48 months under the educational assistance benefit. VRCs work with Veterans to develop an individualized rehabilitation plan following one of five tracks:

- Reemployment: for Veterans who are now returning to employers for whom they worked previously.
- Rapid Access to Employment: for Veterans who are ready to seek employment after separation and have the necessary skills to find employment.
- Self-Employment: for Veterans who have job skills to start a business.
- Employment through Long-term Services: provides an extended period of training and rehabilitation services to ensure Veterans acquire the skills necessary to obtain and maintain suitable employment.
- Independent Living (IL): IL plans are designed to enable an individual to achieve maximum independence in daily living and, whenever possible, increase the individual's ability to return to work.

VR&E works with each track to achieve a "positive outcome," defined as Veterans who either achieved a rehabilitation plan goal, pursued higher education, obtained suitable employment, or became employable, as explained further in the bullet points below. Specifically, Employment Rehabilitations are achieved when the participant has successfully adjusted to or obtained suitable employment in the same or closely related occupation. Education Rehabilitations are achieved when the participant has completed the program and is considered employable in a suitable occupation but chooses to return for additional education at their own direction. A Maximum Rehabilitation Gain is achieved when the participant is employed and VR&E was a contributor to the participant obtaining or maintaining employment in a suitable occupation. In 2023, VR&E achieved 17,072 Positive Outcomes, exceeding the 2023 target of 14,271 Positive Outcomes.

- 10,655 Employment Rehabilitations
- 1,225 Educational Rehabilitations
- 219 IL Rehabilitations
- 4,421 Maximum Rehabilitation Gains/Employable
- 552 Maximum Rehabilitation Gains/Employed

Workload

Projected VR&E Workload and FTE Requirements	2021 Actual	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Direct Labor FTE	1,493	1,022	1,628	1,628	1,628
Actual Participants*	115,412	124,437	137,255	167,483	197,730
Annual Percentage Change in Actual Participants (over previous year)	1%	7.8%	10.3%	22.0%	18.1%
Positive Outcomes	17,873	16,723	17,072	15,024**	TBD

*Participants include all Veterans who were in a rehabilitation plan of service or an extended evaluation plan during 2023, including those who were successfully rehabilitated or who discontinued their program of services in 2023.

**2024 Positive Outcomes value is the current Fully Successful Target for Positive Outcomes

VR&E adjusted the workload projections to account for the implementation of the PACT Act. Since the implementation of the PACT Act, VR&E has seen a 28% increase in claims. PACT-rated Veterans account for 45% of our current caseload and will account for more than 50% of our caseload by the third quarter in 2025. This increase is currently supported with discretionary base funding. In addition to the impact from the PACT Act, VR&E has seen an increase in applications since the end of the COVID emergency declaration.

Performance Measures

The 2025 request supports the following four performance measures:

- Positive Outcomes: In 2023, 17,072 Positive Outcomes achieved, exceeding the 2023 target of 14,271 by 2,801 outcomes.
- Job Ready Decisions: In 2023, 16,937 Job Ready Decisions completed, exceeding the 2023 target of 12,921 by 4,016 decisions.
- Accuracy of requirements in closing a Veteran's case or declaring the Veteran rehabilitated or discontinued: For 2023, VR&E finished with a 97.4% accuracy rate, exceeding the target of 91.0%.
- Adherence to 1:125 VRC to Veteran ratio: At the end of 2023, the ratio was 1:124, which is under the mandatory ceiling ratio of 1:125.

VR&E continues to ensure adequate management to staff levels for the field offices. The Commission on Rehabilitation Counseling Certification, the credentialing body of our VRC profession, recommends an oversight ratio of 1:6 to assure clinical competency. Our current ratio for supervision is well above the 1:6 recommendation. The VR&E program is working to improve clinical competence within our counseling profession as well as VA oversight for performance management.

Lastly, VR&E continues efforts in hiring to ensure adequate administration staff are available in the field offices. Administrative staff assist with claims intake, workload management, data analysis, and reporting. Several field stations operate without any administrative staff, requiring the leadership or direct care employee to deviate from the intended mission to assure that office

operations are performed effectively and efficiently. This deviation diverts attention from Veterans seeking services and benefits.

Transitioning work to the VRS position will support future investment in the program. The VRS role allows VR&E to fill critical vacancies, while still meeting the demand for qualified professionals. The introduction of a new position into the framework of VR&E allows for better Veteran service and reduced vacancy rate. The VRS position has limited capacity to render decisions on claims but supports the Veteran through the program by providing case management services. The VRS position is a lower graded position than the VRC position. There is an inherent cost savings with VRS to the field as opposed to VRCs, which returns funding availability. It is possible that the savings associated with VRS could support the expansion of the VSOC program in future years.

Highlights and Achievements

VR&E's 2025 request is aligned to the following VA priorities:

Providing Veterans with Earned Benefits

VR&E e-VA capability gives staff the ability to digitally communicate and interact with program participants. This capability enables two-way digital communication with program participants through both text message and email while recording interaction as case notes within the CMS and VBA Corporate database (CorpDB). VR&E is leveraging artificial intelligence through e-VA, which provides faster, easier, and more useful communication between participants and VR&E staff. e-VA breaks down communication barriers by enabling Veterans to connect faster with their Counselors using their smartphone, tablet, or computer. e-VA allows Veterans to ask questions and receive timely responses, submit documentation, schedule appointments, and receive automated alerts and reminders. e-VA stands as the bidirectional communication vehicle for more that will scale to meet the projected 197,000 program participants in 2025. VRCs leverage e-VA for balancing caseload and managing participant interactions and correspondence. Current Veteran adoption rate of e-VA is over 97%. Additionally, the e-VA application documented over 27 million case notes since deployment. The automation of case notes improves the quality, timeliness, and accuracy of the participant case file. VR&E further uses e-VA to provide employment opportunities to its over 9,900 Veterans seeking employment.

To improve automation efforts throughout VR&E, VR&E has identified and is working to implement a new workflow process for e-VA. This new workflow process will include the automatic upload of VR&E letters and forms to the VBMS e-folder, and will allow field staff the ability to draft, edit, and send documents to Veterans for electronic signature, reducing the administrative constraints of manually uploading VR&E forms and letters to the VBMS e-folder and increasing the time spent providing vocational counseling and case management services to the VR&E Veteran population.

VA Video Connect (VVC)/2nd Generation

VR&E uses tele-counseling through the VVC platform, which provides secure video teleconferencing technology to VRCs. This allows VRCs the capability to remotely counsel Veterans who have busy schedules, live in rural locations, or face transportation challenges. Tele-counseling was deployed in 2019 and completed nearly 19,000 appointments during the first year.

In 2020, that number grew to over 106,330 tele-counseling appointments, in part due to the COVID-19 pandemic and greater adoption amongst our VR&E Veteran population. Since inception, VVC has scheduled over 1,008,374 tele-counseling appointments with Veterans with the annual figure increasing year over year. VR&E anticipates the scheduling of over 420,000 appointment for 2024 and a projected 8% increase for 2025.

VVC Help Desk

VBA has a continued need to deliver services to Veterans using tele-counseling technologies, which are necessary to deliver care via tele-counseling services to Veterans. The help desk services provide technical support to users troubleshooting issues and problems blocking virtual meetings. The help desk also ensures updates and fixes to make sure the technology is in the best working condition.

The help desk provides support for the VVC platform, which allows counselors to provide virtual services to Veterans and Service members. This help desk is needed to maintain and support VVC. The system allows counselors to continually meet with Veterans and Service members, virtually extending the ability of the counselor to meet with Veterans face to face. Tele-counseling saves time and funds by reducing travel requirements for both Veterans and VRCs and improves access for Veterans with mobility issues.

Invoice Payment Processing System (IPPS)

Through IPPS, VR&E uses an electronic authorizing and invoicing system for a program participant's tuition, books, and fees. IPPS transformed VR&E's authorization and invoice processes, improving reporting capabilities and providing oversight of service provider payments at the enterprise level. IPPS reduces the time it takes staff to make payments; eliminates paper invoice processing for Veterans' tuition, books, and fees; and increases the percentage of on-time payments, all which mitigate potential gaps for Veterans to continue in their programs. Since October 1, 2023, VR&E has paid over 66,544 invoices totaling over \$221 million.

Dragon Speech Recognition Software

Dragon speech recognition software enables talk-to-text capability for VRCs. This software allows VRCs to complete case notes, draft documents, and perform other case management related duties through talk-to-text technology. VR&E Service currently manages 964 Dragon licenses for 1,011 VRCs. VR&E Service will manage and monitor license usage through the Nuance Management Center (NMC) to determine future Dragon License needs for the enterprise in relation to program and staff growth. Quantitative data available through the NMC will allow VR&E Service to allocate licenses effectively and efficiently based on usage. Additionally, VR&E will adopt an attrition dispersal model to account for licenses more closely as staff retire, transition, move, etc., by leveraging the NMC.

Longitudinal Study

VR&E continuously analyzes trends among Veterans receiving services and improves and adapts services to their changing needs. The Veterans' Benefits Improvement Act of 2008 (P.L. 110-389) created the VR&E Longitudinal Study of Veterans who began VR&E programs in 2010, 2012, and 2014. The VR&E Longitudinal Study is a Congressionally mandated study per P.L. 110-389 and requires contracted analysis and support to comply with the mandate. Reports are submitted

to Congress annually on the long-term benefits of participating in the Chapter 31 program. The study design aims to emphasize the comparison of outcomes by participation status (rehabilitation, persisting, or discontinued). The primary focus is on the long-term employment and standard of living outcomes for VR&E participants after they exit the program. A “rehabilitated” Veteran successfully completes the rehabilitation program. As shown in the figures below, Veterans who have achieved rehabilitation report high levels of employment and homeownership. Nearly 90% of all Veterans have moderate to high levels of satisfaction with the program. Satisfaction levels have remained consistent throughout the last several years of the study.

In 2025, the focus will be on survey and data collection, completing and editing of the annual report and appendices, administrative and project management support, and 508 compliance. The feedback received from VR&E’s Longitudinal Study will assist VR&E in meeting VBA’s Strategic Goal 2: Innovation. Below are some samples of tables pulled from the 2022 Longitudinal Study.

Field Advisory Committee (FAC)

The FAC, consisting of eight members (two from each District), serve as the advisory body through which the VR&E Service Director solicits input from the field staff. The main objective of the FAC is to improve the quality-of-service delivery available to Veterans through the VR&E program. The FAC meets face-to-face four times per fiscal year.

These face-to-face meetings with representatives from each District allow VR&E Service to build rapport with field staff, hear concerns or issues that may not otherwise be reported, and provide personal support to the VR&E Division to improve service delivery. This meeting requires FAC collaboration, discussions with the VR&E Service leadership, VBA leadership, VBA business lines, community organizations, and other stakeholders with the purpose of facilitating the continuity of progress on action items and recommendations related to leadership development, emerging policy and procedures, performance measures, customer service, and quality assurance. It is also noted that as part of the FAC meetings, the VR&E Service Director conducts town hall meetings at the FAC meeting site with the intent purpose of getting feedback from the local VR&E staff members and Veterans. As part of the FAC meetings, the Director engages with the local VR&E staff to make sure that the service delivery to Veterans is provided in a manner that honors their service. The Director addresses a Veteran panel to get feedback on their journey through the program and what can be enhanced to provide them with more consistent, efficient, and timely services.

Veterans Advisory Committee on Rehabilitation (VACOR)

VACOR is a statutory requirement and authorized by 38 U.S.C. § 3121, to advise the Secretary on the rehabilitation needs of Veterans with disabilities and on the administration of VA rehabilitation programs. The committee includes representatives of the Rehabilitation Services Administration and the National Institute for Handicapped Research (both of the Department of Education) and the Assistant Secretary of Labor for Veterans Employment and Training. VACOR is comprised of 18 members and the committee meets face-to-face three times annually during the first, third, and fourth quarters, each trip lasting 2.5 days. Also, the VACOR team conducts a site visit to provide committee members with a better understanding of VA business processes and to determine best practices and challenges in providing services to Veterans.

Commission on Rehabilitation Counselor Certification (CRCC)

VBA continues to strengthen its partnership with CRCC. VR&E allows eligible VR&E Counselors to request reimbursement or sponsorship for application and renewal fees. In 2023, VR&E allocated 226 VRCs for reimbursement. This is a 402% increase from the previous year. The increase is the result of the CRCC reimbursements occurring on a 5-year cycle, and an increase in VRCs in the ROs. VR&E also supports VHA's Employee Education System that offers CRCC accreditation by allowing VHA Certified Rehabilitation Counselor (CRC) employees access to VR&E's CRC-approved training items for continuing education credit.

CRCC sets the standard for quality rehabilitation counseling services in the United States and Canada. CRCC certifies rehabilitation counselors with its widely recognized, national CRC designation. The CRC designation increases the credibility of the VA VR&E workforce within the rehabilitation counseling community. To maintain the CRC designation, participants must renew their certification every five years via continuing education or re-examination. VR&E Service and CRCC will continue to foster a culture of collaboration by reimbursing Central Office and RO employees in the areas of CRC applications, continuing education renewals, and re-examinations through Support Services divisions at each RO.

Suicide Prevention

Suicide is a national health concern and VA believes all its programs have a role in reducing Veterans' risk of suicide. The VR&E Service helps Veterans find greater purpose through employment training and independent living. VR&E ensures all VRCs are educated on suicide prevention and are prepared to help a Veteran experiencing signs of distress. Please refer to the Medical Care chapter within Volume 2 for more information on the Veterans Health Administration's suicide prevention efforts.

VR&E established a partnership between e-VA and the Veteran Crisis Line (VCL) in 2021. The functionality within the e-VA platform allows for the scanning of all electronic communications for keywords and phrases containing harmful or self-destructive language. The partnership allows VR&E to provide additional follow-up care for participants in crisis. This provides a safeguard to ensure no Veteran misses the opportunity to receive care after a mental health crisis and establish a "Continuation of Care" model that ensures follow-on support will be available. Since the launch of the partnership, there have been nine VCL referrals for assistance.

Chapter 31 National Contracts

To improve the employee experience, provide additional support, and render timely services, VBA procures supplementary VR&E services by contract. These Chapter 31 national contracts provide VR&E with support services on an as-needed basis for Initial Evaluation and Assessments, Case Management, and Employment Services. This allows VR&E to provide surge capacity during peak retirement and separation timeframes. These services are imperative in balancing the workload around the Nation. These contracts supplement and complement counseling services rendered by FTE as the clientele exceeds the number of Counselors available to provide these services.

The Chapter 31 National Contracts were established to help support service-connected disabled participants in the following areas: Initial Evaluation, Case Management Services, and/or

Employment Services. Provide VA's ROs responsible for VR&E care with a contractual vehicle to obtain VR&E services solicited on a national basis and awarded at the RO level for ease of administration and referral for the above identified services. This funding provides necessary services through contracted personnel to ensure world class quality care for Chapter 31 Claimants. VR&E Service provides oversight and manages portions of the budget for 56 ROs and National Capitol Regional Benefits Office. The National Contracts GOE has never been formalized, requested and/or officially entered VR&E's budget line. This funding provides necessary services through contracted personnel to ensure world class quality care for our Veterans, Servicemembers and their Families.

Each of the awarded contracts has a direct and positive impact on the Veterans participating in a VR&E plan of service. These impacts can be seen at the RO level through improvements in the Counselor to Veteran ratio, timeliness, and positive outcomes. VR&E closely monitors the utilization of the contracts at each station and collects feedback regarding the contractor's performance and ability to provide services. In 2023, VR&E Service obligated \$4,840,595.79 for Chapter 31 National Contracts. The costs for these services vary from station to station based on the geographic location, cost of living at each RO, and staffing level. Tasks orders are issued against these Indefinite Delivery/Indefinite Quantity Contracts for each service group and the task orders are for a period of performance not to exceed 12 months. Funds obligated in September 2023 may have referrals issued against those funds for 12 months, which will end in September 2024.

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Insurance

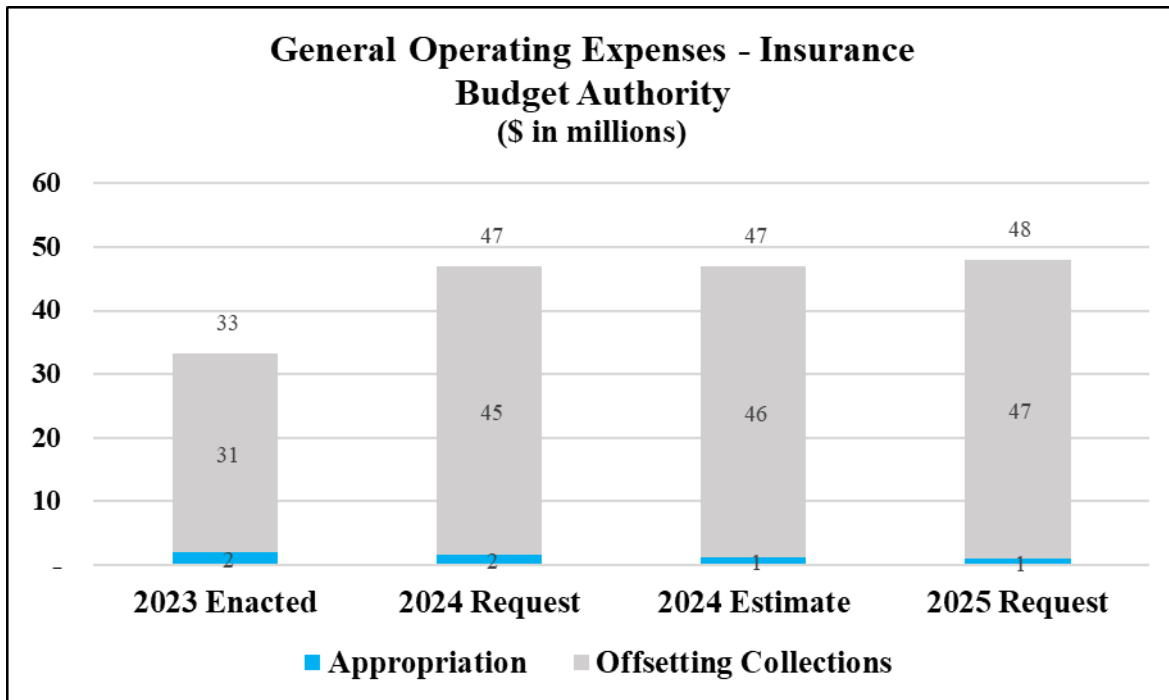
Mission

To provide our Nation’s Veterans, Service members and Military Families insurance products and services.

Summary of Budget Authority

2025 Budget Authority Request: \$920,000

Change over 2024 Estimate: -\$375,000 / -29%



Note. – A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Estimate column.

Summary of Budget Request

VA requests \$920,000 in budget authority and \$47.1 million in reimbursement authority to fund Insurance Service programs. Total budget authority and offsetting collections will fund obligations of \$48 million in 2025, reflected in the chart below. This request will enable Insurance Service to continue administering the Veterans’ Mortgage Life Insurance (VMLI) and Veterans’ Special Life Insurance (VSLI) Programs, as well as eleven valuable life insurance benefits programs to

Veterans, Service members, and their families and is further explained below in the program description. It funds administrative expenses for 341 full-time equivalents (FTEs), who help Veterans and survivors process new insurance applications, respond to inquiries, pay insurance policy loans, and cash surrender requests from policyholders, and pay life insurance death benefits to beneficiaries detailed in the table below.

General Operating Expenses						
Insurance						
Summary of Employment, Obligations and Budgetary Resources						
(\$ in thousands and FTE)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	272	322	322	322	-	-
Management Direction and Support	19	19	19	19	-	-
Total FTE	291	341	341	341	-	-
Obligations						
Direct Obligations	2,075	1,646	1,294	920	-374	-28.9%
Reimbursable Obligations	31,185	45,244	45,595	47,068	1,473	3.23%
Total obligations	33,260	46,889	46,889	47,988	1,099	2.34%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	2,075	1,646	1,294	920	-374	-28.9%
Subtotal, appropriations	2,075	1,646	1,294	920	-374	-28.9%
Reimbursements	31,185	45,244	45,595	47,068	1,473	3.23%
Subtotal, budget authority	33,260	46,889	46,889	47,988	1,099	2.34%
Total budgetary resources	33,260	46,889	46,889	47,988	1,099	2.34%

Note. – Dollars may not add due to rounding in this and subsequent charts.

General Operating Expenses						
Insurance						
Obligations by Object Classification						
(\$ in thousands)						
Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	32,555	41,663	41,663	42,700	1,037	2.5%
Travel	47	93	93	94	1	1.1%
Transportation of things	34	-	-	-	-	-
Rents, communications and utilities	100	2,609	2,608	2,661	53	2.0%
Printing	1	38	38	39	1	2.6%
Other services	508	2,146	2,146	2,146	-	0.0%
Supplies and materials	10	89	89	91	2	2.2%
Equipment	4	252	252	257	5	2.0%
Land and structures	-	-	-	-	-	-
Grants, judgements, interest and insurance	1	-	-	-	-	-
Total	33,260	46,889	46,889	47,988	1,099	2.3%
Subtotal, reimbursable	31,185	45,244	45,595	47,068	1,473	3.2%
Subtotal, direct	2,075	1,646	1,294	920	-374	-28.9%

Changes from Original 2024 Request

Total obligations have not changed from the original 2024 request.

Changes from 2024 Estimate to 2025 Request

Total administrative obligations increased by \$1.1 million from the 2024 estimate. The changes reflect a projected increase of 2.0% in pay and 2.0% for non-pay inflation.

Program Description⁸

VA offers life [insurance coverage](#) at competitive premium rates for Veterans that complement the coverage provided while in uniformed service. Insurance Service provides Veterans with life insurance benefits that may not be available from the private insurance industry due to lost or impaired insurability resulting from military service. Insurance Service also provides universally available life insurance benefits to Service members and their families; traumatic injury protection insurance for Service members; and options to convert existing term insurance policies to either permanent plans or renewable term insurance policies after separation from service.

The following programs assist with financial security for Service members’ and Veterans’ beneficiaries upon the insured’s death:

- Servicemembers’ Group Life Insurance (SGLI) provides up to \$500,000 of group term life insurance coverage to Service members that can be converted to Veterans’

⁸ See the Mandatory Insurance Benefits chapter within Part 3 of Volume III for more information on Insurance Programs

Group Life Insurance (VGLI) or to a permanent life insurance policy with any of VA's participating commercial insurance companies after the Service member's separation from duty. Full-time SGLI coverage is available for:

- Commissioned, warrant and enlisted members of the Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard;
 - Commissioned members of the National Oceanic and Atmospheric Administration and the United States Public Health Service (USPHS);
 - Cadets or midshipmen of the United States Military, Naval, Air Force, and Coast Guard Academies;
 - Ready Reservists and National Guard members assigned to a unit and scheduled to perform at least 12 periods of inactive training per year; and
 - Members of the Individual Ready Reserves (IRR) who volunteer for assignment to a mobilization category
- Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI) provides a financial benefit to severely injured Service members to reduce financial burden during an extensive recovery and rehabilitation process from their injury. All Service members who have SGLI coverage are automatically covered by TSGLI through a \$1 premium insurance rider.
 - Family Servicemembers' Group Life Insurance (FSGLI) provides coverage for spouses and dependent children of members covered by full-time SGLI. Spousal coverage is available in increments of \$10,000 up to a maximum of \$100,000 or the Service member's coverage, whichever is less. Dependent child coverage is \$10,000 and offered at no additional charge.
 - VGLI provides for conversion of SGLI coverage to a renewable group term life insurance policy after a Service member's separation from service. Applications for coverage received within 240 days from separation are automatically approved with no health review. Applications received between 241 days and one year and 120 days from separation are still considered for coverage; however, a health review is required prior to approval. Coverage is available for the following members:
 - Full-time SGLI insureds who are released from active duty, Reserves, or National Guard;
 - Ready Reservists who have part-time SGLI coverage who, while performing active duty or inactive duty for training for a period of less than 31 days, incur a disability or aggravate a pre-existing disability that makes them uninsurable at standard premium rates; and
 - Members of the IRR (not in a mobilization category), the USPHS Inactive Reserve Corps (IRC) and Inactive National Guard (ING).
 - SGLI Disability Extension (SGLI-DE) provides up to two years of no cost SGLI coverage to separating Service members who are totally disabled at the time of separation. To be considered totally disabled, the Service member must have a disability that prevents gainful employment or have one of the following conditions, regardless of employment status:

- Permanent loss of use of both hands;
 - Permanent loss of use of both feet;
 - Permanent loss of use of both eyes;
 - Permanent loss of use of one hand and one foot;
 - Permanent loss of use of one foot and one eye;
 - Permanent loss of use of one hand and one eye;
 - Total loss of hearing in both ears; or
 - Organic loss of speech.⁹
- VA Life offers up to \$40,000 (in increments of \$10,000) of guaranteed acceptance whole life coverage to all service-connected Veterans aged 80 and under, with no time limit to apply. No medical underwriting is required for enrollment. Some Veterans aged 81 and older may also be eligible if they applied for VA Disability Compensation before age 81 and receive their rating after turning 81 years of age, if they apply within two years of being notified of their rating. VA Life launched on January 1, 2023.
 - VMLI provides up to \$200,000 in mortgage protection insurance that can help families of severely disabled Service members or Veterans pay off their home mortgage in the event of death. Veterans must apply for VMLI before their 70th birthday. VMLI is only available to Service members and Veterans with severe service-connected disabilities who:
 - Received a Specially Adapted Housing grant to help build, remodel, or purchase a home;
 - Have the title to the home; and
 - Have a mortgage on the home.
 - United States Government Life Insurance (USGLI), National Service Life Insurance (NSLI), Veterans' Special Life Insurance (VSLI), and Veterans' Reopened Insurance (VRI) provide life insurance coverage to World War I, World War II and Korean War Era Veterans. These programs are serviced by VA for existing policyholders and annuitant beneficiaries; however, new policies are no longer issued as of 1940 for USGLI, 1951 for NSLI, 1957 for VSLI, and 1966 for VRI.
 - Service-Disabled Veterans Insurance (S-DVI) provides life insurance coverage to Veterans who may not be able to obtain coverage from the commercial life insurance industry due to their service-connected disabilities. In accordance with the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), this program stopped issuing new policies on December 31, 2022.

⁹ Lost ability to express oneself, both by voice and whisper, through normal organs for speech; being able to speak with an artificial appliance is disregarded in determination of total disability.

Workload

Insurance Workload and Direct FTE Requirements	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Insurance Direct Labor FTE	260	272	322	322
Death Claims	64,117	42,968	69,960	67,710
Loans and Cash Surrenders	31,677	25,224	28,934	27,246
Telephone Calls Answered	401,488	439,368	446,603	451,298
S-DVI & VMLI Applications	19,149	10,976	970	980
VA Life Applications	n/a	29,275	37,930	34,120
All Other Insurance Maintenance Actions	134,854	78,967	179,868	187,738

Insurance Service plans to employ 322 direct employees to perform the duties listed hereafter and displayed in the table above. Insurance Service operations personnel include: Claims Examiners, who will support approximately 35,000 insurance applications and over 67,000 death claims in 2025; Insurance Specialists, who are projected to handle over 451,000 calls to the Insurance Customer Service & Call Center; and Fiscal Accounts Technicians, who will assist in processing over 187,000 maintenance actions including correspondence reviews, policy updates, etc. The increase in telephone calls and maintenance actions is a result of the increase in policies in force in the VA Life program. The decrease in loans and cash surrenders is due to the decline in total policies in force in the legacy insurance programs.

Insurance Service is comprised of four major components: (1) Director's Office; (2) Program Administration; (3) Finance and Business Integration; and (4) Operating Divisions. These four business office components and support staff ensure Insurance's ability to execute a successful benefit that Veterans have earned.

- The Director's Office comprises the Insurance leadership, human resources, and management analyst teams.
- The Program Administration component oversees performance management, data analytics, policy, procedures, innovation, program quality, and program oversight.
- Finance and Business Integration is responsible for budget, accounting, actuarial studies, analyses, financial reports, financial projection models, enterprise risk management, and business system support.
- The Operating Divisions receive, process, and execute actions on applications, customer service requests, and claims.

VA no longer issues new insurance policies for S-DVI, USGLI, NSLI, VSLLI, and VRI. Workload associated with the closed legacy insurance programs will continue to decline, while workload related to VA Life (applications, calls, death claims, and maintenance actions) will begin to grow.

Performance Measures

In 2025, the resources requested will enable Insurance Service to continue providing world-class service to Veterans, Service members, and survivors. In 2025, VA estimates processing approximately 95,000 disbursements, answering approximately 451,000 calls, and processing 35,000 insurance applications.

The 2025 request supports performance for continuous improvement and increased client satisfaction. Insurance Service employs a variety of techniques to enhance the customer experience and improve client satisfaction, such as the toll-free Insurance Customer Service & Call Center, email, the Interactive Voice Response system, social media, and the Insurance self-service website.

Insurance Service recently implemented several initiatives to achieve timely and accurate processing of new insurance applications and other customer requests. This includes a fully web-based application for Veterans to apply for VA Life online, leveraging enterprise data services to determine eligibility, and provide automated approval decisions. Insurance Service receives feedback from customers regarding their experiences and satisfaction with provided services through VA's Veterans Signals (VSignals). VSignals is VA's real-time digital survey platform that provides descriptive, predictive, and prescriptive analysis of customer experience based on received survey data. VSignals customer service feedback scores for new VALife insurance applications processing as of November 2023 show a score of 4.44 out of 5, indicating high customer satisfaction. Additionally, Insurance Service improved its self-service website for Veterans to view and update their policy information online, allowing Veterans to opt-in to electronic communications preferences using SMS text messages and email in lieu of paper mailings. Beneficiaries can also submit an application for death benefits through the Insurance website.

Highlights and Achievements

The Veterans Benefits Administration's (VBA) 2025 Insurance budget request aligns with its Strategic Goals to provide benefits in an exceptional manner. Achievements from 2023 that support these goals are highlighted below.

Providing Veterans with Earned Benefits

Insurance Service provides high-value life insurance benefits for Veterans, Service members, families, and their beneficiaries in a timely and efficient manner. Employees in the Insurance Customer Service & Call Center complete requested actions at the time of a Veteran's call for first time resolution when possible. This improves overall quality of service delivery because telephone call issues are often addressed immediately, and not referred for processing by another employee. Insurance Service received feedback from customers regarding their experiences and satisfaction with provided services through VA's Veterans Signals (VSignals). VSignals is VA's real-time digital survey platform that provides descriptive, predictive, and prescriptive analysis of customer experience based on received survey data. In 2023, the Insurance Call Center achieved an overall score of 4.43, with 5 being the highest score possible.

In 2023, Insurance Service completed loan and cash surrender disbursement actions with an average processing time of four days, achieving its goal. In 2023, Insurance Service completed death claim awards with accuracy of 98%.

Insurance Service studied and implemented methods to improve timeliness of services and benefits. This includes continued expansion of paperless death claims by leveraging VA's enterprise eSignature platform. Beneficiaries are strongly encouraged to submit claims digitally via a secure portal. Compared to mailing, the electronic platform reduces the time it takes for a claim to reach a Veterans Claims Examiner from 1-2 weeks to 1-2 This enables beneficiaries to receive payments more quickly. Additionally, the platform improves accuracy by validating claims forms are completed correctly before they are submitted.

Innovation

In April 2023, Insurance Service completed its IT modernization initiative by migrating its remaining policies from a legacy mainframe platform to a commercial, cloud-based managed service solution. The new IT solution will empower Insurance Service to be a more data-driven organization.¹⁰ Efficiencies include elimination of large data storage facilities, lower overall cost for software/hardware, improved standardization across insurance products, and improved data reporting capabilities.

In partnership with the Department of the Treasury's Bureau of the Fiscal Service, Insurance Service has fully implemented an e-billing solution via www.Pay.gov to send billing notices via email and collect payments electronically. Starting with the launch of VALife on January 1, 2023, Veterans are required to pay their initial premium electronically using pay.gov when they submit their application and are encouraged to enroll in eBilling to receive and pay bills electronically moving forward. These new capabilities have allowed Insurance to automate the processing of new applications and significantly reduced the amount of time and effort needed to address this workload. On average, Veterans complete the online application process, including the electronic payment, in under 15 minutes, whereas applications under previous programs required 10 days or more to process manually, and were subject to higher error rates due to human error.

Insurance Service is also committed to improving data analytics and continues to partner with VBA's Office of Performance Analysis and Integrity on robust reporting tools that provide improved workload management.

Survivor Benefits

Insurance Service supports survivor benefits by increasing awareness of benefits and developing and executing communication campaign strategies to educate, automate, and innovate through Veteran engagements, newsletters, outreach, social media, podcasts, traditional media, and more.

The Faster Payments to Veterans' Survivors Act of 2022 (P.L. 117-313), enacted on December 27, 2022, allows Insurance to reduce the timeframes to pay eligible beneficiaries. The previously

¹⁰ Additional information about the Office of Information and Technology's (OIT) Life Insurance Policy Administration Solution (LIPAS) can be found in the Benefits Portfolio section of OIT's chapter within Volume 2 of the budget submission.

discussed Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), established VA Life, which opened to enrollment on January 1, 2023, and closed S-DVI to new policyholders effective December 31, 2022. The Supporting Families of the Fallen Act, P.L. 117-209, increased the maximum coverage available under the SGLI and VGLI programs from \$400,000 to \$500,000, effective March 1, 2023.

Ensuring Strong Fiscal Stewardship

Insurance Service’s discretionary expenses are primarily funded through premium collections and redemption of securities. Approximately 90% of the requested resource levels are reimbursed by the mandatory Insurance appropriation. The discretionary appropriation request for Insurance Service supports the administration of the VMLI program and limited other items (previously described in the “Summary of Budget Request” section).

Insurance Service continues to be a fiscal steward of taxpayer and policyholder dollars by using various methods to minimize the risk of improper payments.

- A dedicated quality assurance staff that monitors, reviews, and approves employee-generated insurance disbursements;
- Using inter-agency data matches to ensure monthly insurance benefit recipients are still entitled to benefits;
- Employing a Statistical Quality Control program to help validate proper payments and assess the ongoing quality and timeliness of our work products; and
- Conducting an annual post audit review of randomly selected outlays as part of VBA’s Payment Recapture and Recovery Audit, in compliance with the Payment Integrity Information Act of 2019 (P.L. 116-117) and Office of Management and Budget (OMB) guidance.

The Department of the Treasury’s Bureau of the Fiscal Service provides an analytics tool called Do Not Pay (DNP) to help agencies detect and prevent improper payments made to vendors, grantees, loan recipients, and beneficiaries. Agencies can check multiple data sources to make eligibility decisions, including checking the death notification for the payee. Insurance uses the DNP application to prevent improper payments by identifying Veterans or beneficiaries who may have died. Early identification results in the need for less development of the claim and paying an alternative beneficiary more quickly.

Fostering a Culture of Collaboration

Insurance Service focuses its resources on providing benefits and services effectively and efficiently. Partners include the uniformed service branches from the departments of Defense, Commerce, Homeland Security, Health and Human Services, and Treasury; the SGLI Advisory Council; OMB; Congress; Veterans Service Organizations; the public; and the private sector, including 11 insurance companies that serve as converters or re-insurers for the SGLI Program.

Examples of joint efforts include:

- Insurance Service partnered with the Office of Servicemembers’ Group Life Insurance (OSGLI), Defense Finance and Accounting Service, Defense Manpower

Data Center, the Department of Defense (DoD) Uniformed Services, and the non-DoD Uniformed Services to formulate a plan for implementing a statutory increase in maximum SGLI coverage to \$500,000 on March 1, 2023. Representatives from these groups met regularly to formulate an implementation plan and effective date that fell within the legislatively allowed timeframe while also ensuring that impacted partners had sufficient time to make the necessary changes. The implementation plan included communication efforts, programming updates, administrative updates, and actuarial and budgeting updates.

- Insurance Service partnered with OSGLI and each of the uniformed services' TSGLI processing offices to implement a final regulation on April 14, 2023, that impacted the program's eligibility criteria and administrative processes. Efforts included in-person training, updates to key manuals, letters, forms, and updates to websites and online training.



***Office of Outreach, Transition and Economic
Development***

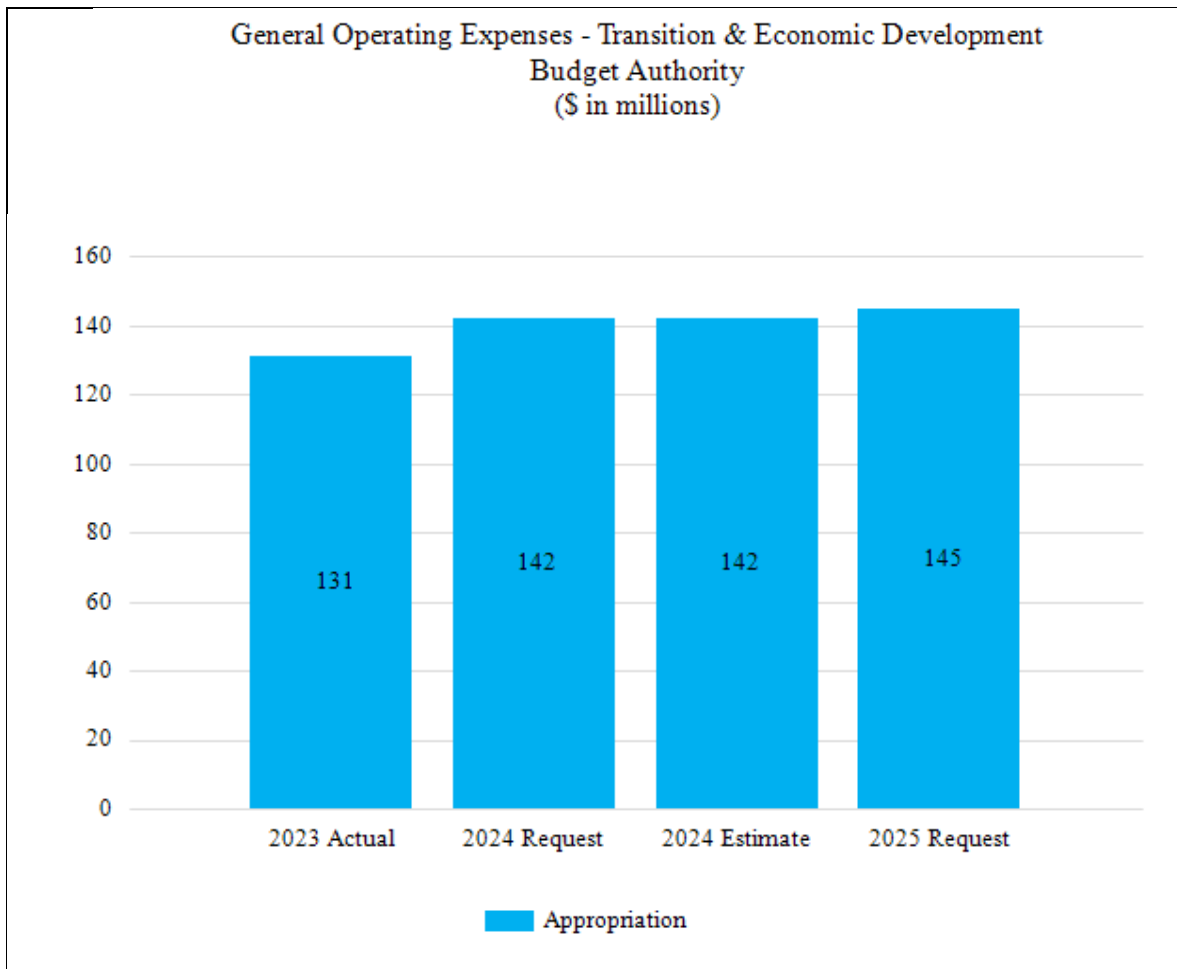
Mission

Collaborate, inform, and advocate for Veterans, transitioning Service members, survivors, family members, and all eligible beneficiaries by highlighting pathways to the Department of Veterans Affairs (VA) benefits and services to facilitate sustained successful connections.

Summary of Budget Authority

2025 Budget Authority Request: \$145.0 million

Change over 2024 Estimate: + \$3.1 million / + 2.2%



Note. – A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Estimate column.

Summary of Budget Request

VA requests \$145.0 million in budget authority and \$141,000 in reimbursement authority, to fund the Office of Outreach, Transition and Economic Development (OTED), including administrative expenses for 219 full-time equivalents (FTE) to support programs designed for transitioning Service members (TSM), Veterans, and their families to achieve their personal goals and sustain economic success and total well-being.

General Operating Expenses Transition & Economic Development Summary of Employment, Obligations and Budgetary Resources (\$ in thousands and FTE)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
FTE						
Direct	211	201	201	201	-	-
Management Direction and Support	16	16	16	18	2	12.5%
Total FTE	227	217	217	219	2	0.92%
Obligations						
Direct Obligations	131,215	141,868	141,868	145,013	3,145	2.22%
Reimbursable Obligations	-	139	139	141	2	1.44%
Total obligations	131,215	142,007	142,007	145,154	3,147	2.22%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	131,215	141,868	141,868	145,013	3,145	2.22%
Subtotal, appropriations	131,215	141,868	141,868	145,013	3,145	2.22%
Reimbursements	-	139	139	141	2	1.44%
Subtotal, budget authority	131,215	142,007	142,007	145,154	3,147	2.22%
Total budgetary resources	131,215	142,007	142,007	145,154	3,147	2.22%

Note. – Dollars may not add due to rounding in this and subsequent charts.

General Operating Expenses
Transition & Economic Development
Obligations by Object Classification
(\$ in thousands)

Object Class	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Total						
Personnel compensation	39,729	26,378	26,378	27,214	836	3.2%
Travel	1,057	54	54	54	-	0.0%
Transportation of things	67	1	1	1	-	0.0%
Rents, communications and utilities	6,488	236	236	241	5	2.1%
Printing	56	4	4	4	-	0.0%
Other services	83,339	112,180	112,179	114,422	2,243	2.0%
Supplies and materials	159	14	14	14	-	0.0%
Equipment	260	3,141	3,141	3,204	63	2.0%
Land and structures	1	-	-	-	-	-
Grants, judgements, interest and insurance	59	-	-	-	-	-
Total	131,215	142,007	142,007	145,154	3,147	2.2%
Subtotal, reimbursable	-	139	139	141	2	1.4%
Subtotal, direct	131,215	141,868	141,868	145,013	3,145	2.2%

Changes from Original 2024 Request

Total obligations have not changed from the original 2024 request.

Changes from 2024 Estimate to 2025 Request

Total administrative obligations increased by \$3.1 million from the 2024 estimate to the 2025 request. Changes include a projected increase of 2% in pay and 2% for non-pay inflation. Additionally, the request reflects a shift within the Veterans Benefits Administration (VBA) for two management direction and support FTE that are now reflected under the funding request for OTED.

Program Description

OTED is dedicated to informing Veterans, Service members, survivors, and eligible beneficiaries about VA benefits and services; easing a Service member's transition from the military to civilian life; and collaborating with interagency or non-governmental organizations, community partners, and Veterans Service Organizations (VSO) on all levels.

Outreach (Traditional and Virtual)

Under 38 U.S.C. § 7703 (5), VBA is designated as the responsible administration within the Department for outreach programs and other Veterans' services programs. This includes the responsibility of informing Service members, Veterans, and eligible beneficiaries about the benefits and services for which they may be eligible. The goal of outreach is to develop and deliver a continuum of effective, customer-focused outreach programs, activities, and content that engages

and empowers diverse stakeholders to understand how to access and apply for VA benefits and services.

Access to VA benefits information, services, and claims assistance is critical to ensuring Service members, Veterans, their families, and other eligible beneficiaries are aware of and receive the benefits they have earned. VBA participates in customer-focused outreach events such as conferences, symposiums, townhalls, and stakeholder roundtables that engage and empower stakeholders. Also, VBA distributes printed marketing materials, such as brochures, facts sheets, pamphlets, and flyers, containing critical information about all available VA benefits and services and how to access them. OTED holds regular summits and symposiums on various targeted topics to evaluate and discuss the efficacy of its outreach efforts and plan improvements based on feedback from stakeholders. Recent topics have included a Virtual Homeless Veteran Symposium and a Virtual Minority Veteran Symposium, and a Military to Veteran Summit is planned for summer 2024.

Under the leadership of the Assistant Director and two supervisory program analysts, OTED's outreach team includes two lead program analysts, 17 program analysts, and one staff assistant. The 20 dedicated outreach employees are responsible for coordinating and promoting VA's Special Emphasis Programs, establishing and promoting outreach materials, tracking and reporting national outreach metrics, and collaborating broadly with internal and external stakeholders. Two Outreach PACT Act analysts will assist with national PACT Act outreach, increase awareness about PACT Act, and provide informational briefings on how to apply for PACT Act benefits to Veterans and internal/external stakeholders.

Special emphasis coordination between OTED Outreach Program Managers and the regional office (RO) staff members is inherently fluid and communicative in nature, as many of these programs have coordinators at ROs and counterparts in other parts of VA (i.e., Veterans Health Administration (VHA)). In 2022, VBA participated in 9,900 national and special emphasis program events such as Virtual Benefits briefings; special emphasis program national training symposiums; VA training for embassy and consulate staff around the globe; Military Sexual Trauma (MST) Coordinator Training; and Virtual Tribal Claims Clinics on Reservations, among many others. From October 1, 2022, through September 30, 2023, VBA participated in more than 12,000 events. A list of OTED's special emphasis programs is provided below.

- Elderly Veterans
- Faith-Based Outreach to Veterans
- Former Prisoners of War (FPOW)
- Homeless Veterans
- Justice Involved Veterans
- LGBTQ+ Veterans
- Minority Veterans
- MST
- Rural Veterans
- Suicide Prevention
- Tribal and Native American
- Women Veterans

- Foreign Veterans
- Overseas Military Service Coordinator (OSMC) Program

OTED continues to engage offices to strengthen partnerships across VA, to include the Veterans Experience Office (VEO); Center for Minority Veterans; Center for Women Veterans; Center for Faith and Neighborhood Partnerships; Office of Tribal Government Relations; and others.

In response to COVID-19, OTED transitioned to virtual outreach, utilizing a wide array of virtual platforms such as WebEx, Microsoft Teams and Zoom to reach internal and external stakeholders. ROs were encouraged to use alternative outreach methods such as virtual claims clinics, town halls and informational symposiums. In 2023, VBA began transitioning to a combination of hybrid and in-person events. In 2023, VBA created and updated the Outreach Reporting Tool Plus (ORT+) dedicated to tracking national VBA outreach operations. ORT+ has proven to be an effective method for tracking virtual events in real time.

VA Transition Assistance Program (TAP)

TAP supports the seamless transition from military Service member to Veteran for more than 200,000 TSMs annually by providing information on the benefits and services administered by VA, including PACT Act benefits via the delivery of the VA Benefits and Services (VABS) course at 332 military installations, 107 hubs, and 225 itinerant sites. In addition to in-person (the preferred method) and web-based training, VBA now facilitates Virtual Instructor-Led (VILT) trainings providing the same high-level experience as in-person. VILT was launched in FY 2021 as a result of the COVID-19 pandemic and in 2023 hosted 310 virtual events with 9,302 attendees, in 2023. There are approximately 5,900 full-day, in-person VABS courses conducted per year. Eighteen civilian FTE and more than 280 contracted VA Benefits Advisors are permanently positioned at 107 military installations and travel to other locations when needed. In 2023, TAP exceeded 95% on the customer satisfaction measure, with a rating of 96.8% for those who attended the in-person VABS course. TAP Satisfaction for iVLT VABS classes exceeded the 90% target with a satisfaction rating of 94.5%.

VBA facilitates a VABS one-day course to help TSMs navigate VA's websites and provide Service members with skill-building resources and tools needed to achieve emotional and physical health and economic stability. The course also provides information about health care, housing, education, and training. TAP staff is responsible for the development and implementation of policy, curriculum development, command and control of course delivery quality and logistics, training, and administrative oversight of strategic support resources. TAP added a Program Management Officer to further support the implementation of PACT Act through incorporating military exposure into the curricula, and developing additional resources, tools, and support for outreach events.

TAP Quality Assurance

OTED conducts independent assessments of VBA's contract support to TAP to ensure quality control of VA Benefits Advisors. In 2023, OTED completed 200 assessments using 280 contract VA Benefits Advisors. The 92.1% pass rate highlights VA's effort to enhance the customer experience. The assessment ensures contracted staff are providing services and support in accordance with established policies and procedures.

Post-Separation TAP Assessment (PSTAP) Outcome Study

OTED instituted the five-year PSTAP study in 2019 to learn what drives Veteran satisfaction, as well as their long-term outcomes across a host of life domains. The PSTAP provides an annual report. The 2023 Report is expected to be released later in the third quarter of 2024. The study will:

- Identify what is most important to Veterans in determining their satisfaction with TAP.
- Determine what actions to take to improve the experience.
- Guide training and operational activities to enhance the quality of benefits and services provided to Veterans.

One-Year Independent Assessment of the Effectiveness of TAP

In consultation with DoD, the Department of Labor (DOL), and the Small Business Administration (SBA), VA entered into an agreement to conduct a one-year independent assessment of the effectiveness of TAP, which was completed on September 1, 2022. The report was signed by DoD, DOL, SBA, and VA on June 22, 2023, and submitted to Congress. VA is coordinating with interagency partners to submit a consolidated response by September 2, 2024.

Five-Year Longitudinal TAP Study

In consultation with DoD, DOL, and SBA, VA is conducting a five-year longitudinal study on three cohorts of participants going through TAP. OTED completed the Study Design Plan in 2022 and is beginning the Section 4306 survey modifications. Survey finalization occurred in 2023. The final Section 4306 Congressional report is currently scheduled for 2029 based on the timeline for implementation of the Section 4305 recommendations and subsequent survey execution timelines. VA is prepared to conduct the first data collection in 2024.

Military Life Cycle (MLC) Modules

OTED has developed military life cycle training modules called MLCs. MLC modules include online learning capabilities through anytime online access to the following resources:

- Participant Guides: VABS;
- Online Resource Guides: MLC Modules;
- eLearning Modules and Micro Learning: Self-Paced eLearning (web-based training) modules of VA Benefits and Services and videos;
- Online Resources: Repository of resources and references to guides and listings of websites to support the user; and
- Online VA TAP Course Catalog: Centralized location to access all VA TAP course offerings for TSMs and their families.

Veteran and Spouse Transitional Assistance Grant Program (VSTAGP)

Each year, more than 200,000 men and women leave the U.S. military service and return to their lives as civilians, a process known as the military-to-civilian transition. The VSTAGP, authorized under the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), will serve former Service members who are discharged, retired, or separated, and their spouses (referred to as participants), by focusing on improving transition services. Transition services include resume assistance, interview training, job recruitment training, and related services that would result in a successful transition as determined by the Secretary. Related services will include, but are

not limited to, employment placement services, employment education and/or training and employment referrals. Additionally, VSTAGP will benefit and improve the employment rates and the outcomes by supporting the placement of enrolled participants into employment and providing employment services that will aid participants in obtaining family-sustaining employment and facilitate their transition back into civilian life. OTED published a proposed rule in the Federal Register in 2023, and the final rule is currently under review.

Women’s Health Transition Training (WHTT)

OTED developed and deployed a curriculum within TAP emphasizing women’s health care through the WHTT. The training supplements the mandatory TAP course (VABS). It is designed to provide approximately 43,000 women Service members separating annually with in-depth information on gender-specific VA health care services. Enrollment in WHTT is not mandatory. Participants learn about a wide range of health care services and eligibility requirements. In 2023, 95% of participants who responded to the course evaluation stated that WHTT provided valuable information on how to begin VA health care enrollment, exceeding the 80% target rate. Moreover, 81% of respondents agreed or strongly agreed that the course informed them of VA suicide prevention services and programs.

P.L. 116-315 § 3005 required VA to carry out the WHTT program for at least one year after the enactment date of January 5, 2022. Currently, WHTT is being delivered using an eLearning, self-paced modality, providing access for all transitioning Service women and newly separated women Veterans. This initiative supports the goal of increasing enrollment in VA health care and awareness of specialized care available to women. In 2022, over 80% of WHTT participants who responded to the course evaluation indicated that they felt had the necessary information to begin their VA health care enrollment.

Military to Civilian Readiness Pathway (M2C Ready)

The Joint Executive Committee (JEC) approved the transition period for Service members to begin 365 days prior to separation and extend to 365 days post-separation. M2C Ready leverages Federal agency partnerships, VA benefits and services, VSOs, and other existing community resources to provide a holistic approach to ease the stress of transition. M2C Ready conducts a baseline wellness assessment providing information to help target potential stressors. M2C Ready also identifies opportunities in the transition process and devises the best approach to enhance existing programs or create and develop new programs in support of TSMs and newly separated Veterans.

VBA is developing a new system called the Enhanced Statement of Benefits, which completed the initial Minimum Viable Product Development phase in 2023. Requirement development will occur in 2024 and, in 2025, VBA will begin the process to execute the requirements either through acquisition or systems upgrade. The system will assist recently separated Service members by providing personalized information on potential benefits entitlements based on their individual service record post-separation.

Post Separation

OTED’s Post Separation (PS) division was established to oversee emerging OTED programs within the M2C Ready pathway and provide support to more than 400,000 TSMs and Veterans separated within 365 days. The team utilizes evidence-based practices to support expansion of VA

benefits and support services to Veterans resulting from the enactment of the PACT Act. PS recognizes TSMs' experiences are unique and require various levels of support from VA, Federal agencies, and VSOs. Service members identify with individual needs and receive assessment from DoD that requires assistance through VA to meet Career Ready Standards for transition. PS will conduct research and leverage results from existing and new studies to identify trends within the transitioning Service member and Veteran population to improve accessibility and use of VA benefits and services during and after transition.

PS is currently staffed to support two separate programs: Personalized Career Planning and Guidance (PCPG) (38 U.S.C. § 36) and VSTAGP (P.L. 116-315 § 4304). The Post Separation team consists of 19 FTE to include one assistant director, two supervisory program analysts, one senior program analyst, one management analyst, nine program analysts, four VSTAGP grants officers, and one staff assistant.

Personal Career Planning & Guidance (PCPG)

PCPG services, which offer personalized counseling and support to help guide career paths, ensure the most effective use of benefits and assist Veterans in achieving education and career goals. Eight employees orchestrate public and private partnerships to support the total well-being of Service members. PCPG offers tailored career and educational counseling services that include:

- Resume support
- Education and employment planning
- Detailed skills assessment
- Personalized action plan to achieve education and career goals
- Adjustment counseling to successfully transition to civilian employment
- Connection to VA benefits and services
- Tele-counseling

In 2023, PCPG processed 12,694 personalized career and educational counseling applications. The program assists beneficiaries who are career ready attain jobs that are meaningful and forward looking. OTED has collaborated with VR&E, who is leading the effort, to develop a suitable case processing platform to replace the outdated system. The updated system will provide OTED's PCPG with a Case Management Solution Service enabling Program Analysts to have enhanced contract counselor engagements as well as more accurate data entry and documentation within a FedRamp Certified cloud environment.

Network of Support (NoS) Pilot Program

The National Defense Authorization Act for Fiscal Year 2020 (P.L. 116-92) included a provision requiring DoD and the Red Cross to collect from new Service members the names of loved ones they consider to be in their NoS. DoD NoS is a two-year program that encourages members of the Armed Forces to designate up to ten persons to whom information regarding VA assistance and available benefits may be sent to support the Veteran. The COMPACT ACT (P.L. 116-214), § 101, requires a sister VA pilot program to DoD's. VA's two-year pilot program, including a survey, culminates in a Congressional Report in 2024. VA will help prepare and equip TSMs or recently separated Veterans and ensure they have access to the necessary tools to access assistance or care. The pilot program launched in December 2021 and ran through December 2023. In

December 2022, VBA launched the survey as required by the P.L. 116–214 § 101 (b)(1)(A). Preliminary survey results show that approximately 60% of the respondents would recommend the program to others. The survey was also conducted in December 2023 and will run through February 2024 in conjunction with a more detailed end-of-pilot survey. The mandated Congressional Report will be drafted in the spring of 2024 and will be delivered to Congress by December 2024.

VA Solid Start (VASS) Program

The first year after separation from military service can create challenges for recently separated Veterans, which can make it difficult to adjust to civilian life, and for some, increase their risk for suicide. VASS was launched in December 2019 to provide support to Veterans during the most critical first year after release from active duty. VA research showed first-year Veterans face increased challenges with homelessness, family reintegration, employment, post-traumatic stress disorder, and substance abuse, all of which can increase the risk of suicide.¹¹ VASS provides early and consistent contact with recently separated Service members at three key stages: 90-, 180- and 365- days post-separation. VASS addresses transition-related challenges through proactive outreach to connect recently separated Service members with their earned services and benefits and, when needed, high-quality mental health care. These interactions support, educate, and empower these individuals to know and use the benefits they have earned. Recently separated Service members are assigned a designated VASS representative who works closely with them throughout the entire VASS period of eligibility, and interactions not only provide information and support for benefits and services, but also focus on establishing a relationship and trust in VA.

VASS calls are driven by the specific needs of the TSM, and specially trained VASS representatives address issues or challenges the TSM may be experiencing at the time of the call. VASS provides priority contact to those individuals who had a mental health appointment during the last year of active duty, helping to lower the barrier for entry into VA mental health care treatment and supporting continuity of care. VASS representatives receive special training to identify at-risk individuals, and procedures are in place to facilitate an immediate warm transfer to the Veterans Crisis Line.

During 2024, VASS is planning to automate email and communication activities to drive program understanding and engagement, which is key to connecting with eligible individuals. Planning for 2025 will occur during 2024.

Economic Development (ED)

ED enhances the Veteran's experience beyond separation. ED is managed by one supervisory program analyst, one Private Public Partnership senior program analyst and five program analysts who plan and execute three ED events in economically distressed locations with high Veteran populations.

OTED hosts ED events in coordination with VA Regional Offices (VAROs), State Departments of Veterans Affairs, DOL, regional organizations, non-governmental organizations, and industry

¹¹ [National Strategy for Preventing Veteran Suicide, 2018-2028](#). Department of Veterans Affairs, Office of Mental Health and Suicide Prevention. June 2018.

leaders. ED events include benefit fairs, town halls, claims clinics, job fairs, and workshops. The events offer in-person support to Veterans in need of assistance with filing claims for disability compensation benefits, signing up for education benefits, or accessing local business and employment opportunities. EDI is currently working on scheduling 2024 events. As of March 2024, three events are pending and are waiting on location confirmation.

In 2023, OTED conducted in person and virtual Economic Development Initiatives (EDI) attended by 1,459 participants. More than 160 meaningful job opportunities were offered, and 994 PACT Act Claims appointments were held, resulting in \$1,287 in retroactive compensation being awarded.

OTED also enrolled more than 75 beneficiaries into VA health care and repaired Veteran homes damaged by seasonal hurricanes.

In April 2023, OTED conducted a Financial Literacy Awareness month that offered six additional classes with more than 1,200 registrants. In all, 19,100 Veterans, family members and caregivers registered and participated in OTED's Wellness Wednesday Financial series offerings.

Veterans Assistance Discharge System (VADS)

OTED sends out correspondence letters to more than 200,000 Veterans between 30 days and six-months after separation from service. 38 U.S.C § 6303 requires VA to provide individual notices at the time of the Veteran's discharge or release from active military, naval, or air service of all benefits and services administered by VA for which the Veteran may be eligible. VADS provides a necessary connection with Veterans to meet statutory guidelines and complements the military-to-civilian transition framework by informing Veterans and their family members of VA benefits and resources they can use to connect to VA. During 2024 (and potentially into 2025 and 2026), VA will explore the option of giving Service members in transition the option to receive correspondence electronically. If approved, VA will need to pilot possible information technology (IT) solutions to distribute correspondence electronically before a full roll out.

VA SkillBridge

OTED uses DoD's SkillBridge program to develop training and employment opportunities. DoD's SkillBridge program offers valuable civilian work experience through training, apprenticeships, or internships with more than 1,000 organizations to support Service members entering VA careers. VA SkillBridge is the organizing umbrella for programs across VA, designed to provide Active Duty TSMs with employment training, internship, and apprenticeship opportunities during their last 180 days of service. The program provides TSMs with valuable civilian work experience to better prepare them for post-separation employment.

As of September 30, 2023, there are 44 active SkillBridge programs, with 12 candidates pending graduation. Since October 1, 2023, 30 candidates have been hired into VA civilian positions.

Quality and Compliance

In accordance with 38 U.S.C. § 7731, VA is required to implement a quality assurance program in VBA to meet governmental standards for independence and internal controls in carrying out quality reviews on performance and results. The Quality and Compliance Division review VBA

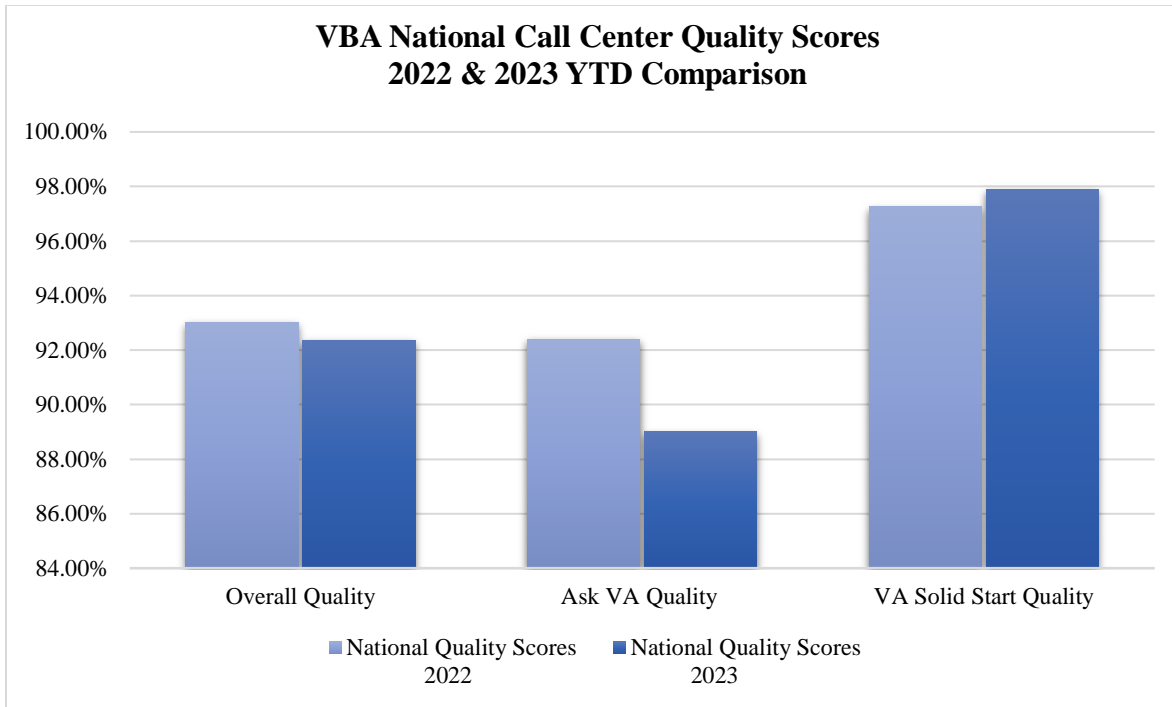
programmatic and operational performance at VARO public contact and VBA National Call Centers locations. Contact centers provide direct services to Veterans and their family members via telephone, email, and in-person interactions. Services include providing benefits information, claims assistance, contact information updates to beneficiary records, and proactive outreach engagements with the general public, special emphasis groups, and Federal, state, and local organizations.

The mission of the Quality and Compliance Division is to drive consistency in the level of access, service, and customer experience and to share best practices in service delivery across VBA contact center locations by conducting independent quality reviews and inspections. These reviews and activities assist contact centers to achieve national quality performance targets and compliance with operational and programmatic expectations. The division includes 41 FTE comprised of one assistant director, three supervisory program analysts, two lead program analysts, 27 quality assurance specialists and eight program analysts. In 2023, 18 new FTE were allocated to support the PACT Act. Full onboarding is expected in 2024. These employees will be funded by the Cost of War Toxic Exposures Fund.

Quality Team

The NCC Quality Team consists of 22 FTE to include one supervisory program analyst, one lead program analyst, and 20 program analysts. The team evaluates customer interactions and electronic correspondence at the VBA NCC. Each month, team members are responsible for reviewing telephone interactions to assess accuracy, transactions, courtesy, and professionalism by VBA call center representatives. The reviews evaluate performance toward meeting established national quality targets in three areas of performance: overall call quality, VASS quality, and email response quality on inquiries submitted through the AskVA inquiry system.

In 2023, VBA NCC exceeded the established baseline quality targets for overall call and VASS quality. The targets are set at 91% for overall call, 91% for AskVA quality, and 93% for VASS quality. A comparison of 2022 and 2023 quality is depicted in the graph below.



PACT Act quality reviews became effective in May 2023. The national scorecard incorporates PACT Act quality checks and criteria utilized at a national level and local level to ensure tracking and trends analysis on inquiries and interactions related to the PACT Act. Reviewed calls in May showed the NCC achieved 91.9% on quality, which surpasses the overall call quality target.

Compliance Team

The Compliance Team consists of ten FTE to include one chief, one lead program analyst and eight program analysts, two of which are PACT Act FTE. The primary objective of the team is to conduct in-person and virtual contact center inspections (site visits) on the operational performance at VARO public contact and NCC locations. This ensures service to Veterans and stakeholders are consistent and compliant with laws, regulations, program procedures, and policies, along with other directives. The inspections review the organizational makeup and roles, processes, transactions, and technology of the contact centers. The findings from the reviews are briefed to senior leadership and articulated in formal reports that outline actions, recommendations, best practices, and commendable items found during the site visits. The Compliance Team conducted 23 public contact and NCC site visits in 2023, up from 20 in 2022.

Workload

Projected OTED Workload and FTE Requirements	2021 Actual	2022 Actual	2023 Actual	2024 Estimate	2025 Estimate
Direct Labor FTE	180	158	220	242	242
Attendance at TAP Events**	318,000	326,914	357,863	450,000	450,000
Women's Health Transition Training	737	556	371	550	605
Personal Career Planned Guidance (Chapter 36) Cases	7,500	7,875	12,694	9,923	10,300
VA Solid Start Successful Contacts	149,498	175,369	190,000	200,000	200,000
Contact Center Site Visit Reviews*	2,884	4,012	2,880	5,944	7,016
Economic Development Initiatives**	500	1,169	8,633	1,000	2,000

* Contact Center site visit reviews in 2021, 2022, and 2023 include a second level review for certain transactions.

Performance Measures

The 2025 budget request supports the following performance measures:

- **TAP Customer Satisfaction:** The TAP target is 95% for 2022, 2023, 2024 and 2025. For 2023 Q4, the TAP Satisfaction rate for in-person VABS is 97.2%. VA has exceeded the 95% goal every year since 2015.
- **VASS Contact Success Rate:** The 2023 target was 72.1% and exceeded the 50% baseline target. The target estimate for 2024 is 55% and 60% in 2025.
- **PCPG:** In 2023, VBA processed 12,694 applications and counseled more than 2,300 Veterans. VBA estimates PCPG will receive 13,500 applications in 2024 and will counsel approximately 5,500 Veterans in 2024. In 2025, VBA estimates PCPG will receive 13,700 applications and will counsel approximately 5,700 Veterans.
- **NCC Quality:** The 2022 baseline and 2023 target for overall quality is 91%; AskVA quality is 91%; and VA Solid Start quality is 93%. In 2023, VBA's NCC exceeded overall quality and VASS quality targets with 92.14% (overall quality) and 97.28% (VASS quality) respectively. In 2024 and 2025, VBA is expected to complete 11,800 quality reviews and 12,500 quality reviews.

Highlights and Achievements

OTED's 2025 budget request is aligned with the following VA Secretary priorities:

Providing Veterans with Earned Benefits

PSTAP

The 2023 PSTAP Report is expected for release in the third quarter of 2024. The 2023 PSTAP report contains the fourth iteration of the Cross-Sectional Survey and the third iteration of the Longitudinal Survey. The report, set to be released in the third quarter of 2024, will include additional insights that will allow VBA to shape 2025 goals. The previous report, note the highlights and findings below. VBA would expect similar findings in the next report iteration shaping 2025.

- The VA Benefits and Services Course is still useful to a high percentage of Veterans, even as far as five years after separation.
 - Approximately 72% of Veterans felt the VA Benefits and Services Course was beneficial in gaining the information and skills they needed to be prepared for their post-military life.
 - Approximately 50% of Veterans still use the knowledge they gained from the VA Benefits and Services Course as they continue their transition.
- In-person TAP continues to increase satisfaction with the program.
- Veterans who take TAP have higher rates of satisfaction with their lives and their outlook than those who do not participate in TAP, and they have a higher likelihood of entering education programs, which leads to an increase in current and future earnings. The largest increases in benefits use were in enrolling in VA health care, applying for Disability Compensation, applying for a Home Loan and applying for the Post-9/11 GI Bill (Chapter 33).
- Approximately 2% of respondents did not know about certain VA benefits including disability compensation, education, health care, and home loans.
- Approximately 84% of Veterans had health insurance.
- Approximately 80% of Veterans in the Cross-Sectional Survey have used the GI Bill to pay for their education.
- Approximately 33% of Veterans in the Cross-Sectional Survey use VA as their primary source of health care. TRICARE and employer-provided health care are the second and third most type of health care; more than 50% of Veterans in each cohort have enrolled in VA health care.

PSTAP data and feedback will be used to improve curriculum and materials, as well as inform changes to programs that target mental health in VASS. As a result of the study, specialized curricula for certain groups, for example African American Veterans, are being developed.

VASS

In 2023, VASS successfully connected with 197,615 eligible individuals achieving a successful contact rate of 68.2%. VASS also successfully connected with 35,071 priority Veterans, representing an 81.9% successful contact rate. VASS representatives provided warm transfers to the Veterans Crisis Line for four Veterans who were in crisis or at-risk at the time of the call.

VASS implemented the following program improvements and enhancements in 2023:

- Implemented enhanced tracking and scripting to support Veterans accessing the expanded benefits authorized under the PACT Act.
- Automated promotional email functionality to improve accuracy, reduce unnecessary manual actions, and increase outreach touchpoints with eligible individuals.
- Launched an updated, recurring monthly report which provides key data and metrics.
- Developed promotional materials, e.g., talking point documents, posters, contact cards.
- Coordinated with VEO to conduct a pilot to assess the impact that caller ID display errors and blocking has on the VASS call acceptance rate.
- Implemented additional outcome measures for VASS to better track program success and impact.
- Developed a mandatory refresher training program for growth and development of the VASS representatives.
- Delivered the third annual VASS report to Congress.
- Launched an expanded pilot to assess the impact of call scheduling on the VASS successful connection rate.

Quality and Compliance at NCC and Public Contact Locations

In 2023, VBA completed 7,835 first level comprehensive quality reviews on customer interactions (telephone and email), special missions and local reviewer evaluations at the VBA NCC to ensure accuracy and customer service expectations. Additionally, VBA completed 7,835 first level quality reviews in 2023 on the same performance areas.

Notable program achievements in 2023 include the following:

- More than 4,800 quality reviews on inbound VBA NCC calls were completed. The NCC achieved a quality rating of 92.1% in 2023, exceeding the VA annual performance national quality target of 91%.
- Expanded the VBA NCC quality platform, to include deploying a dashboard that centralizes performance on national call quality and Ask VA response quality results in real time with updates on a 24-hour cycle. Additionally, local dashboards for each NCC were launched to view national results in real time, to include weekly, monthly, and fiscal year to date on quality trends and agent tenure outcomes.

During public contact and NCC site visits, 216 interviews and 6,874 quality/operational reviews identified 86 actionable items for improvements, 20 recommendations, 31 best practices, and two commendable items. These reviews allowed OTED to closely examine operations and identify areas for immediate improvement.

Ensuring Fiscal Stewardship

Economic Development supports financial literacy efforts for Veterans. Wellness Wednesday Financial Education is a series of one-hour courses offered on the third Wednesday of each month. The course covers a wide variety of financial topics important to the financial wellness of the Veteran, such as “Budgeting & Building an Emergency Fund,” “Steps to Buying & Selling a Home,” and “Managing Employment Change.”

The Financial Portal, found at www.prudential.com/veteran, allows the Veteran access to multiple financial articles and calculators, as well as online assessment tools, allowing the Veteran the ability to measure their own financial wellness.

OTED is seeking new and innovative tools, such as an enhanced dashboard to provide leadership with robust capabilities and improved data management. By leveraging the data management improvements, OTED can continue refining its business practices, using a more integrated approach, such as evidence-based decision making and budgeting.

Fostering a Culture of Collaboration

Outreach Events

In 2023, VBA participated in more than 12,800 outreach events, reaching more than one million Veterans resulting in more than 46,043 hours of outreach. Targeted outreach efforts included conducting Stand Downs and claims clinics, participating in minority conferences and advisory committees and visiting nursing homes and homeless shelters.

National Contact Centers (NCC)

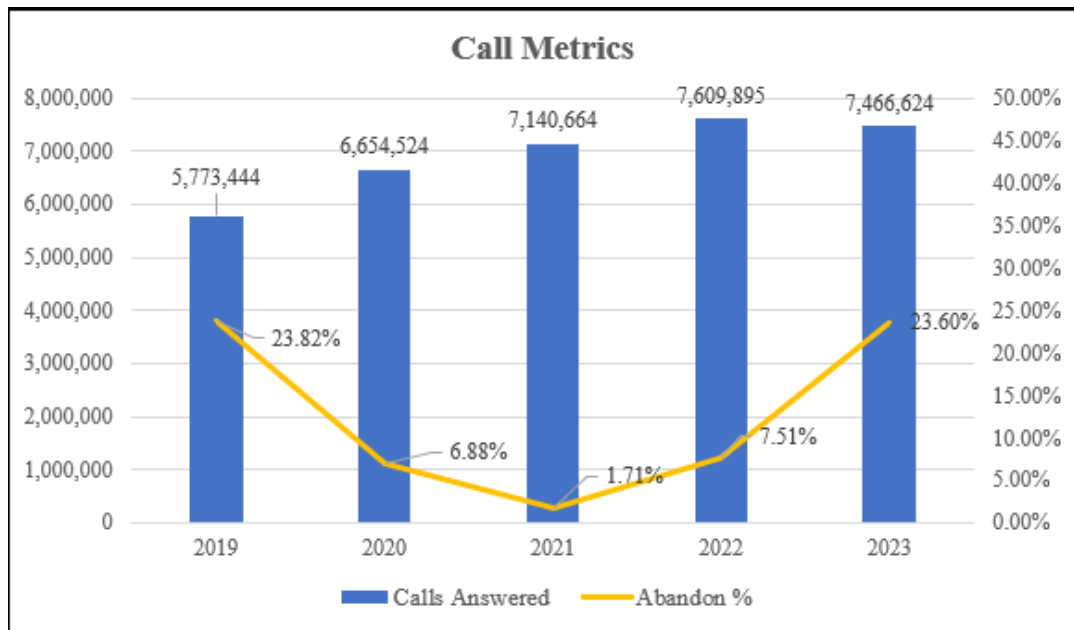
The NCC has 10 contact centers located in Jacksonville, North Carolina; Columbia, South Carolina; Cleveland, Ohio; Nashville, Tennessee; Philadelphia, Pennsylvania; Phoenix, Arizona; Salt Lake City, Utah; St. Louis, Missouri; Reno, Nevada; and San Juan, Puerto Rico. The NCC accepts calls from 8 a.m. to 9 p.m. Eastern Time. If a Veteran or beneficiary calls after normal business hours, the Veteran or beneficiary can access limited information and self-service features through the NCC's interactive voice response system. Callers also receive information on accessing benefits information and assistance via VA.gov.

The NCC implemented the following enhancements and improvements in 2023:

- Successfully transitioned the NCC to a remote operating posture, helping to improve recruitment efforts and ensuring the NCC can continue to provide high-quality support through a variety of operating challenges.
- Implemented enhancements to the Point of Interaction (POI) processing program to improve support for simple claim and record actions to be completed by the NCC agents, eliminating the need for unnecessary organizational handoffs to the Veterans Service Center (VSC) claims processors. NCC agents successfully completed more than 30,000 POI actions in 2023, freeing up VSC capacity for more complicated claims processing activities.
- Implemented enhanced program and performance review, oversight, and engagement by the Workforce Management team, resulting in improved workload management and load balancing across the enterprise.
- Implemented enhancements to the Visitor Engagement and Reporting Application (VERA) to allow RO Public Contact Teams (PCT) to manage and assign all interviews and customer engagement actions (scheduled, walk-ins, in-person, virtual, etc.) within the VERA application, reducing unnecessary rework and freeing up capacity within the PCT to complete more Veteran interviews. In 2023, more than 285,000 interviews were scheduled or assigned in VERA.

- Implemented enhancements to the NCC Referral Program to support and track more internal referral processes. The NCC Referral Program helps to ensure transparency in timeliness and completed actions for internal referrals such as, follow-up actions to special emphasis outreach coordinators (e.g., MST Coordinators, Homeless Veteran Coordinators, Minority Veteran Coordinators, and completion of state or local benefit validation actions). More than 9,800 referrals were completed in 2023.
- In coordination with VBA’s Office of Business Integration, implemented auto processing via mail automation of multiple types of report of contact referrals documented by the NCC. This process improvement eliminates unnecessary manual processes and improves operational efficiencies of multiple VBA divisions. Additionally, these efforts resulted in a significant decrease of POI processing actions within the NCC, further reducing the time to process certain record actions.
- The NCC is actively recruiting and hiring to fully staff the NCC agent position to support the increase in call volume created by the historic expansion in benefits provided by the PACT Act.
- Implemented a consolidated, enhanced, new-hire virtual training program to support improved consistency and efficiency in the onboarding training for new NCC employees. More than 1,200 new NCC representatives participated in this training program in 2023.
- In 2023, the NCC prepared and provided more than 625,000 Veteran requested letters via encrypted email, mail, or fax.

In 2023, NCC experienced a 18.8% increase over 2022 in call attempts, which resulted in declines in performance for some key data points. The abandoned call rate increased from 3.5% in 2022 to 23.6% in 2023. NCC answered 7.4 million calls, a decrease of approximately 163,000 from 2022. In 2023, the NCC wait time increased from the 2022 performance level of 141 seconds to 753 seconds. NCC has focused efforts and resources to streamline processes and operations to increase capacity to better serve the increased call volume that is attributed in part to changes, both implemented and proposed, to benefits related to presumptive conditions.



There are five primary types of calls VBA receives daily:

1. Status of the claim (48.7%)
2. Correspondence and forms (13.0%)
3. General benefits information (8.4%)
4. Update contact and account information (7.8%)
5. Payments and debts (6.2%)

The remaining call volume (16.1%) consists of a variety of call types that on average, individually comprise less than 5% of the NCC daily call volume.

NCC answered more than 123,000 Board of Veterans' Appeals calls in 2023, providing appeal status, change of address, change of direct deposit, verification of the status of submitted documents and complete letter requests during the call.



Benefits

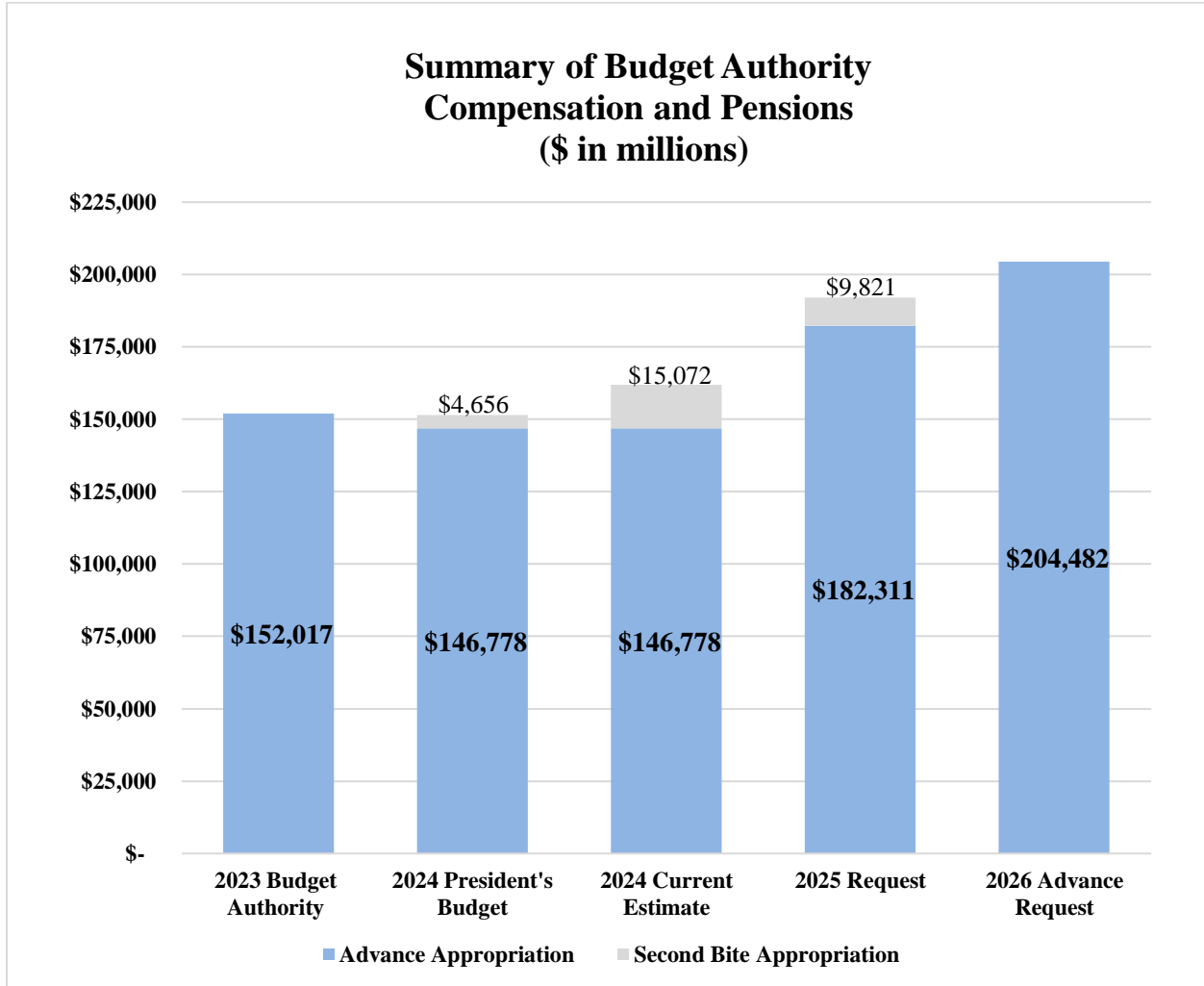
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Compensation & Pensions



Note. -- Unobligated balances from previous years are not included in totals.

Note. -- A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to assumptions and estimates in the 2024 Current Estimate column.

Appropriation Language

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by section 107 and chapters 11, 13, 18, 51, 53, 55, and 61 of title 38, United States Code; pension benefits to or on behalf of veterans as authorized by chapters 15, 51, 53, 55, and 61 of title 38, United States Code; and burial benefits, the Reinstated Entitlement Program for Survivors, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of title IV of the Servicemembers Civil Relief Act (50 U.S.C. App. 541 et seq.) and for other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code, \$9,820,699,000, which shall be in addition to funds previously appropriated under this heading that became available on October 1, 2024, to remain available until expended; and, in addition, \$204,481,753,000, which shall become available on October 1, 2025, to remain available until expended: Provided, That not to exceed \$22,816,224 of the amount made available for fiscal year 2026 under this heading shall be reimbursed to "General Operating Expenses, Veterans Benefits Administration", and "Information Technology Systems" for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the "Compensation and Pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical Care Collections Fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

Summary of Appropriation Highlights

(\$ in thousands)

	2023	2024		2025	2026	2025-2024	2026-2025
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
Compensation Obligations							
Veterans	\$135,980,190	\$148,136,427	\$158,682,457	\$172,645,670	\$185,073,763	+\$13,963,213	+\$12,428,093
Survivors	10,041,539	13,294,701	12,098,289	11,646,697	11,894,198	-\$451,592	+\$247,501
Special Benefits for Children	23,507	24,517	23,831	24,058	24,161	+\$227	+\$103
Clothing Allowance	155,743	142,810	166,062	176,024	185,488	+\$9,962	+\$9,464
Other (SAFD, EAJA, REPS)	48,693	49,672	50,206	51,615	52,802	+\$1,409	+\$1,187
Contract Exam Pilot Program - VBA	3,134,535	3,987,892	4,388,033	4,171,832	4,013,593	-\$216,201	-\$158,239
Contract Exam Pilot Program - IT	18,380	18,717	18,717	19,091	19,473	+\$374	+\$382
OBRA Payments to VBA GOE	2,085	8,411	8,411	8,680	8,958	+\$269	+\$278
Total Compensation Obligations:	\$149,404,671	\$165,663,147	\$175,436,006	\$188,743,668	\$201,272,436	+\$13,307,662	+\$12,528,768
Pensions Obligations							
Veterans	\$2,207,529	\$2,118,960	\$2,033,511	\$1,877,347	\$1,742,861	-\$156,164	-\$134,486
Survivors	1,296,644	1,251,219	1,206,675	1,147,490	1,091,206	-\$59,185	-\$56,284
Contract Exam Pilot Program - VBA	120	554	392	373	359	-\$19	-\$14
OBRA Payments to VBA GOE	8,340	13,012	13,012	13,429	13,858	+\$417	+\$429
Total Pension Obligations:	\$3,512,634	\$3,383,745	\$3,253,590	\$3,038,638	\$2,848,284	-\$214,952	-\$190,354
Burial Obligations							
Burial Allowance	\$23,498	\$78,959	\$37,534	\$39,057	\$40,718	+\$1,523	+\$1,661
Burial Plot	38,844	52,943	45,161	46,993	48,992	+\$1,832	+\$1,999
Service Connected Deaths	98,457	162,416	117,564	121,024	125,481	+\$3,460	+\$4,457
Burial Flags	25,435	27,523	26,879	27,816	28,788	+\$937	+\$972
Headstones/Markers/Allowances	86,873	81,973	80,641	81,866	81,524	+\$1,225	-\$342
Graveliners/Outer Burial Receptacles	33,912	22,038	27,652	31,691	35,078	+\$4,039	+\$3,387
Caskets/Urns	531	344	237	238	228	+\$1	-\$10
Urns/Plaques	-	224	224	222	222	-\$2	-
Total Burial Obligations:	\$307,551	\$426,420	\$335,891	\$348,908	\$361,033	+\$13,017	+\$12,125
Total C&P Obligations	\$153,224,856	\$169,473,311	\$179,025,487	\$192,131,213	\$204,481,753	+\$13,105,725	+\$12,350,540
Funding:							
Unobligated Balances (SOY)	\$17,423,260	\$18,039,297	\$17,174,963	-	-	-\$17,174,963	-
Prior Year Recoveries	\$960,017	-	-	-	-	-	-
Unobligated Balances (EOY)	\$17,174,963	-	-	-	-	-	-
Advance Appropriation	\$152,016,542	\$146,778,136	\$146,778,136	\$182,310,515	\$204,481,753	+\$35,532,379	+\$22,171,238
Second Bite Appropriation	-	\$4,655,879	\$15,072,388	\$9,820,699	-	-\$5,251,689	-\$9,820,699
Total Appropriated	\$152,016,542	\$151,434,015	\$161,850,524	\$192,131,214	\$204,481,753	\$30,280,690	\$12,350,539
Outlays (Net)	\$151,207,332	\$155,768,343	\$164,538,765	\$190,493,614	\$202,738,797	+\$25,954,849	+\$12,245,183
Distribution of Budget Authority (Net):							
Compensation	\$148,196,357	\$147,623,850	\$158,261,043	\$188,743,668	\$201,272,436	+\$30,482,625	+\$12,528,768
Pension	\$3,512,634	\$3,383,745	\$3,253,590	\$3,038,638	\$2,848,284	-\$214,952	-\$190,354
Burial	\$307,551	\$426,420	\$335,891	\$348,908	\$361,033	+\$13,017	+\$12,125
Distribution of Outlays (Net):							
Compensation	\$147,386,847	\$152,232,505	\$161,213,059	\$187,132,015	\$199,553,801	+\$25,918,956	+\$12,421,786
Pension	\$3,512,934	\$3,109,418	\$2,989,815	\$3,012,692	\$2,823,963	+\$22,877	-\$188,729
Burial	\$307,551	\$426,420	\$335,891	\$348,908	\$361,033	+\$13,017	+\$12,125

Note: Dollars may not add due to rounding in this and subsequent charts.

Caseload Summary							
(In Whole Dollars)							
	2023	2024		2025	2026	2025-2024	2026-2025
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
Compensation							
Veterans:							
Cases	5,547,831	6,094,446	5,962,480	6,312,645	6,572,618	+350,165	+259,973
Average Payment	\$24,511	\$24,307	\$26,613	\$27,349	\$28,158	+\$736	+\$809
Survivors:							
Cases	488,107	562,448	530,752	558,394	583,385	+27,642	+24,991
Average Payment	\$20,572	\$23,637	\$22,795	\$20,857	\$20,388	-\$1,938	-\$469
Other Caseload:							
Special Benefits for Children	1,076	1,049	1,057	1,057	1,057	-	-
Clothing Allowance	162,821	142,328	168,225	168,225	168,225	-	-
REPS	1	-	1	1	1	-	-
Special Allowance for Dependents	9	12	9	9	9	-	-
Equal Access to Justice Act	6,508	6,410	6,508	6,508	6,508	-	-
Pensions							
Veterans:							
Cases	162,732	150,678	145,089	129,417	116,084	-15,672	-13,333
Average Payment	\$13,565	\$14,063	\$14,016	\$14,506	\$15,014	+\$490	+\$508
Survivors:							
Cases	117,491	112,179	104,268	94,884	86,345	-9,384	-8,539
Average Payment	\$11,036	\$11,154	\$11,573	\$12,094	\$12,638	+\$521	+\$544
Burial Caseload							
Burial Allowance	39,011	45,196	39,876	40,183	40,872	+307	+689
Burial Plot	46,605	55,545	47,638	48,005	48,828	+367	+823
Service-Connected Deaths	55,732	57,936	58,782	60,512	62,740	+1,730	+2,228
Burial Flags	405,014	450,848	401,648	401,648	401,648	-	-
Headstones/Markers/Allowances	333,556	334,080	331,090	327,779	324,501	-3,311	-3,278
Graveliners/Outer Burial Receptacles	43,878	43,222	46,475	49,715	52,724	+3,240	+3,009
Caskets/Urns	236	326	234	232	230	-2	-2
Urns/Plaques	-	1,684	1,684	1,673	1,673	-11	-

Funding Highlights

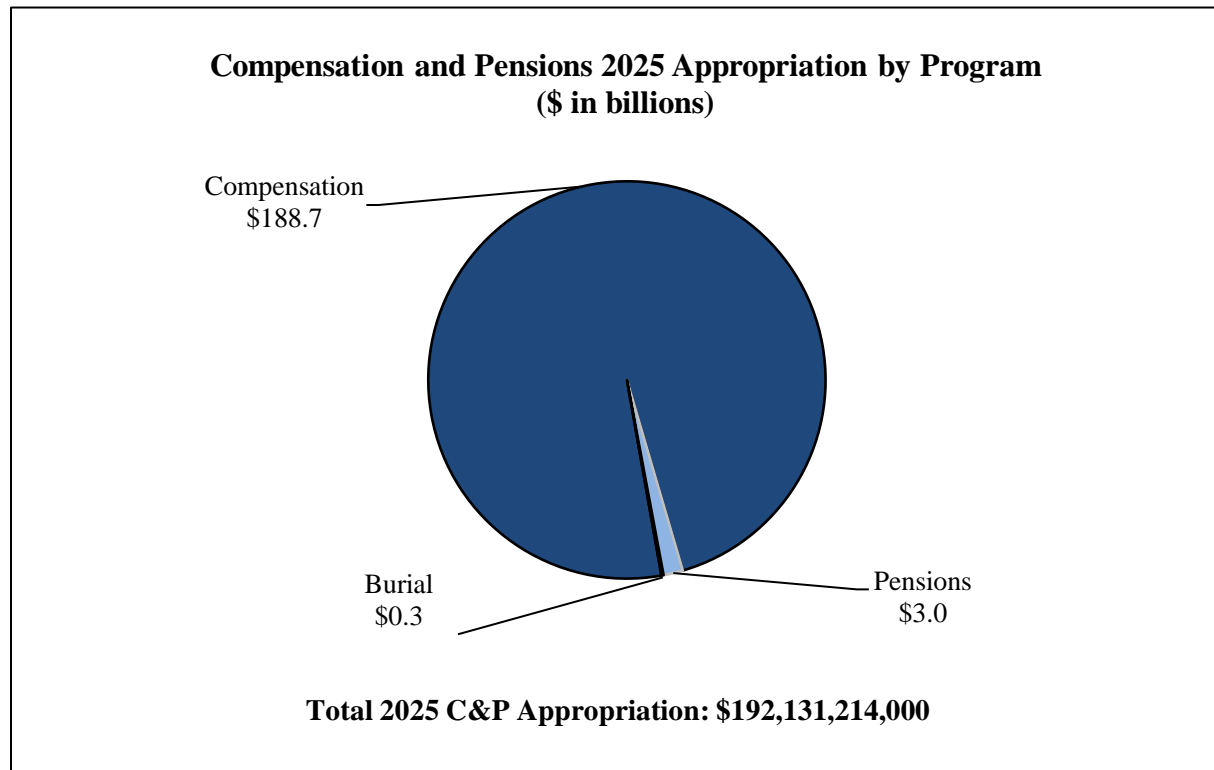
In 2025, the Budget requests \$192.1 billion for the Compensation and Pensions (C&P) account, which is an increase of \$9.8 billion over the 2025 advance appropriation request in the 2024 President's Budget. Additionally, this budget includes a \$204.5 billion advance appropriation request for 2026. This appropriation will fund disability compensation and pension payments to or on behalf of Veterans, burial benefits, the contract medical examination pilot program, and other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code.

Summary of 2025 Budget

Budget authority of \$192.1 billion will support obligations for benefit programs that are funded by the Compensation and Pensions appropriation account in 2025.

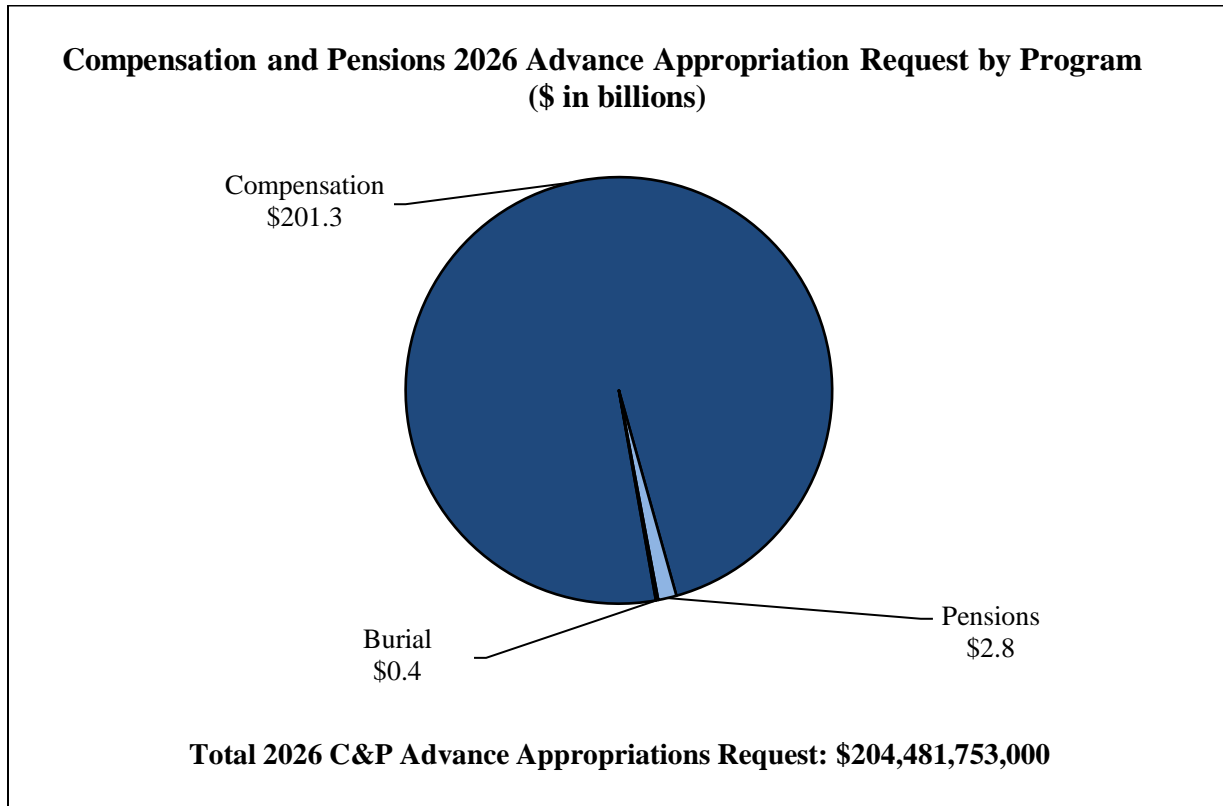
VBA has completed over one million disability compensation and pension claims annually for thirteen consecutive years, including a record of nearly 2.0 million disability compensation and pension claims in 2023. Notably, the number of Veterans receiving disability compensation benefits has increased by 69% over this time period, from 3.3 million in 2011 to 5.5 million in 2023. Significant contributing factors to the increased caseload over this time period include the establishment of presumptive service connection for several Agent Orange conditions, the extension of presumption of herbicide exposure to Blue Water Navy Veterans, improved access to benefits through joint VA and DoD pre-discharge programs, and, most recently, the expansion of benefits under the PACT Act. VBA expects claims production levels to exceed two million claims through 2025 (see VBA GOE's Disability Compensation Chapter for more information on claims processing and production results). VBA also anticipates more Veterans will access the compensation rolls, leading to an increase in obligations for payments to Veterans.

Total compensation obligations are estimated at \$188.7 billion for payments to 6,312,645 Veterans, 558,394 survivors, and 1,057 children receiving special benefits. Pensions will be provided to an estimated 129,417 Veterans and 94,884 survivors totaling \$3.0 billion. An additional \$348.9 million will support burial benefits on behalf of eligible deceased Veterans in 2025.



Summary of 2026 Advance Appropriation Request

Budget authority of \$204.5 billion will support obligations for benefit programs funded by the Compensation and Pensions account. Compensation payments will be provided to an estimated 6,572,618 Veterans, 583,385 survivors, and 1,057 children receiving special benefits, totaling \$201.3 billion. Pensions will be provided to an estimated 116,084 Veterans and 86,345 survivors totaling \$2.8 billion. The budget requests \$361.0 million for 2026 to provide burial benefits on behalf of eligible deceased Veterans.



VA will have an opportunity to request additional mandatory resources, if necessary, during the 2026 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will reduce its 2026 Advance Appropriation request should the 2025 estimate prove too high.

Changes from Original 2024 Budget Estimate

Current estimated obligations for the Compensation and Pensions account are \$179.0 billion, an increase of \$9.6 billion from the original 2024 President's Budget estimate. The 2024 budget authority of \$161.9 billion combined with the unobligated balance of \$17.2 billion carried forward into 2024 will fund the current estimated obligations.

This increase to the Compensation and Pensions account compared to the 2024 President's Budget estimate is driven by actual 2023 experience, particularly enactment of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022

(Public law 117-168).¹² VA sped up the timeline for many Veterans to receive their PACT Act benefits by several years by deciding not to phase in PACT Act benefits through 2026, as written in the legislation, and instead made all new PACT Act presumptions of exposure and service connection applicable August 10, 2022. VBA began processing PACT Act claims on January 1, 2023. As of January 27, 2024, VA has received more than 1.3 million PACT Act-related claims since August 10, 2022, and completed over 967,00 of these claims.

In 2023, compensation and pension obligations increased by \$22.3 billion (17.0%) over 2022, reaching a total of \$153.2 billion. This was the highest annual increase in VBA's history. The variance in 2023 obligations driving the 2024 increase was primarily associated with average annual payments for Veterans compensation, which ended the year \$511 (2.1%) higher than anticipated. The increase in average payments is largely due to the surge in PACT outreach and claims received before the retroactive payment filing deadline in August 2023. In July and August 2023, VA received 566,546 rating claims. Of those claims, 341,000 were received in August, the highest number of receipts in a single month in VBA history. The average number of monthly claims received outside of July and August in 2023 was 186,718. The surge in claims resulted in increased retroactive payments and higher rating levels for recurring payments to Veterans. Claims submitted within one year of enactment are eligible for retroactive benefit payments back to the date of enactment. VBA will continue to complete these claims and award associated retroactive benefit payments during 2024.

Compensation

The current overall estimated obligations for the compensation program increased \$9.8 billion from the original 2024 estimate. This is the cumulative impact of changes to Veteran compensation, survivor compensation, and other miscellaneous compensation obligations.

The current estimated obligations for Veteran compensation increased by \$10.5 billion from the original estimate. An increase in Veteran compensation average annual payment (\$26,613 vs. \$24,307) increased obligations by \$14.0 billion in 2024. This increase in average payments is due to actual experience in 2023 combined with the expected continued impact of retroactive payments and increased disability ratings associated with PACT Act claims. While average payments for PACT Act have been higher than anticipated, Veteran caseload in 2023 was slightly under plan. As a result, a projected decrease of 131,966 to the Veteran compensation caseload compared to the 2024 original estimate (6,094,446 vs. 5,962,480) decreased estimated 2024 obligations by \$3.5 billion.

The current estimate for survivor compensation obligations has decreased by \$1.2 billion from the original 2024 estimate. A decrease to estimated survivor caseload (530,752 vs. 562,448), decreases obligations by \$749.5 million compared to the original 2024 estimate. A decrease to Dependency and Indemnity Compensation (DIC) average payments (\$22,795 vs \$23,637), decreases DIC obligations by an additional \$446.9 million. The decreases to both survivor compensation caseload and average payments are based on 2023 actual experience.

¹² The PACT Act expands and extends eligibility for VA benefits and health care for Veterans with toxic exposures and Veterans of the Vietnam, Gulf War, and Post-9/11 eras. Provisions of the PACT Act that directly impact the C&P account include adding over 20 presumptive conditions for burn pits and other toxic exposures and adding more presumptive-exposure locations for Agent Orange and radiation.

Compensation benefits also include the contract exams pilot program, Special Allowance for Dependents (SAFD), Equal Access to Justice Act (EAJA) payments, clothing allowance, special benefits for children, and the VBA Omnibus Budget Reconciliation Act (OBRA) payments. A net increase of \$423.2 million is a result of changes in these programs, and these changes are primarily due to 2023 actual experience. Payments for the VBA contract medical exams program increased by \$400.1 million from the original estimate. Clothing allowance increased \$23.3 million, and SAFD, EAJA, and REPS increased by a combined \$534,000. Slightly offsetting these increases, special benefits for children decreased by \$686,000 from the original estimate.

Pensions

The current overall estimated obligations for the pension program decreased \$130.2 million from the original estimate. Reflecting 2023 actual experience, current estimates decreased for Veteran average payment (\$14,016 vs. \$14,063) and caseload (145,089 vs. 150,678) compared to the 2024 original estimate. The combined effect of these changes reduced total Veteran pension obligations by \$85.4 million in the current estimate. A decrease to survivor caseload (104,268 vs. 112,179) combined with an increase to the survivor pension average payment (\$11,573 vs. \$11,154), based on 2023 experience, resulted in a net decrease to survivor pension obligations of \$44.5 million. Additionally, payments for the VBA contract medical exams programs decreased by \$162,000, and the VBA OBRA reimbursement did not change from the original estimate.

Burial

The current 2024 burial benefits budget estimate of \$335.9 million is \$90.5 million less than the original budget estimate of \$426.4 million. Decreases are associated with service-connected burial allowances (\$44.9 million), basic burial allowances (\$41.4 million), burial plots (\$7.8 million), headstone and markers (\$1.3 million), burial flags (\$644,000), and caskets and urns (\$107,000). These decreases are offset by increased costs associated with graveliners/outer burial receptacles (OBRs) (\$5.6 million).

Analysis of Increases and Decreases			
(\$ in thousands)			
	2024 Estimate	2025 Estimate	2026 Estimate
Prior Year Obligations	\$153,224,856	\$179,025,487	\$192,131,214
Compensation			
Veterans Caseload and average payment changes (net)	+\$19,213,032	+\$9,732,165	+\$8,222,129
Survivor Caseload and average payment changes (net)	+\$1,607,671	-\$816,954	+\$358,172
P.L. 118-6 COLA 3.2%, effective 12/01/2023	+\$3,938,314	+\$833,602	-
Proposed COLA 2.8%, effective 12/01/2024	-	+\$3,762,808	+\$783,818
Proposed COLA 2.3%, effective 12/01/2025	-	-	+\$3,311,476
Other Benefits			
Special Benefits for Children	+\$324	+\$227	+\$103
Clothing Allowance	+\$10,319	+\$9,963	+\$9,463
Other (REPS, SAJD, EAJA)	+\$1,513	+\$1,409	+\$1,186
Contract Exams Pilot Program -VBA	+\$1,253,499	-\$216,201	-\$158,239
Contract Exams Pilot Program -IT	+\$337	+\$374	+\$382
Payments for VBA GOE OBRA	+\$6,326	+\$269	+\$278
Total Compensation Net Change	\$26,031,335	\$13,307,662	\$12,528,768
Pensions			
Caseload and average payment changes (net)	-\$392,354	-\$298,900	-\$255,834
COLAs	+\$128,366	+\$83,551	+\$65,064
Contract Exams Pilot Program	+\$272	-\$19	-\$14
Payments for VBA GOE OBRA	+\$4,672	+\$416	+\$430
Total Pensions Net Change	-\$259,044	-\$214,952	-\$190,354
Burial	+\$28,340	+\$13,017	+\$12,125
Total Net Change	+\$25,800,631	+\$13,105,727	+\$12,350,539
Estimated Obligations	\$179,025,487	\$192,131,214	\$204,481,753

Analysis of Increases and Decreases from 2025 to 2026

Compensation

In 2026, compensation obligations are estimated to surpass the 2025 level by \$12.5 billion, which is primarily due to increases in Veteran caseload and average payments. Caseload and average payments continue to increase as more Veterans become eligible and apply for compensation benefits, and the average degree of disability increases. VBA anticipates that claims production levels will continue to increase through 2025 and beyond due to operational efficiencies achieved from National Work Queue (NWQ), Veterans Claims Intake Process/Centralized Mail and technological advances in the Veterans Benefits Management System (VBMS). Increased claims workload associated with the PACT Act, high claims production levels and more timely appeals decisions result in an increasing Veteran caseload, and a rising average degree of disability per claim leads to higher average payments to Veterans in 2026. The combined impact of increasing Veteran caseload and average payments is an estimated increase of \$8.2 billion in obligations for 2026. The 2026 COLA is expected to add \$3.3 billion to the cost of the program in 2026. The 2025 COLA is expected to add \$783.8 million in obligations. COLAs provide a rate increase to all disability compensation beneficiaries, including DIC spouses and children. Rates are matched with the Consumer Price Index and are tied to that afforded to Social Security beneficiaries. Changes

to survivor compensation caseload and average payment will increase obligations by \$358.2 million in 2026.

Under the category of other benefits, costs are projected to decrease by \$146.8 million from 2025 to 2026. The estimated obligations for the contract examination reimbursements to VBA GOE decreased by \$158.2 million over the prior year. Slightly offsetting this decrease, estimated clothing allowance obligations are expected to increase by \$9.5 million, and the combined obligations of REPS, SAFD, and EAJA are expected to increase by \$1.2 million in 2026. Contract examination reimbursements to OIT are expected to increase by \$382,000, while VBA GOE OBRA obligations are expected to increase by \$278,000, and special benefits for children are expected to increase by \$103,000 compared with 2025 levels.

Pensions

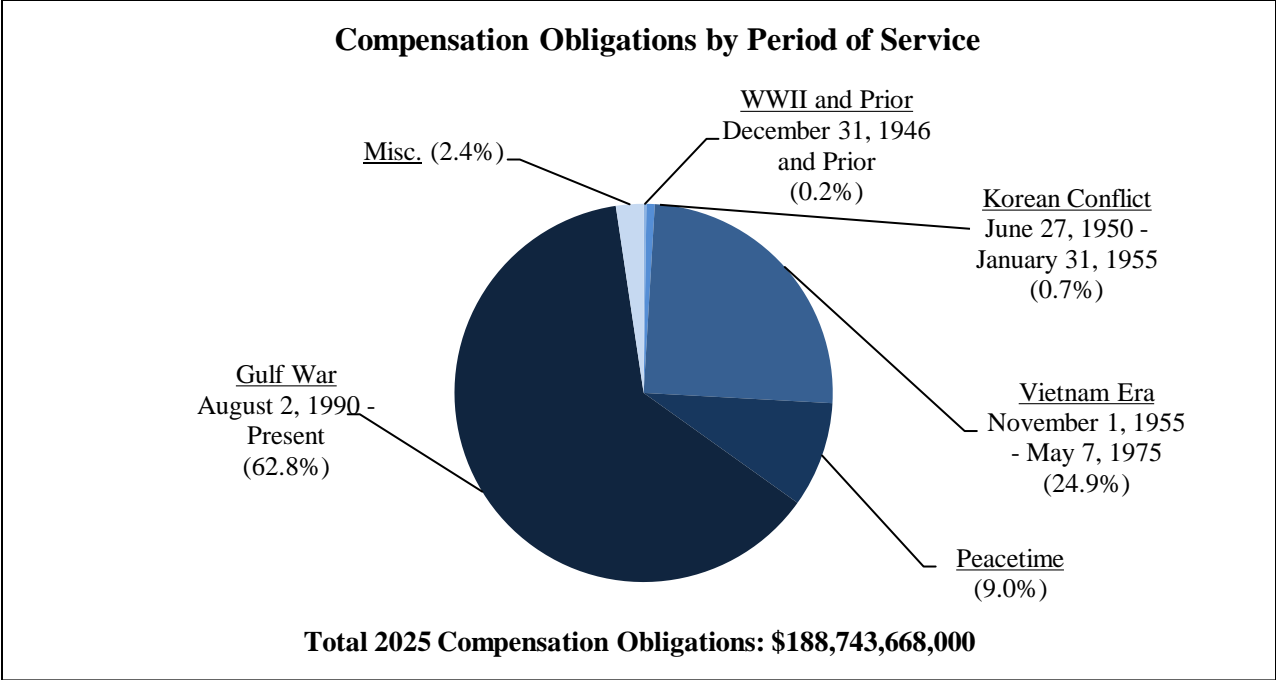
In 2026, pension obligations are expected to decrease \$190.4 million from the 2025 level, which is primarily due to decreases in caseload. The combined impact of changes to caseload and average payment results in a net decrease in obligations of \$255.8 million. This is partially offset by the COLA, which is expected to add \$65.1 million to the cost of the program in 2026. VBA GOE OBRA obligations are expected to increase by \$430,000, and contract medical exams are expected to decrease by \$14,000.

Burial

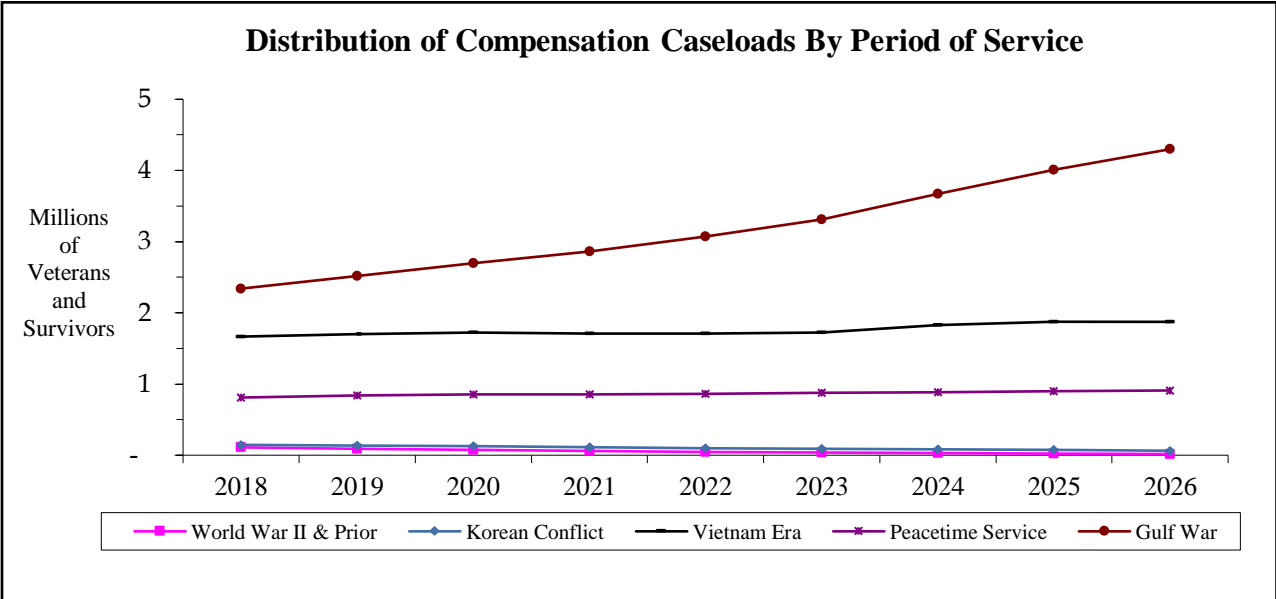
In 2026, burial benefit obligations are projected to increase overall by \$12.1 million. Increases are associated with service-connected burial allowances (\$4.5 million), graveliners/OBRs (\$3.4 million), burial plots (\$2.0 million), basic burial allowances (\$1.7 million), and burial flags (\$972,000). These increases are offset by decreased costs associated headstones and markers (\$342,000) and caskets and urns (\$10,000).

Compensation Program Highlights

In 2025, compensation benefit obligations are expected to total \$188.7 billion with benefit payments made to 6,871,039 beneficiaries. In 2026, obligations are projected to increase to \$201.3 billion with payments to 7,156,003 beneficiaries. Approximately 97.6% of total compensation obligations in 2025 are direct benefit payments to Veterans and their survivors. The Gulf War Era, which began on August 2, 1990, now spans over 33 years, compared with approximately 20 years for the Vietnam Era (November 1, 1955 – May 7, 1975). As a result, an increasing number of Gulf War Era Veterans are separating from service and accessing the compensation rolls. As shown in the graphic below, compensation benefit payments to Veterans and survivors of Veterans from the Gulf War Era (62.8% of total compensation obligations in 2025) will more than double benefits to Veterans and survivors from the Vietnam Era (24.9% of 2025 compensation obligations). The increasing percentage of benefits paid to Gulf War Era Veterans is driven by a number of factors including the expansion of benefits to certain Gulf War Era Veterans under the PACT Act, VA's successful outreach efforts, improved access to benefits through joint VA and DoD pre-discharge programs, and increased demand due to the longevity of the Gulf War Era.



Benefits in the compensation program are estimated to be dispersed to 6,312,645 Veterans and 558,394 survivors in 2025, and 6,572,618 Veterans and 583,385 survivors in 2026. The 2025 Veteran and survivor caseload estimate is distributed among World War II and Prior (20,943), Korean Conflict (71,309), Vietnam Era (1,874,596) Gulf War (4,006,992), and Peacetime (897,200) periods of service. Caseload for the older periods of service is steadily declining. The number of Veterans and survivors of Veterans from the Gulf War Era who are receiving compensation benefits will continue to rapidly increase through the budget year. Vietnam Era Caseload increased beginning in 2023 due to the inclusion of hypertension as an Agent Orange presumptive condition under the PACT Act. Changes to the compensation caseload by period of service from 2018 and projected through 2026 can be seen in the following chart.

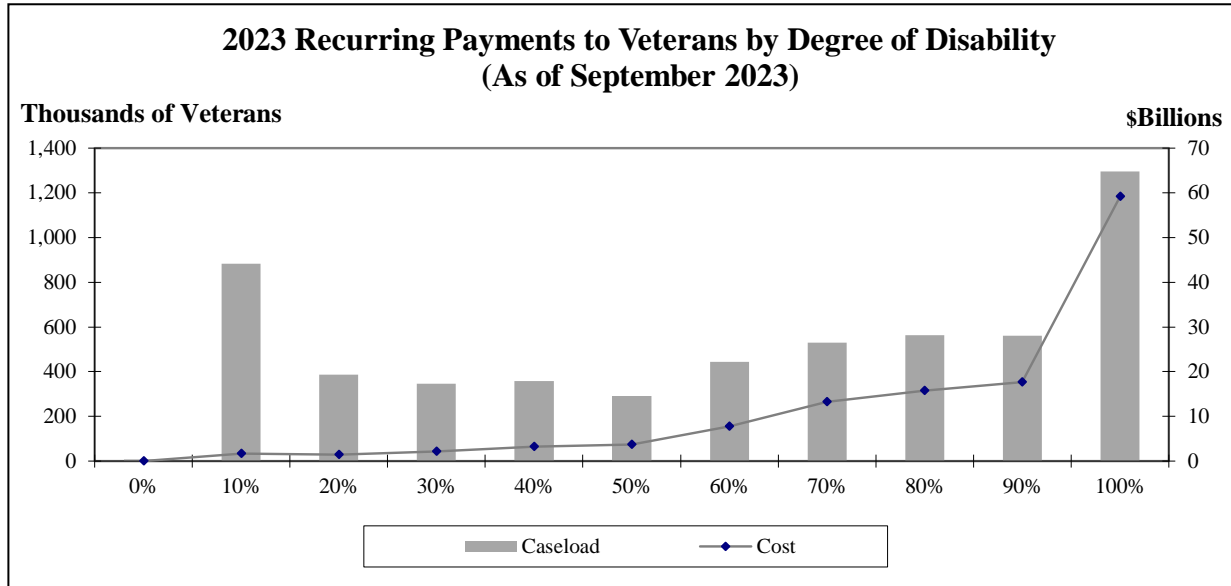


Numerous factors contribute to the total cost of the benefits the compensation program provides, including average degree of disability, additional benefits from enacted legislation or regulations, variations in the number of dependents, the number of individual unemployability (IU) cases, rising special monthly compensation cases, the number of retroactive payments, and variable numbers of accessions and terminations. Deviations in these factors alter average payments, historically increasing program obligations.

Based on historical data, the average degree of disability is forecasted to increase through 2026. The average degree of disability for Veterans increased from 58.7% in 2022 to 60.8% in 2023. This represents the largest year over year increase in Veteran average degree of disability in over 30 years. The PACT Act, along with additional regulations, other legislation, the increasing number of completed claims, and the increasing number of issues per claim have contributed to rising disability ratings. The budget request considers the increasing average degree of disability in conjunction with estimated VA workload projections. Increases in average degree of disability cause significant increases in average payments.

Veteran Compensation												
Average Monthly Caseloads by Degree of Disability												
Year	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Avg. Degree
2017	9,363	851,969	437,795	394,274	376,040	286,364	398,810	414,909	386,497	303,319	596,322	51.5%
2018	8,848	866,837	433,067	390,732	377,486	292,120	413,134	438,829	418,378	341,706	671,837	52.8%
2019	8,286	883,890	427,255	385,271	376,596	295,202	423,669	460,850	446,750	380,644	763,663	54.2%
2020	7,980	888,981	421,281	380,055	375,183	298,351	432,528	481,741	474,247	419,027	854,723	55.5%
2021	7,373	882,075	405,949	365,120	365,414	293,023	431,420	491,705	494,481	454,766	958,897	57.1%
2022	6,835	877,677	392,858	353,190	358,432	289,460	432,884	504,288	519,830	497,147	1,087,660	58.7%
2023	6,509	865,281	377,809	340,104	351,418	284,691	434,737	518,429	550,726	549,193	1,268,934	60.8%

Monthly payments to Veterans vary by average degree of disability. While Veterans who are rated 10% disabled are the second largest group of compensation recipients, they do not account for the majority of program cost. The largest compensation payments, as shown in the chart below, are paid to those with higher degrees of disability. In addition to variations of degree of disability, only Veterans at or above the 30% disability rating may be entitled to additional compensation for dependents, resulting in higher average payments. Additionally, payment rates are not proportional to the degree of disability.



Reopened workload projections aid in forecasting changes to a Veteran’s degree of disability rating. These claims result when Veterans file amended claims because their disabilities worsen, new evidence of service-connection becomes available, and/or new legislation or regulation allows for additional compensation. In 2023, 508,078 Veterans, or 9.2% of Veterans on the compensation rolls, received an increase to their disability benefits, as shown on the following chart. The average increased rating level in 2023 was to 79.1%. More Veterans received an increase to their disability rating in 2023 than in 2022, when 405,939 Veterans (7.6% of Veterans on the rolls) received an increased rating, and the average increased rating level was 78.8%. The high increased rating level is consistent with recent trends, and has contributed to the increases to the overall average degree of disability.

Veterans Compensation 2023 Increased Disability Rating Levels											
	Disability Level Increase										
Current	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Total
0%	102	66	41	52	33	52	32	19	11	76	484
10%	-	12,297	6,905	10,226	3,852	10,631	8,245	4,942	3,037	7,331	67,466
20%	-	-	7,655	7,339	3,728	6,156	3,722	5,531	2,429	4,091	40,651
30%	-	-	-	8,574	6,306	6,087	6,456	6,434	3,382	5,141	42,380
40%	-	-	-	-	7,404	11,311	9,782	9,873	5,497	6,985	50,852
50%	-	-	-	-	-	9,793	9,351	8,748	6,388	6,794	41,074
60%	-	-	-	-	-	-	17,091	18,693	13,688	13,208	62,680
70%	-	-	-	-	-	-	-	25,305	20,690	18,546	64,541
80%	-	-	-	-	-	-	-	-	41,424	28,689	70,113
90%	-	-	-	-	-	-	-	-	-	67,837	67,837
Total	102	12,363	14,601	26,191	21,323	44,030	54,679	79,545	96,546	158,698	508,078

As of September 2023, 3.2 million out of 5.5 million Veteran cases received additional compensation for dependents. The number of dependents totaled 5.0 million, or 1.59 dependents per case, which is slightly higher than the 2022 average of 1.57.

In addition to monetary benefits for dependents, Veterans who are rated 60% and above are eligible for individual unemployability (IU). The eligibility criteria for the IU program are as follows:

- At least one service-connected disability rating of at least 60% two or more service-connected disabilities with at least one disability ratable at 40% or more with a combined rating of 70% or more; and
- The Veteran must be unable to maintain substantially gainful employment as a result of the service-connected disabilities.

As a result, Veterans receiving IU payments receive compensation at the 100% disability rating even if their assigned rating is lower. Increases in the IU benefit affect the average payment, resulting in increased program costs. In September 2023, 377,108 Veterans received IU, an increase of 933 cases over September 2022. While IU caseload continues to increase at a gradual rate, the percentage of Veterans on the compensation rolls receiving IU compared to total Veteran caseload has been decreasing slightly, from 7.8% in September 2017 to 6.8% in September 2023.

Veterans Compensation							
Individual Unemployability							
	2017	2018	2019	2020	2021	2022	2023
Without Dependents	105,403	109,350	113,613	119,079	122,313	125,200	128,833
With Dependents	243,109	247,318	251,763	254,126	252,349	250,975	248,275
Total	348,512	356,668	365,376	373,205	374,662	376,175	377,108

Special monthly compensation (SMC) is a monetary benefit paid in addition to or in place of 0% to 100% combined degree of disability. To qualify, a Veteran must be disabled due to special circumstances (e.g., loss of use of one hand). Also, certain Veterans may be entitled to aid and attendance, which provides for needed caregiver assistance due to their disabilities. The increasing number and percentage of Veterans receiving SMC payments partially contributes to an increasing trend in average payments.

Veterans Compensation							
Special Monthly Compensation							
	2017	2018	2019	2020	2021	2022	2023
Without Dependents	198,090	209,129	219,702	231,900	245,674	263,589	293,115
With Dependents	450,221	482,579	518,671	547,604	577,243	617,042	680,099
Total	648,311	691,708	738,373	779,504	822,917	880,631	973,214

The majority of retroactive payments are one-time payments disbursed as original or amended claims. These payments typically are paid back to the date of claim unless legislation allows for payment to begin at the date of enactment of a regulation establishing the service-connected

condition. During 2023, retroactive payments increased to \$10.7 billion compared to \$9.7 billion in 2022. Since 2017, retroactive payments have remained between 7.2 percent to 8.3 percent of total compensation obligations.

Compensation Retroactive Payments (\$ in millions)							
	2017	2018	2019	2020	2021	2022	2023
Retro Payments	\$6,542	\$6,203	\$7,257	\$8,620	\$8,327	\$9,743	\$10,663
Compensation Payments	\$79,051	\$85,787	\$94,930	\$104,828	\$109,879	\$124,301	\$146,022
% of Retro to Total	8.3%	7.2%	7.6%	8.2%	7.6%	7.8%	7.3%

While 7.3% of total compensation payments were retroactive payments in 2023, the majority of compensation obligations were from monthly recurring payments. In 2023, compensation recurring payment obligations were \$135.4 billion (\$126.1 billion for Veterans and \$9.3 billion for survivors), or 92.7% of the total compensation payments. The following chart shows recurring payment obligations for Veterans, as well as caseload, average age, and average payment by degree of disability.

Veterans Compensation Summary by Degree of Disability (obligations in thousands)				
	2023			
Degree of Disability	September Caseload	Average Age	Average September Payment	Recurring Payment Obligations
0 Percent	6,643	72.8	\$119	\$8,960
10 Percent	883,130	63.2	\$167	\$1,674,926
20 Percent	385,603	61.4	\$333	\$1,457,535
30 Percent	347,120	59.1	\$557	\$2,197,547
40 Percent	358,667	57.5	\$806	\$3,283,717
50 Percent	290,564	56.4	\$1,140	\$3,763,863
60 Percent	443,705	56.0	\$1,541	\$7,774,181
70 Percent	529,123	55.2	\$2,204	\$13,261,012
80 Percent	562,086	53.6	\$2,470	\$15,788,133
90 Percent	560,522	52.7	\$2,778	\$17,713,486
100 Percent	1,295,110	56.3	\$4,019	\$59,125,725
Veterans Compensation	5,662,273	57.2	\$1,959	\$126,049,085

The compensation program estimates take into consideration the effects of accessions (new claims per year) and terminations (removal from rolls, e.g., death). The net effect (accessions minus terminations) remains high, contributing to a rapid increase in the disability compensation recurring payments, commonly referred to as beneficiaries on the rolls. The chart below shows the

historical trends of accessions, terminations, and the net change for Veterans. These trends have been considered in future projections.

Veterans Compensation							
Accessions and Terminations							
	2017	2018	2019	2020	2021	2022	2023
Accessions	296,715	274,525	309,089	258,635	280,696	322,904	366,967
Terminations	106,679	105,809	117,228	129,512	128,503	126,421	123,093
Net Change	190,036	168,716	191,861	129,123	152,193	196,483	243,874

The following chart shows Veteran accessions to the compensation rolls by degree of disability. The average degree of disability for Veterans accessing the rolls is 50.7%, which is slightly lower than the average degree of disability of 60.8% for all Veterans receiving compensation. Accession projections for the out-years are derived from the claims completed projections. These projections consider recently enacted legislation, regulatory changes, historical trends of applications of Veterans, as well as VA initiatives. Estimates of Veteran accessions are distributed among the disability ratings using historical trends.

Veterans Compensation							
Accession Trends							
Combined Degree of Disability	2017	2018	2019	2020	2021	2022	2023
0%	517	352	341	442	291	340	668
10%	79,841	76,104	93,818	72,117	82,974	87,195	97,171
20%	26,904	23,706	26,106	20,174	21,035	23,203	25,952
30%	26,614	22,697	24,811	19,983	20,644	22,752	25,923
40%	23,728	20,563	22,169	17,377	19,826	21,662	24,750
50%	21,561	19,191	20,845	18,172	19,231	20,395	22,403
60%	24,338	21,129	22,426	18,398	20,824	23,361	26,317
70%	25,330	23,252	25,801	23,363	25,557	28,287	31,966
80%	19,875	18,631	19,022	16,519	18,097	22,639	25,444
90%	18,683	17,982	18,788	17,465	18,525	24,224	27,973
100%	29,324	30,918	34,962	34,625	33,692	48,846	58,400
Total	296,715	274,525	309,089	258,635	280,696	322,904	366,967
Avg. Degree	45.8%	46.6%	45.3%	48.0%	46.8%	50.1%	50.7%

Based on an analysis of Veteran trends, there is a relationship between Veterans terminating from the compensation rolls and survivors acceding to the compensation rolls. The relationship is substantially more pronounced as the Veteran's degree of disability increases. The survivor's DIC program is available to surviving spouses who have not remarried (or those remarried after the age of 55), unmarried children under 18 years of age, helpless children, and low-income parents of deceased Veterans. The chart below shows the historical trends of accessions, terminations, and the net change for survivors. These trends have been considered in future projections.

Survivor Compensation							
Accessions and Terminations							
	2017	2018	2019	2020	2021	2022	2023
Accessions	30,964	30,479	31,066	33,090	37,753	37,036	44,087
Terminations	20,643	19,057	21,592	23,102	23,519	20,688	25,802
Net Change	10,321	11,422	9,474	9,988	14,234	16,348	18,285

For surviving spouses of Veterans who were not rated totally disabled to become eligible, they must meet at least one of three requirements. The Veteran must have died from:

- A service-connected disease or injury incurred or aggravated while on active duty;
- An injury was incurred or aggravated in the line of duty while on inactive duty training; or
- A disability compensable by the VA.

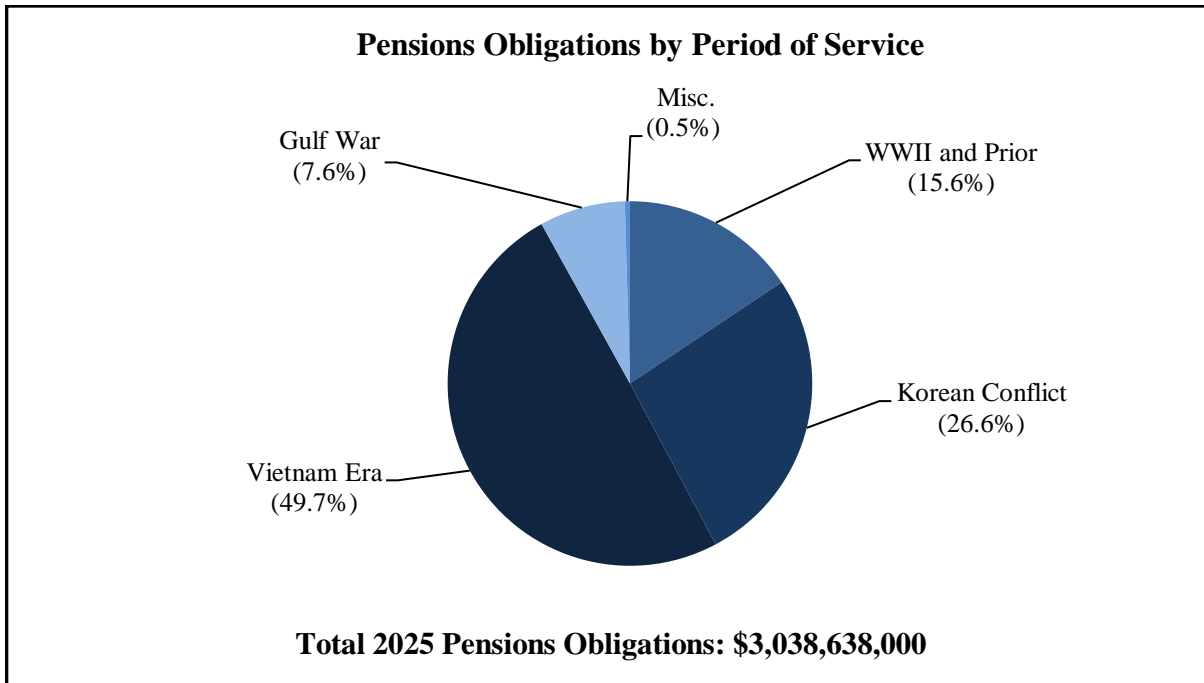
Survivors of Veterans who were rated permanently and totally disabled, but died of a non-service-connected cause, may be eligible if:

- The Veteran was continuously rated totally disabled over a period of ten years;
- The Veteran was rated for a period of at least five years from the military discharge; or
- The Veteran was a former prisoner of war who died after September 30, 1999, and who was rated totally disabled for a period of not less than one year immediately preceding death.

Veteran termination data has demonstrated that survivors typically access the compensation rolls within three years. In 2023, of the 44,087 survivor accessions, 30,625 were associated with Veteran terminations within the previous three years.

Pensions Program Highlights

In 2025, pension obligations are expected to total \$3.0 billion with payments made to 224,302 pension beneficiaries. In 2026, obligations are projected to decrease to \$2.8 billion with payments to 202,428 beneficiaries. In 2025 and 2026, Veteran caseloads across all periods of service are expected to decrease. For survivor pension, Gulf War caseloads will increase slightly, but prior caseloads are expected to decrease through 2026. Approximately 98.1% of the estimated cases in 2025 will receive benefits under the Improved Law program, accounting for 99.9% of the program's cost. As shown in the following chart, the largest pension request comes from Vietnam Era Veterans and survivors with 49.7% of program obligations in 2025. Korean War Veterans and survivors represent the second largest group of pension recipients, accounting for 26.6% of obligations, and this is largely associated with survivor benefit payments. The percentage for Gulf War Veterans will continue to increase as more of this population becomes eligible for the automatic permanent and totally disabling rating at age 65.



The OBRA provision for data matching was extended by P.L. 116-315 through September 30, 2030. The OBRA provision authorizes VA to perform data matches with the Internal Revenue Service and Social Security Administration to ensure proper payments are made to eligible beneficiaries in its needs-based programs and Veterans receiving compensation based on individual unemployability. Access to these records is the most efficient and effective means VA has of verifying certain types of income.

Currently, VA administers three pensions programs (Improved Law Pensions, Prior Law Pensions, and Old Law Pensions). New beneficiaries can only receive the Improved Law Pensions benefits under the Veterans' and Survivors' Pension Improvement Act of 1978 (P.L. 95-588); the other two programs are closed. Since the Prior Law and Old Law programs have been closed since 1979 and 1960, respectively, the caseload in these programs is from earlier periods of service and will continue to decline.

Pensions Summary by Law

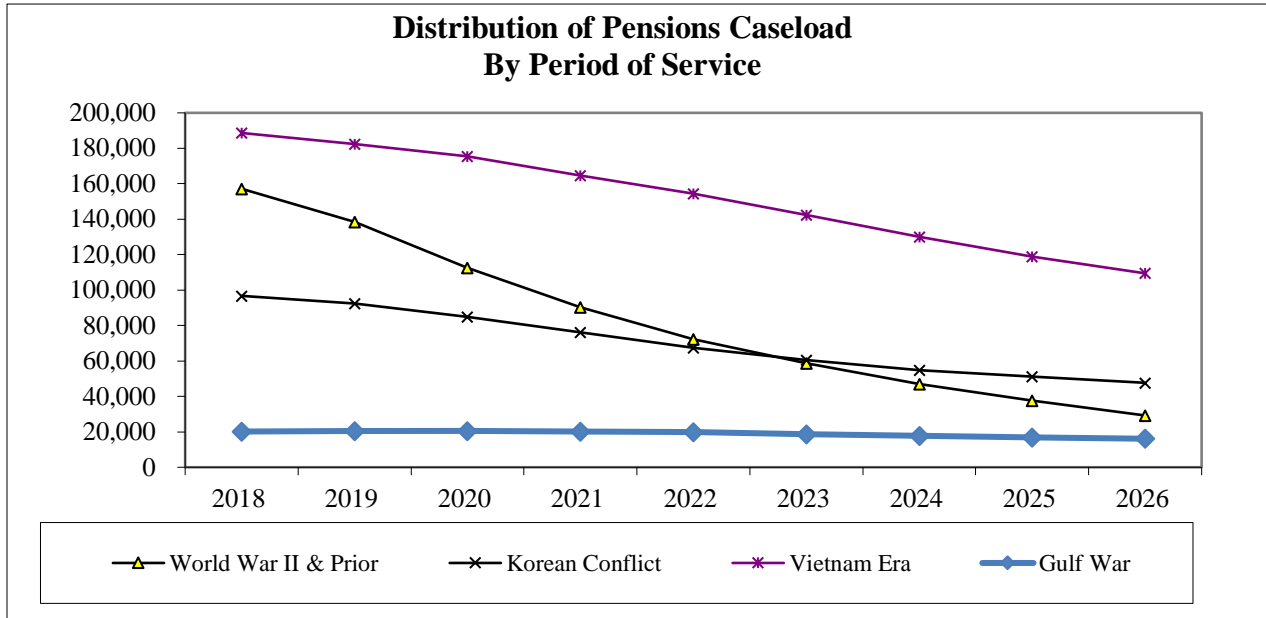
	2023			2024			2025			2026		
	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)
Total												
Improved Law	274,500	\$12,746	\$3,498,734	244,401	\$13,238	\$3,235,383	220,036	\$13,728	\$3,020,630	198,773	\$14,239	\$2,830,388
Prior Law	5,705	\$950	\$5,420	4,942	\$969	\$4,788	4,255	\$985	\$4,193	3,646	\$1,006	\$3,668
Old Law	18	\$1,063	\$19	14	\$1,122	\$16	11	\$1,180	\$13	9	\$1,233	\$11
Veterans												
Improved Law	162,431	\$13,587	\$2,206,955	144,863	\$14,034	\$2,033,070	129,248	\$14,522	\$1,877,008	115,958	\$15,028	\$1,742,601
Prior Law	301	\$1,907	\$574	225	\$1,955	\$440	168	\$2,008	\$337	125	\$2,070	\$259
Old Law	1	\$948	\$1	1	\$948	\$1	1	\$948	\$1	1	\$948	\$1
Survivors												
Improved Law	112,070	\$11,527	\$1,291,779	99,538	\$12,079	\$1,202,313	90,787	\$12,597	\$1,143,622	82,816	\$13,135	\$1,087,786
Prior Law	5,404	\$897	\$4,846	4,717	\$922	\$4,348	4,087	\$943	\$3,856	3,521	\$968	\$3,409
Old Law	17	\$1,070	\$19	13	\$1,135	\$15	10	\$1,204	\$12	8	\$1,268	\$10

A major factor of the cost of the pensions program is the impact of the automatic cost-of-living adjustment. The COLA for Improved Law beneficiaries, which is automatically tied to that afforded to Social Security beneficiaries, is estimated to be 2.8% in 2025. Since rates for pensioners covered by earlier programs are fixed, variations in average benefit payments for these beneficiaries are attributed to changes in dependency, qualifying income, health, or other eligibility criteria.

Pensions Improved Law Income Limitations (As of December 2023)			
Veterans		Survivors	
Without dependents	\$16,551	Spouses without dependents	\$11,102
With one dependent	\$21,674	Spouses with one dependent	\$14,529
Each additional dependent	\$2,831	Each additional dependent	\$2,831

The amount of Improved Law Pensions payable is reduced for each dollar of countable family income by the annual income limitations. These limitations can affect the average pension payment, which in turn, impacts the majority of total cost of the pensions program.

Total pension caseload is expected to decrease in 2025 (224,302 vs. 249,357) and 2026 (202,428). Vietnam and Korean Conflict beneficiaries account for the largest pension caseloads with 118,801 and 51,045 beneficiaries, respectively, in 2025. Beneficiaries associated with these periods of service account for 75.7% of all pension beneficiaries. Of the 51,045 Korean Conflict beneficiaries, only 16,719 are Veterans, with the remaining caseload being survivors. The opposite is true of the Vietnam Era, with 95,316 of the total 118,801 recipients being Veterans.



As of September 30, 2023, 40.4% of Veterans and 73.4% of survivors who received a pension were over age 75. As more Gulf War Veterans become eligible for the automatic permanent and totally disabling rating at age 65, the average age of pension recipients may decrease.

Pensions								
Age of Pensions Recipients								
(As of September 2023)								
Age	Veterans Improved Law	Veterans Prior Law	Veterans Old Law	Total Veterans	Survivors Improved Law	Survivors Prior Law	Survivors Old Law	Total Survivors
Under 25	1		-	1	136			136
25 – 35	273		-	273	602	1		603
36 - 45	2,043		-	2,043	2,491	2		2,493
46 – 55	7,050		-	7,050	9,173	130		9,303
56 -65	5,284		-	5,284	13,207	1,093	1	14,301
66 – 75	76,806	78	-	76,884	171	2,005	2	2,178
Over 75	61,830	201	1	62,032	78,330	1,945	14	80,289
Unknown	1	-	-	1	63	1	-	64

Total	153,288	279	1	153,568	104,173	5,177	17	109,367
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The pensions program forecast considers the effects of accessions (new beneficiaries per year) and terminations (removal from rolls due to factors such as death, increased income, etc.). Deviations in accessions and terminations cause the caseload to fluctuate.

Veteran Pensions							
Accessions and Terminations							
	2017	2018	2019	2020	2021	2022	2023
Accessions	34,662	32,419	22,755	22,303	14,810	10,739	10,735
Terminations	45,965	40,354	39,254	39,456	35,372	27,963	27,375
Net Change	-11,303	-7,935	-16,499	-17,153	-20,562	-17,224	-16,640

Although caseloads in Prior Law and Old Law are decreasing, they still have an impact on the total cost of the program. Evaluating the trends in dependency is also considered in the budget forecast as it affects average payment. For each program category, pensioners with dependents receive additional benefits.

Pensions Program Trends

(As of September 2023)

“Old Law” Pensions Cases (closed program)

“Old Law” refers to the pensions program in existence prior to July 1, 1960, in which the benefit rate is fixed for all eligible, regardless of specific countable income.

Veterans					Survivors				
Year	Number	%	Veterans Alone	Veterans w/ Dependents	Number	%	Spouses Alone	Spouses w/ Dependents	Children Alone
2017	9	<0.1	5	4	68	<0.1	18	-	50
2018	7	<0.1	3	4	52	<0.1	10	-	42
2019	6	<0.1	3	3	44	<0.1	7	-	37
2020	4	<0.1	2	2	37	<0.1	6	-	31
2021	2	<0.1	1	1	37	<0.1	6	-	31
2022	1	<0.1	1	-	20	<0.1	2	-	18
2023	1	<0.1	1	-	17	<0.1	1	-	16

“Prior Law” Pensions Cases (closed program)

“Prior Law” refers to the pensions program in existence between July 1, 1960 and January 1, 1979. Benefit rates were established by formula, and reduced for each dollar of countable income.

Veterans					Survivors				
Year	Number	%	Veterans Alone	Veterans w/ Dependents	Number	%	Spouses Alone	Spouses w/ Dependents	Children Alone
2017	1,052	0.4	526	526	11,932	5.9	6,303	362	5,267
2018	855	0.3	431	424	10,767	5.6	5,967	306	4,494
2019	698	0.3	359	339	9,601	5.7	3,788	257	5,556
2020	562	0.3	304	258	8,596	5.4	3,182	209	5,205
2021	468	0.2	257	211	7,800	5.6	2,775	173	4,852
2022	332	0.2	183	149	5,732	4.6	1,611	116	4,005
2023	279	0.2	159	120	5,177	4.7	1,327	93	3,757

“Improved Law” Pensions Cases

“Improved Law” refers to the pensions program in existence since January 1, 1979. Payments for the Improved Law program beneficiaries are computed by reducing dollar-for-dollar, the benefit levels specified under Public Law 95-588 by the income of the beneficiary.

Veterans					Survivors				
Year	Number	%	Veteran Alone	Veterans w/ Dependents	Number	%	Spouse Alone	Spouse w/ Children	Children Alone
2017	275,513	99.6	219,054	56,459	189,435	94	185,390	1,139	2,906
2018	259,229	99.7	207,496	51,733	182,005	94.4	178,358	1,078	2,569
2019	238,414	99.7	192,103	46,311	160,394	94.3	157,018	984	2,392
2020	219,022	99.7	179,203	39,819	150,453	94.6	147,381	894	2,178
2021	194,244	99.8	162,024	32,220	132,027	94.4	129,222	829	1,976
2022	173,637	99.8	146,177	27,460	119,990	95.4	117,425	785	1,780
2023	153,288	99.8	129,537	23,751	104,173	95.3	101,932	715	1,526

Compensation and Pensions
Summary of Obligations
(obligations in thousands)

	2023			2024		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
Compensation Total ^{1/}	6,035,938	\$24,192	\$146,021,729	6,493,232	\$26,301	\$170,780,746
Veterans Compensation	5,547,831	\$24,511	\$135,980,190	5,962,480	\$26,613	\$158,682,457
World War II	13,492	\$16,619	\$224,227	8,720	\$17,128	\$149,364
Korean Conflict	63,191	\$15,820	\$999,705	54,751	\$16,490	\$902,834
Vietnam Era	1,382,600	\$25,155	\$34,779,434	1,445,769	\$25,741	\$37,215,802
Peacetime Service	827,434	\$17,596	\$14,559,187	837,125	\$18,318	\$15,334,189
Gulf War	3,261,114	\$26,193	\$85,417,636	3,616,115	\$29,059	\$105,080,269
Survivors Compensation	488,107	\$20,572	\$10,041,539	530,752	\$22,795	\$12,098,289
World War I & Prior	72	\$8,266	\$594	54	\$8,748	\$473
World War II	23,139	\$20,258	\$468,750	18,794	\$21,629	\$406,506
Korean Conflict	26,529	\$20,492	\$543,616	25,164	\$22,118	\$556,589
Vietnam Era	341,478	\$20,744	\$7,083,740	381,320	\$23,004	\$8,772,025
Peacetime Service	46,807	\$20,146	\$942,950	48,508	\$21,875	\$1,061,121
Gulf War	50,083	\$20,005	\$1,001,889	56,911	\$22,870	\$1,301,576
Other Compensation			\$3,382,943			\$4,655,260
Spec. Ben. For Children	1,076	\$21,847	\$23,507	1,057	\$22,546	\$23,831
Clothing Allowance	162,821	\$957	\$155,743	168,225	\$987	\$166,062
Other (SAFD, EAJA, REPS)	6,518	\$7,471	\$48,693	6,518	\$7,703	\$50,206
OBRA Payment to VBA	-	-	\$2,085	-	-	\$8,411
Contract Medical Exams - VBA GOE	-	-	\$3,134,535	-	-	\$4,388,033
Contract Medical Exams - IT	-	-	\$18,380	-	-	\$18,717
Pensions Total ^{1/}	280,223	\$12,505	\$3,504,174	249,357	\$12,994	\$3,240,186
Veterans Pensions	162,732	\$13,565	\$2,207,529	145,089	\$14,016	\$2,033,511
World War II	7,161	\$21,258	\$152,231	5,128	\$21,764	\$111,603
Korean Conflict	23,040	\$19,994	\$460,642	19,568	\$20,666	\$404,382
Vietnam Era	116,921	\$11,895	\$1,390,757	105,764	\$12,468	\$1,318,642
Gulf War	15,610	\$13,062	\$203,900	14,629	\$13,595	\$198,884
Survivors Pensions	117,491	\$11,036	\$1,296,644	104,268	\$11,573	\$1,206,675
World War I & Prior	863	\$3,933	\$3,395	717	\$4,402	\$3,158
World War II	50,811	\$10,952	\$556,470	41,006	\$11,303	\$463,472
Korean Conflict	37,342	\$12,018	\$448,761	35,200	\$12,784	\$450,012
Vietnam Era	25,344	\$10,034	\$254,308	24,188	\$10,566	\$255,560
Gulf War	3,130	\$10,769	\$33,710	3,157	\$10,920	\$34,472
Other Pensions			\$8,460			\$13,404
OBRA Payment to VBA GOE	-	-	\$8,340	-	-	\$13,012
Contract Medical Exams - VBA GOE	-	-	\$120	-	-	\$392

^{1/} Does not include "other" caseload or obligations.

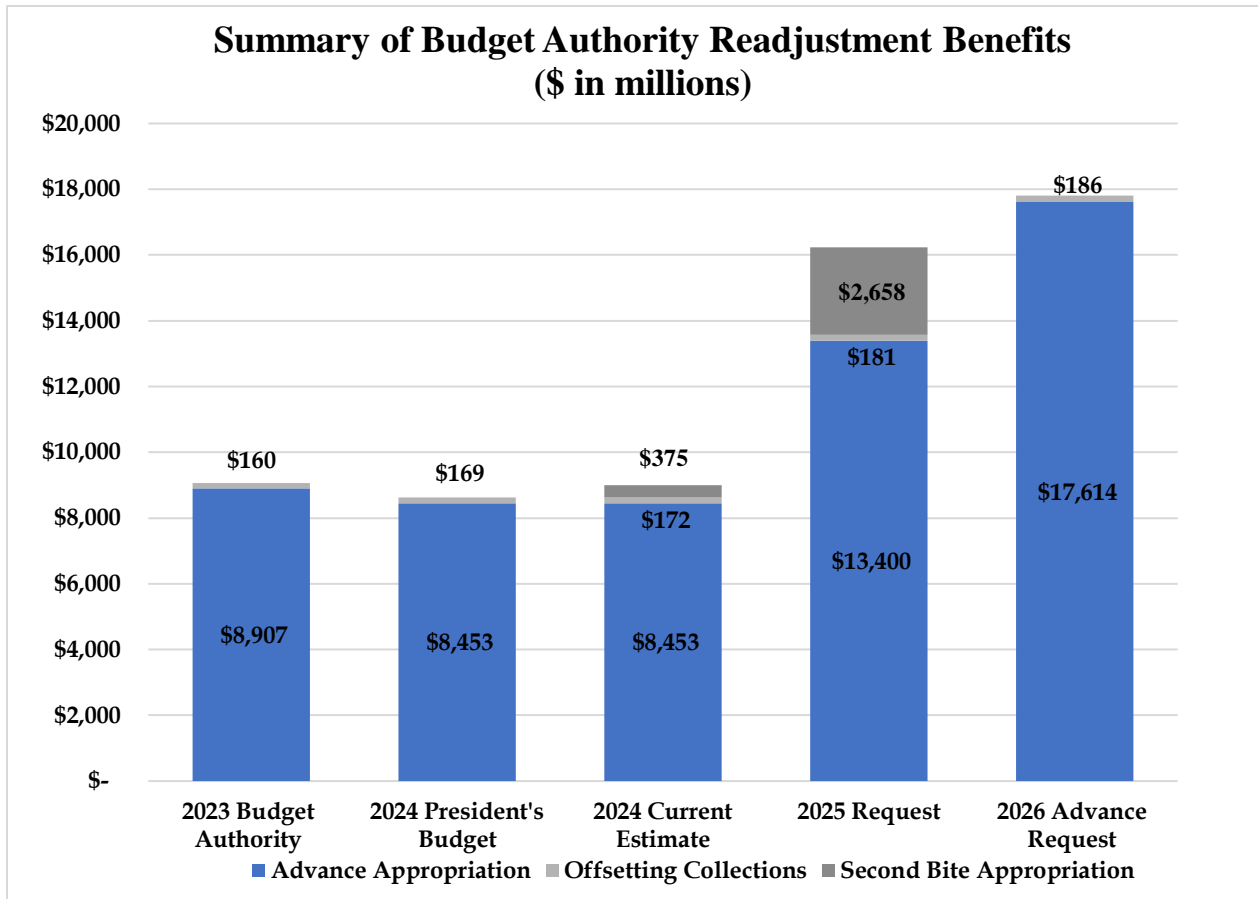
Compensation and Pensions
Summary of Obligations (cont'd)
(obligations in thousands)

	2025			2026		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
Compensation Total ^{1/}	6,871,039	\$26,822	\$184,292,367	7,156,003	\$27,525	\$196,967,961
Veterans Compensation	6,312,645	\$27,349	\$172,645,670	6,572,618	\$28,158	\$185,073,763
World War II	5,636	\$17,653	\$99,495	3,643	\$18,195	\$66,276
Korean Conflict	47,439	\$16,555	\$785,350	39,840	\$16,896	\$673,154
Vietnam Era	1,469,244	\$26,424	\$38,822,842	1,444,655	\$28,034	\$40,499,276
Peacetime Service	846,929	\$18,715	\$15,850,444	856,847	\$19,121	\$16,384,080
Gulf War	3,943,397	\$29,692	\$117,087,538	4,227,632	\$30,147	\$127,450,976
Survivors Compensation	558,394	\$20,857	\$11,646,697	583,385	\$20,388	\$11,894,198
World War I & Prior	41	\$9,209	\$378	32	\$9,718	\$308
World War II	15,266	\$23,093	\$352,527	12,399	\$24,656	\$305,716
Korean Conflict	23,870	\$23,036	\$549,872	22,642	\$23,992	\$543,236
Vietnam Era	405,352	\$20,251	\$8,208,914	425,150	\$19,346	\$8,225,003
Peacetime Service	50,271	\$22,759	\$1,144,100	52,098	\$23,678	\$1,233,568
Gulf War	63,595	\$21,871	\$1,390,906	71,064	\$22,323	\$1,586,367
Other Compensation			\$4,451,301			\$4,304,474
Spec. Ben. For Children	1,057	\$22,760	\$24,058	1,057	\$22,858	\$24,161
Clothing Allowance	168,225	\$1,046	\$176,024	168,225	\$1,103	\$185,488
Other (SAFD, EAJA, REPS)	6,518	\$7,919	\$51,615	6,518	\$8,101	\$52,802
OBRA Payment to VBA	-	-	\$8,680	-	-	\$8,958
Contract Medical Exams - VBA GOE	-	-	\$4,171,832	-	-	\$4,013,593
Contract Medical Exams - IT	-	-	\$19,091	-	-	\$19,473
Pensions Total ^{1/}	224,302	\$13,486	\$3,024,836	202,428	\$14,000	\$2,834,067
Veterans Pensions	129,417	\$14,506	\$1,877,347	116,084	\$15,014	\$1,742,861
World War II	3,672	\$22,053	\$80,976	2,629	\$22,192	\$58,348
Korean Conflict	16,719	\$21,001	\$351,123	14,186	\$21,139	\$299,863
Vietnam Era	95,316	\$13,118	\$1,250,380	86,421	\$13,802	\$1,192,798
Gulf War	13,710	\$14,214	\$194,868	12,848	\$14,932	\$191,852
Survivors Pensions	94,884	\$12,094	\$1,147,490	86,345	\$12,638	\$1,091,206
World War I & Prior	597	\$4,920	\$2,938	498	\$5,488	\$2,735
World War II	33,293	\$11,745	\$391,017	26,094	\$12,385	\$323,169
Korean Conflict	34,326	\$13,291	\$456,240	33,473	\$13,758	\$460,537
Vietnam Era	23,484	\$11,116	\$261,042	23,018	\$11,584	\$266,642
Gulf War	3,183	\$11,388	\$36,252	3,260	\$11,693	\$38,123
Other Pensions			\$13,801			\$14,217
OBRA Payment to VBA GOE	-	-	\$13,429	-	-	\$13,858
Contract Medical Exams - VBA GOE	-	-	\$373	-	-	\$359

^{1/} Does not include "other" caseload or obligations.



Readjustment Benefits



Note: Unobligated balances from prior years are not included in totals.

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to assumptions and estimates in the 2024 Current Estimate column.

Appropriation Language

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by chapters 21, 30, 31, 33, 34, 35, 36, 39, 41, 51, 53, 55, and 61 of title 38, United States Code, \$2,657,656,000 which shall be in addition to funds previously appropriated under this heading that became available on October 1, 2024, to remain available until expended, and, in addition, \$17,614,235,000 which shall become available on October 1, 2025, to remain available until expended. Provided, That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under subsection (a) of section 3104 of title 38, United States Code, other than under paragraphs (1), (2), (5), and (11) of that subsection, shall be charged to this account.

Summary of Appropriation Highlights

(\$ in thousands)

	2024				2024 to 2025	2025 to 2026	
	2023 Actual	Budget Estimate	Current Estimate	2025 Estimate	2026 Estimate	Increase (+) Decrease (-)	Increase (+) Decrease (-)
Obligations:							
<i>Education:</i>							
Post 9-11 GI Bill (33)	\$8,642,295	\$8,181,953	\$9,573,453	\$10,512,230	\$11,246,010	+\$938,777	+\$733,779
Dependents' Education and Training (35)	\$1,637,992	\$1,910,477	\$2,150,945	\$2,609,999	\$2,893,787	+\$459,053	+\$283,788
Veterans/Service Members (30) ^{1/}	\$158,792	\$144,861	\$148,374	\$155,340	\$162,629	+\$6,966	+\$7,289
Reservists (1606)	\$118,128	\$122,175	\$123,336	\$126,218	\$127,795	+\$2,882	+\$1,578
VET TEC	\$85,269	\$45,000	\$46,268	-	-	-\$46,268	-
Veterans Rapid Retraining Asst. Program	\$146,683	\$49,641	\$2,798	\$200	\$200	-\$2,598	-
Work-Study ^{2/}	\$27,299	\$29,320	\$29,256	\$34,709	\$38,281	+\$5,453	+\$3,571
Tuition Assistance	\$1,965	\$1,506	\$1,838	\$1,985	\$2,048	+\$146	+\$63
Licensing & Certification	\$2,897	\$5,102	\$3,584	\$4,582	\$5,598	+\$998	+\$1,016
National Exams ^{3/}	\$73	\$97	\$86	\$106	\$118	+\$20	+\$12
<i>Subtotal:</i>	<i>\$10,821,394</i>	<i>\$10,490,130</i>	<i>\$12,079,939</i>	<i>\$13,445,370</i>	<i>\$14,476,466</i>	<i>+\$1,365,431</i>	<i>+\$1,031,096</i>
<i>VR&E (31):</i>							
VR&E Subsistence Allowance	\$722,465	\$863,067	\$747,481	\$938,778	\$1,125,390	+\$191,297	+\$186,612
VR&E Books, Tuition, Supplies, Fees	\$909,693	\$1,103,743	\$1,170,382	\$1,456,180	\$1,784,072	+\$285,798	+\$327,892
VR&E Work-Study	\$9,742	\$9,526	\$9,793	\$12,716	\$15,389	+\$2,923	+\$2,673
<i>Subtotal:</i>	<i>\$1,641,900</i>	<i>\$1,976,337</i>	<i>\$1,927,655</i>	<i>\$2,407,674</i>	<i>\$2,924,850</i>	<i>+\$480,018</i>	<i>+\$517,177</i>
<i>Special Assistance:</i>							
Specially Adapted Housing Grants	\$135,132	\$164,755	\$150,416	\$164,083	\$176,983	+\$13,667	+\$12,900
Automobile Grants	\$25,559	\$23,741	\$59,719	\$61,281	\$61,954	+\$1,563	+\$672
Adaptive Equipment	\$94,249	\$99,353	\$105,272	\$106,775	\$105,063	+\$1,504	-\$1,712
<i>Subtotal:</i>	<i>\$254,940</i>	<i>\$287,848</i>	<i>\$315,406</i>	<i>\$332,140</i>	<i>\$344,000</i>	<i>+\$16,734</i>	<i>+\$11,861</i>
<i>Indirect Benefits:</i>							
Chapter 36	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	-	-
State Approving Agencies (SAA)	\$26,272	\$29,021	\$28,909	\$29,718	\$30,402	+\$809	+\$684
Reporting Fees	\$13,156	\$14,242	\$15,919	\$17,206	\$18,215	+\$1,287	+\$1,009
Specially Adapted Housing Tech Grants	\$397	\$1,000	\$1,000	-	-	-\$1,000	-
Reimbursement to GOE	\$210	\$155	\$214	\$218	\$223	+\$4	+\$4
<i>Subtotal:</i>	<i>\$46,035</i>	<i>\$50,418</i>	<i>\$52,042</i>	<i>\$53,143</i>	<i>\$54,840</i>	<i>+\$1,101</i>	<i>+\$1,697</i>
Total Obligations	\$12,764,269	\$12,804,734	\$14,375,042	\$16,238,326	\$17,800,157	+\$1,863,284	+\$1,561,831
Funding:							
Advance Appropriation	\$8,906,851	\$8,452,500	\$8,452,500	\$13,399,805	\$17,614,235	+\$4,947,305	+\$4,214,430
Second Bite Appropriation	-	-	\$374,852	\$2,657,656	-	+\$2,282,804	-\$2,657,656
Offsetting Collections	\$159,506	\$169,269	\$172,371	\$180,865	\$185,922	+\$8,494	+\$5,056
Unobligated balance (SOY)	\$8,896,247	\$5,992,638	\$5,375,319	-	-	-\$5,375,319	-
Prior Year Recoveries	\$177,066	-	-	-	-	-	-
Unobligated balance (EOY)	\$5,375,319	\$1,809,673	-	-	-	-	-
Outlays (Net)	\$12,446,349	\$11,717,257	\$13,220,614	\$15,859,335	\$17,396,901	+\$2,638,721	+\$1,537,566

Note: Dollars may not add due to rounding in this and subsequent charts.

1/ Includes obligations for equitable relief authorized by the Secretary for the Veterans Retraining Assistance Program

2/ Includes chapter 1606 work-study reimbursement from DoD

3/ National Exams includes chapters 30, 33, and 35

Summary of Appropriation Highlights (cont'd)

	2024				2024 to 2025		2025 to 2026	
	2023 Actual	Budget Estimate	Current Estimate	2025 Estimate	2026 Estimate	Increase (+) Decrease (-)	Increase (+) Decrease (-)	
Workload Data and Other Items								
Workload: (Individuals Receiving Benefit Payments)								
Post 9-11 GI Bill (33)	564,665	519,224	587,309	595,737	602,124	+8,428	+6,387	
Dependents' Education and Training (35)	215,934	245,368	275,243	328,432	365,437	+53,189	+37,006	
Veterans/Service Members (30)	19,056	17,115	16,924	16,641	16,364	-283	-277	
Reservists (1606) ^{1/}	39,849	35,044	40,493	40,419	40,000	-75	-419	
VET TEC	9,519	3,204	4,841	-	-	-4,841	+0	
Veterans Rapid Retraining Asst. Program	10,096	-	-	-	-	-	-	
VR&E Receiving Subsistence Allowance	93,037	104,496	111,994	130,542	149,887	+18,548	+19,345	
VR&E Not Receiving Subsistence Allowance	2,534	3,945	3,469	4,039	4,636	+570	+597	
VR&E Evaluation, Planning and Service ^{2/}	37,116	36,022	41,732	48,297	55,399	+6,564	+7,103	
Specially Adapted Housing Grants	2,726	3,011	3,163	3,328	3,419	+165	+91	
Automobile Grants	1,097	1,050	2,665	2,678	2,653	13	-25	
Adaptive Equipment	3,219	3,251	3,610	3,570	3,430	-40	-140	
Chapter 36	4,645	7,091	4,645	4,645	4,645	+0	+0	
Specially Adapted Housing Technology Grants	2	5	5	-	-	-5	-	
Average cost: (Whole \$)								
Post 9-11 GI Bill (33)	\$15,305	\$15,758	\$16,301	\$17,646	\$18,677	+\$1,345	+\$1,031	
Dependents' Education and Training (35)	\$7,586	\$7,786	\$7,815	\$7,947	\$7,919	+\$132	-\$28	
Veterans/Service Members (30)	\$8,333	\$8,464	\$8,767	\$9,335	\$9,938	+\$568	+\$604	
Reservists (1606)	\$3,004	\$3,486	\$3,046	\$3,123	\$3,195	+\$77	+\$72	
VET TEC	\$8,958	\$14,044	\$9,558	-	-	-\$9,558	-	
Veterans Rapid Retraining Asst. Program	\$14,529	-	-	-	-	-	-	
VR&E Subsistence Allowance	\$7,765	\$8,259	\$6,674	\$7,191	\$7,508	+\$517	+\$317	
VR&E Books, Tuition, Supplies, Fees, etc	\$9,518	\$10,178	\$10,136	\$10,820	\$11,546	+\$684	+\$726	
Specially Adapted Housing Grants	\$49,572	\$54,719	\$47,554	\$49,299	\$51,760	+\$1,744	+\$2,462	
Automobile Grants	\$23,299	\$22,615	\$22,411	\$22,882	\$23,351	+\$471	+\$470	
Adaptive Equipment	\$29,279	\$30,561	\$29,160	\$29,911	\$30,631	+\$751	+\$720	
Chapter 36	\$1,292	\$846	\$1,292	\$1,292	\$1,292	-	-	
Specially Adapted Housing Technology Grants	\$198,662	\$200,000	\$200,000	-	-	-200,000	-	
Total Cost: (\$ in thousands)								
Post 9-11 GI Bill (33)	\$8,642,295	\$8,181,953	\$9,573,453	\$10,512,230	\$11,246,010	+\$938,777	+\$733,779	
Dependents' Education and Training (35)	\$1,637,992	\$1,910,477	\$2,150,945	\$2,609,999	\$2,893,787	+\$459,053	+\$283,788	
Veterans/Service Members (30)	\$158,792	\$144,861	\$148,374	\$155,340	\$162,629	+\$6,966	+\$7,289	
Reservists (1606) ^{1/}	\$118,128	\$122,175	\$123,336	\$126,218	\$127,795	+\$2,882	+\$1,578	
VET TEC	\$85,269	\$45,000	\$46,268	-	-	-46,268	-	
Veterans Rapid Retraining Asst. Program	\$146,683	\$49,641	\$2,798	\$200	\$200	-\$2,598	+\$0	
VR&E Subsistence Allowance	\$722,465	\$863,067	\$747,481	\$938,778	\$1,125,390	+\$191,297	+\$186,612	
VR&E Books, Tuition, Supplies, Fees, etc	\$909,693	\$1,103,743	\$1,170,382	\$1,456,180	\$1,784,072	+\$285,798	+\$327,892	
Specially Adapted Housing Grants	\$135,132	\$164,755	\$150,416	\$164,083	\$176,983	+\$13,667	+\$12,900	
Automobile Grants	\$25,559	\$23,741	\$59,719	\$61,281	\$61,954	+\$1,563	+\$672	
Adaptive Equipment	\$94,249	\$99,353	\$105,272	\$106,775	\$105,063	+\$1,504	-\$1,712	
Chapter 36	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	-	-	
Specially Adapted Housing Technology Grants	\$397	\$1,000	\$1,000	-	-	-\$1,000	-	

1/ Work-study cost not included

2/ No monetary benefit payment associated with these cases

Summary of Budget Request

In 2025, the requested appropriation of \$13.4 billion, when combined with \$180.9 million in offsetting collections from the Department of Defense (DoD), and a second bite appropriation of \$2.7 billion, will provide sufficient funding for Readjustment Benefits obligations. Obligations are estimated to be \$16.2 billion in 2025. This will primarily fund education benefits, including the Post 9-11 GI Bill (chapter 33) and will also pay for subsistence allowance and the cost of books, supplies, tuition, and fees under the Veteran Readiness and Employment (VR&E) program.

Included in the 2025 budget submission is the advance appropriation request of \$17.6 billion for 2026. In conjunction with \$185.9 million in anticipated offsetting collections from DoD, total budgetary resources will fund an estimated \$17.8 billion in Readjustment Benefits obligations in 2026. VA will have an opportunity to request additional mandatory resources, if necessary, during the 2026 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will be able to reduce its 2026 advance appropriation request should the 2025 estimate prove too high.

Changes from Original 2024 Budget Estimate

Current estimated obligations of \$14.4 billion for the Readjustment Benefits account in 2024 increase \$1.6 billion above the original estimate of \$12.8 billion. The unobligated balance carried over from 2023 is \$5.4 billion, \$617.3 million less than the previous estimate of \$6.0 billion.

Education Programs

Changes in estimated obligations for 2024 are based on actual experience in 2023. An increase of 68,085 chapter 33 trainees and an increase in the chapter 33 average payment of \$542 result in an increase of \$1.4 billion in obligations. The number of individuals receiving benefits has increase over the past year, and VA anticipates this trend to continue in 2024. Increases in average payments are based on higher costs in tuition and inflation. Chapter 35 caseload increases by 29,875 trainees, which results in an increase of \$240.5 million in chapter 35 obligations. The Veterans Rapid Retraining Assistance Program (VRRAP) obligations decrease by \$46.8 million, as the program stopped accepting new entrants as of December 10, 2022. Chapter 30 obligations increase by \$3.5 million, while VET TEC obligations increase by \$1.3 million, and chapter 1606 obligations increase by \$1.2 million. An increase of \$332,000 in tuition assistance obligations is offset by decreases in obligations for licensing and certification (\$1.5 million), work-study (\$64,000), and national exams (\$11,000). These changes result in an overall net increase of \$1.6 billion in education obligations.

Veteran Readiness and Employment (VR&E) Program

The average payment for subsistence allowance decreases by \$1,585, which, in combination with an increase of 7,498 beneficiaries, decreases subsistence allowance obligations by \$115.6 million. Obligations for books, tuition, supplies, and fees increase by \$66.6 million, and work-study obligations increase by \$267,000. These changes result in an overall decrease of \$48.7 million in VR&E obligations.

Special Assistance

An increase of 152 housing grant beneficiaries combined with a decrease of \$7,164 in the average payment, results in a \$14.3 million decrease in housing grant obligations. The number of

adaptive equipment grants increases by 359, and the average payment decreases by \$1,401, which results in a net increase of \$5.9 million. An increase of 1,615 automobile grants resulted in an increase of \$36.0 million in automobile grant obligations. This results in an overall increase of \$27.6 million in special assistance obligations.

Indirect Benefits

Obligations for reporting fees increase by \$1.7 million. Obligations for state approving agencies decrease by \$112,000, and the reimbursement to the Veteran Benefits Administration's (VBA's) General Operating Expenses (GOE) increases by \$59,000, which results in a total net increase of \$1.6 million.

Descriptions of Individual Programs

Post 9-11 GI Bill (Chapter 33)

Chapter 33 was enacted in the Post-9/11 Veterans Educational Assistance Act of 2008 (P.L. 110-252) and greatly expanded education benefits on August 1, 2009. The Veterans Educational Assistance Improvement Act of 2010 (P.L. 111-377), signed into law on January 4, 2011, amended the Post 9-11 GI Bill by expanding eligibility for certain individuals, and modifying the amount of assistance and the types of approved programs. The Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146) extended the Fry Scholarship to spouses and allowed VA to disapprove courses of education in which the state charges Veterans or Service members higher rates than that of in-state residents. The Forever GI Bill (P.L. 115-48) further changed the program, primarily enhancing and expanding benefits.

Eligibility under chapter 33 is based on active-duty service, and students generally have up to 36 months of entitlement. Based on length of active-duty service and training rate, students are entitled to a percentage of the following:

- Full cost of tuition and fees at the public school in-state rates, or up to \$27,120.05 (as of August 1, 2023) for those attending out-of-state, private, or foreign schools (paid to school);
- Monthly housing allowance (paid to the student);
- Yearly books and supplies stipend of up to \$1,000 per year (paid to student);
- A one-time payment of \$500 to certain individuals relocating from highly rural areas (paid to student);
- Payments for those pursuing a non-institute of higher learning program such as a non-college degree, on the job training, apprenticeship training, flight programs, or a correspondence program;
- Other benefits to certain students such as the Yellow Ribbon program, kickers (DoD-funded payments in addition to VA-funded benefit payments to encourage enlistment or retention in the Armed Forces), and refund of chapter 30 payroll deductions.

The Yellow Ribbon Program was enacted to assist eligible individuals with payment of their tuition and fees in instances where costs exceed the maximum benefit rate. The school of attendance must accept VA's invitation to participate in the program, state how much tuition will be waived (up to 50%), and state how many participants will be accepted into the program during

the academic year. VA will match the school's percentage (up to 50%) to reduce or eliminate out-of-pocket costs for participants.

The Fry Scholarship entitles children and spouses of those who die in the line of duty or members of the Selected Reserve who die from a service-connected disability on or after September 11, 2001, to use Post-9/11 GI Bill benefits. Eligible children and spouses are entitled to 36 months of benefits at the 100 percent level. In addition to the Fry Scholarship, certain members of the Armed Forces still on active duty may be eligible to transfer benefits to a spouse or dependent children based on DoD policy.

Survivors' and Dependents' Educational Assistance (Chapter 35)

Chapter 35 provides education and training opportunities to eligible dependents of certain Veterans. This benefit may be used for degree and certificate programs, apprenticeships, and on-the-job training. A spouse may take a correspondence course. Remedial, deficiency, and refresher courses may be approved under certain circumstances.

To be eligible, one must be the spouse or dependent child of:

- A Veteran who died or is permanently and totally disabled as the result of a service-connected disability incurred due to active service in the Armed Forces;
- A Veteran who died from any cause while such permanent and total service-connected disability was in existence;
- A Service member missing in action or captured in line of duty by a hostile force;
- A Service member forcibly detained or interned in line of duty by a foreign government or power; or
- A Service member who is hospitalized or receiving outpatient treatment for a service-connected permanent and total disability and is likely to be discharged for that disability.

Generally, dependent children who became eligible prior to August 1, 2023, must be between the ages of 18 and 26 to receive benefits for attending school or job training. Based on the Consolidated Appropriations Act, 2023 (P.L. 117-328), Division U, Title II, § 234, these age limitations do not apply for dependent children who became eligible, turn 18 years of age, or complete secondary school on or after August 1, 2023. For spouses who became eligible prior to August 1, 2023, benefits generally end 10 years from the date VA determines eligibility or from the date of the Veteran's death. For spouses of Service members who died on active duty prior to August 1, 2023, benefits end 20 years from the date of death. For spouses of Service members who became eligible for benefits on or after August 1, 2023, and for spouses of Service members who die on active duty on or after August 1, 2023, these date limitations do not apply. Members of the Armed Forces may not receive this benefit while on active duty.

Montgomery GI Bill – Active Duty (MGIB-AD) (Chapter 30)

The predecessor of the chapter 33 program is the Montgomery GI Bill, or chapter 30. Chapter 30 VA educational benefits may be used while a Service member is on active duty or after separation from active duty with a fully honorable discharge. Eligibility generally expires 10 years after the Service member's separation. However, there are exceptions for disability, re-entering active duty, and upgraded discharges.

Effective October 1, 2023, the rate for full-time training in college, technical, or vocational school was \$2,358 a month for those who served three years or more or two years plus four years in the Selected Reserve. For those who served less than three years, the monthly rate is \$1,913. Benefits are reduced for part-time training. Payments for other types of training follow different rules. VA will pay an additional amount, called a “kicker” or “college fund,” if directed by DoD. The maximum number of months Veterans can receive payments is 36 months at the full-time rate or the part-time equivalent.

The following types of education and training are available under chapter 30:

- College degree and certificate programs,
- Technical or vocational courses,
- Flight training,
- Apprenticeships or on-the-job training,
- High-technology training,
- Licensing and certification tests,
- Entrepreneurship training,
- Certain entrance examinations, and
- Correspondence courses.

Remedial, deficiency, and refresher courses may be approved under certain circumstances.

The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315) § 1004 phases out chapter 30 beginning in 2030. Individuals who buy-into chapter 30 eligibility prior to September 30, 2030, retain eligibility until ten years after they leave service.

Montgomery GI Bill – Selected Reserve (MGIB-SR) (Chapter 1606)

Chapter 1606 may be available to a member of the Selected Reserve if they meet the eligibility requirements established by their respective components. The Selected Reserve includes the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, Army National Guard, and Air National Guard. The program may be used for degree programs, certificate or correspondence courses, cooperative training, independent study programs, apprenticeship or on-the-job training, and vocational flight training programs. Remedial, refresher, and deficiency training are available under certain circumstances. Up to 36 months of education benefits may be available. Specific eligibility requirements include:

- Have a six-year obligation to serve in the Selected Reserve signed after June 30, 1985. For some types of training, it is necessary to have a six-year commitment that begins after September 30, 1990;
- Complete initial active duty for training (IADT);
- Meet the requirement to receive a high school diploma or equivalency certificate before completing IADT; and
- Remain in good standing while serving in an active Selected Reserve unit.

In addition, a discharge from Selected Reserve service due to a disability or being ordered to active duty may extend program eligibility beyond service in a Selected Reserve unit.

Veteran Employment Through Technology Education Courses Program (VET TEC)

The Forever GI Bill established a high technology pilot program, also known as the Veteran Employment Through Technology Education Courses (VET TEC), to provide eligible Veterans who are entitled to educational assistance under chapter 30, 32, 33, 34, or 35 of 38 U.S.C., or chapter 1606 or 1607 of 10 U.S.C., with the opportunity to enroll in high technology programs of education that VA determines provide training and skills sought by employers in a relevant field or industry. VET TEC is a 5-year pilot program, and VA began making payments for the VET TEC Program in June of 2019. VET TEC is scheduled to stop accepting new enrollments after April 1, 2024.

Veterans Rapid Retraining Assistance Program (VRRAP)

The Veteran Rapid Retraining Assistance Program (VRRAP) was established through the American Rescue Plan Act of 2021 (Public Law 117-2), and \$386 million was appropriated to the Readjustment Benefits account for this purpose under the Training in High-demand Roles to Improve Veteran Employment Act, or the THRIVE Act (P. L. 117-16).

VRRAP provides an eligible Veteran with up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates, to be used towards training in a covered program of education that leads to a high-demand job. These include associate degrees, non-college degrees, and certificate programs. The Department of Labor determines what's considered a high-demand job for VRRAP. To be eligible for this program, individuals must be:

- At least 22 years of age and less than 67 years of age,
- Unemployed due to the COVID-19 pandemic,
- Not eligible for GI Bill or VR&E benefits,
- Not enrolled in a Federal or State jobs program,
- Not receiving VA disability compensation because a Veteran is unable to work, and
- Not receiving unemployment compensation including enhanced benefits under the CARES Act.

This program stopped accepting new enrollments after December 10, 2022. As of January 22, 2024, VA had allocated 87%, or \$336.4 million of the \$386 million; allocations include anticipated benefit payments as Veterans enrolled on or before December 10, 2022, complete their programs in the future.

VR&E (Chapter 31)

The VR&E program assists Service members and Veterans with service-connected disabilities in obtaining and maintaining suitable employment. Independent living services are also available for Veterans who are not currently able to work due to their service-connected disabilities and need independence in daily living.

To be eligible, a Veteran must have a VA service-connected disability rated at least 20% with an employment barrier, or rated 10% with a serious employment barrier, and be discharged or released from military service under other than dishonorable conditions. Service members separating from active duty may also apply if their disabilities are reasonably expected to be rated at least 20% following discharge. A VA counselor must decide if the individual has an employment barrier

based upon the results of a comprehensive evaluation, except in cases where a Service member is awaiting discharge due to a medical condition resulting from a serious injury that occurred in the line of duty, as these individuals are determined automatically entitled to chapter 31 benefits. After an entitlement decision is made, the individual and counselor work together to develop a plan to specify the services to be provided. Most participants enter education or training programs. All program costs, including tuition, books, and fees, if appropriate, are borne by VA, and Veterans participating in training are provided a monthly subsistence allowance.

Services provided to VR&E participants fall under one of five tracks:

- Reemployment with Previous Employer: For individuals who are separating from active duty or in the National Guard or Reserves and are returning to work for their previous employer.
- Rapid Access to Employment: For individuals who either wish to obtain employment soon after separation or who already have the necessary skills to be competitive in the job market in an appropriate occupation.
- Self-Employment: For individuals who have limited access to traditional employment, need flexible work schedules, or who require more accommodation in the work environment due to their disabling conditions or other life circumstances.
- Employment Through Long-Term Services: For individuals who need specialized training and/or education to obtain and maintain suitable employment.
- Independent Living Services: For individuals who are not currently able to work and need services to live more independently.

Veterans who separated from military service prior to January 1, 2013, must complete a program within 12 years from their separation from military service or within 12 years from the date VA notifies them that they have a compensable service-connected disability. P.L. 116-315 removed the 12-year window for Veterans who separated from military service after January 1, 2013. Depending on the length of program needed, Veterans may be provided up to 48 months of full-time services or their part-time equivalent. These limitations may be extended in certain circumstances.

In some cases, a Veteran may receive a subsistence allowance while they pursue an educational or training program in preparation for a future career. A subsistence allowance is paid each month during training and is based on the rate of attendance (full- or part-time), the type of education or training, and the number of dependents. The example below demonstrates the many rate structures possible.

2024 Monthly Subsistence Allowance for Training in an Institution for Higher Learning				
Training Time	Veterans with No Dependents	Veterans with One Dependent	Veterans with Two Dependents	Additional Dependent

Full-time	\$768.42	\$953.15	\$1,123.23	\$81.85
3/4-time	\$577.38	\$715.90	\$839.78	\$62.97
1/2-time	\$386.32	\$478.66	\$562.64	\$42.00
1/4 -time	\$193.14	\$239.36	\$281.32	\$20.95

Special Assistance for Disabled Veterans

Special assistance provides housing, automotive, and adaptive equipment grants for severely disabled Veterans and Service members as well as a grant for individuals and entities developing assistive technology for housing grants:

- Specially Adapted Housing (SAH) Grants: VA may approve a grant of not more than 50% of the cost of building, buying, or adapting existing homes or paying to reduce indebtedness on a currently owned home that is being adapted, up to a maximum of \$117,014 in 2024. In certain instances, the full grant amount may be applied toward remodeling costs.
- Special Housing Adaptation (SHA) Grants: VA may approve a grant for the cost, up to a maximum of \$23,444 in 2024, for necessary adaptations to a Veteran's or Service member's residence, or to help them acquire a residence already adapted with special features for their disability, to purchase and adapt a home, or for adaptations to a family member's home in which they will reside. To be eligible for this grant, Veterans and Service members must be entitled to compensation for a permanent and total service-connected disability due to certain specific conditions.
- Temporary Residence Adaptation (TRA) Grants: Eligible Veterans and Service members who are temporarily residing in a home owned by a family member may also receive a TRA grant to help the Veteran or Service member adapt the family member's home to meet his or her special needs. Those eligible for a SAH grant (\$117,014) would be permitted to use up to \$47,130 in 2024, and those eligible for a SHA grant (\$23,444) would be permitted to use up to \$8,415 in 2024. Grant amounts are adjusted annually based on a cost-of-construction index.
- Automobile Allowance and Adaptive Equipment: Veterans and Service members may be eligible for a one-time payment of not more than \$25,603.02 (as of October 1, 2023) toward the purchase of an automobile or other conveyance if they have service-connected loss or permanent loss of use of one or both hands or feet, permanent impairment of vision of both eyes to a certain degree, severe burn injuries, or Amyotrophic Lateral Sclerosis. Certain Service members and Veterans may also be eligible for adaptive equipment. Adaptive equipment includes, but is not limited to, power steering, power brakes, power windows, power seats, and special equipment necessary to assist the eligible person into and out of the vehicle.
- Specially Adapted Housing Assistive Technology Grant Program: The Specially Adapted Housing Assistive Technology Grant program authorizes VA to provide grants of up to \$200,000 per year to individuals or entities for the development of specially adapted housing assistive technologies. VA is authorized \$1.0 million in the aggregate amount of such grants in any year. P. L. 117-180 extended this program through the end of 2024.

Indirect Benefits

The Readjustment Benefits account is authorized by law to fund certain activities that indirectly benefit individuals participating in education and VR&E programs and transitioning Service members:

- Contract Counseling (Chapter 36): Up to \$6.0 million annually can be paid from the Readjustment Benefits account for contracts providing educational or vocational counseling services to individuals applying for or receiving education benefits and transitioning Service members six months prior or 12 months post-separation.
- State Approving Agencies (SAA): VA provides funding to SAAs, which are generally responsible for the approval of education and training programs in their respective states. Funding from the Readjustment Benefits account is limited each year by a rate set by Congress and increases annually by percentage applied to Social Security benefits. In 2024, total SAA funding is \$28.9 million.
- Reporting Fees: Schools are provided a reporting fee to certify enrollment information to VA based on the number of students who are receiving most VA education or VR&E benefits.
- Reimbursements to General Operating Expenses (GOE): Funding is provided to reimburse VBA's GOE account for certain printing and outreach expenses authorized by P.L. 101-237 and P.L. 105-368.

Readjustment Benefits
Analysis of Increases and Decreases
(\$ in thousands)

	2024 Estimate	2025 Estimate	2026 Estimate
Prior Year Obligations	\$12,764,269	\$14,375,042	\$16,238,326
Chapter 33 (Post 9/11 GI Bill)			
Economic Assumptions (COLA and Tuition Index)	+\$416,927	+\$796,281	+\$617,207
Caseload	+\$369,107	+\$148,723	+\$119,291
Average Payment	+\$145,124	-\$6,227	-\$2,719
Net Changes	+\$931,158	+\$938,777	+\$733,779
Chapter 35 (Dependent Education)			
Economic Assumption (CPI-W)	+\$60,725	+\$53,663	+\$55,500
Caseload	+\$469,480	+\$426,886	+\$297,151
Average Payment	-\$17,251	-\$21,495	-\$68,863
Net Changes	+\$512,953	+\$459,053	+\$283,788
Chapter 30 (Montgomery GI Bill)			
Economic Assumptions (Tuition Index)	+\$9,384	+\$9,821	+\$10,279
Caseload	-\$18,690	-\$2,646	-\$2,754
Average Payment	-\$1,112	-\$209	-\$236
Net Changes	-\$10,418	+\$6,966	+\$7,289
Chapter 1606 (Reservists)			
Economic Assumption (CPI-W)	+\$3,914	+\$3,087	+\$2,879
Caseload	+\$1,963	-\$233	-\$1,339
Average Payment	-\$669	+\$28	+\$38
Net Changes	+\$5,208	+\$2,882	+\$1,578
VET TEC	-\$39,001	-\$46,268	-
VRRAP	-\$143,885	-\$2,598	-
Miscellaneous Education			
Work-Study	+\$1,957	+\$5,453	+\$3,571
Tuition Assistance	-\$127	+\$146	+\$63
Licensing and Certification	+\$686	+\$998	+\$1,016
National Exams	+\$14	+\$20	+\$12
Net Changes	+\$2,530	+\$6,618	+\$4,662
Chapter 31 (Veteran Readiness and Employment)			
Economic Assumptions (COLA and Tuition Index)	+\$112,148	+\$155,644	+\$157,494
Caseload	+\$330,403	+\$340,218	+\$375,485
Average Payment	-\$156,847	-\$18,767	-\$18,475
Work-Study	+\$51	+\$2,923	+\$2,673
Net Changes	+\$285,756	+\$480,018	+\$517,177
Special Assistance for Disabled Veterans			
Housing Grants	+\$15,283	+\$13,667	+\$12,900
Automobile Grants	+\$34,160	+\$1,563	+\$672
Adaptive Equipment	+\$11,022	+\$1,504	-\$1,712
Net Changes	+\$60,465	+\$16,734	+\$11,861
Indirect Benefits			
Contract Counseling	-	-	-
State Approving Agencies	+\$2,637	+\$809	+\$684
Reporting Fees	+\$2,763	+\$1,287	+\$1,009
Housing Technology Grants	+\$603	-\$1,000	-
Reimbursement to GOE	+\$4	+\$4	+\$4
Net Changes	+\$6,007	+\$1,101	+\$1,697

Total Net Change	\$1,610,773	\$1,863,284	\$1,561,831
Estimated Obligations	\$14,375,042	\$16,238,326	\$17,800,157

Analysis of Increases and Decreases from 2025 to 2026

Post 9-11 GI Bill (Chapter 33)

Chapter 33 obligations are expected to increase by \$733.8 million in 2026. Economic assumptions, including the VA education cost of living adjustment (COLA) and tuition index are expected to increase obligations by \$617.2 million. An estimated increase of 6,387 trainees will increase obligations by \$119.3 million. An estimated change in average payment unrelated to economic assumptions will result in a decrease of \$2.7 million. Average payments vary based on numerous factors including training time, length of service, legislative changes, the nature of the education institution (two year versus four year or online educational programs), and the types of training or education the beneficiary receives.

Survivors' and Dependents' Educational Assistance (Chapter 35)

Chapter 35 obligations are projected to increase by \$283.8 million in 2026. Caseload is expected to increase by 37,006 children and spouses, resulting in an increase to obligations of \$297.2 million. Changes in average benefit payments unrelated to economic assumptions are expected to decrease obligations by \$68.9 million, while the CPI-W is estimated to increase obligations by \$55.5 million.

All-Volunteer Force Educational Assistance Program (Chapter 30)

Chapter 30 obligations are projected to increase by \$7.3 million in 2026. Changes to the tuition index are expected to increase obligations by \$10.3 million. However, this increase is offset by a decrease of \$2.8 million due to a decrease in caseload of 277 trainees. Changes to the average payment unrelated to the tuition index which will decrease obligations by \$236,000.

Educational Assistance for Members of the Selected Reserve (Chapter 1606)

Chapter 1606 obligations are expected to increase by \$1.6 million in 2026. The CPI-W is estimated to increase obligations by \$2.9 million. A decrease in caseload of 419 trainees reduces obligations by \$1.3 million. An increase in the average payment unrelated to economic assumptions is estimated to increase obligations by \$38,000.

Miscellaneous Education

Total changes in miscellaneous education programs are expected to increase obligations by \$4.7 million in 2026. Work-study obligations are estimated to increase by \$3.6 million; licensing and certification obligations increase by \$1.0 million; tuition assistance obligations increase by \$63,000; and national exams obligations increase by \$12,000.

VR&E (Chapter 31)

Chapter 31 obligations are projected to increase by \$517.2 million in 2026. An increase of 19,942 individuals receiving monetary benefits will increase obligations by \$375.5 million. The tuition index and COLA increase obligations \$157.5 million. Changes to the average payment unrelated

to economic assumptions are estimated to decrease obligations by \$18.5 million. Work-study obligations are estimated to increase by \$2.7 million.

Special Assistance for Disabled Veterans

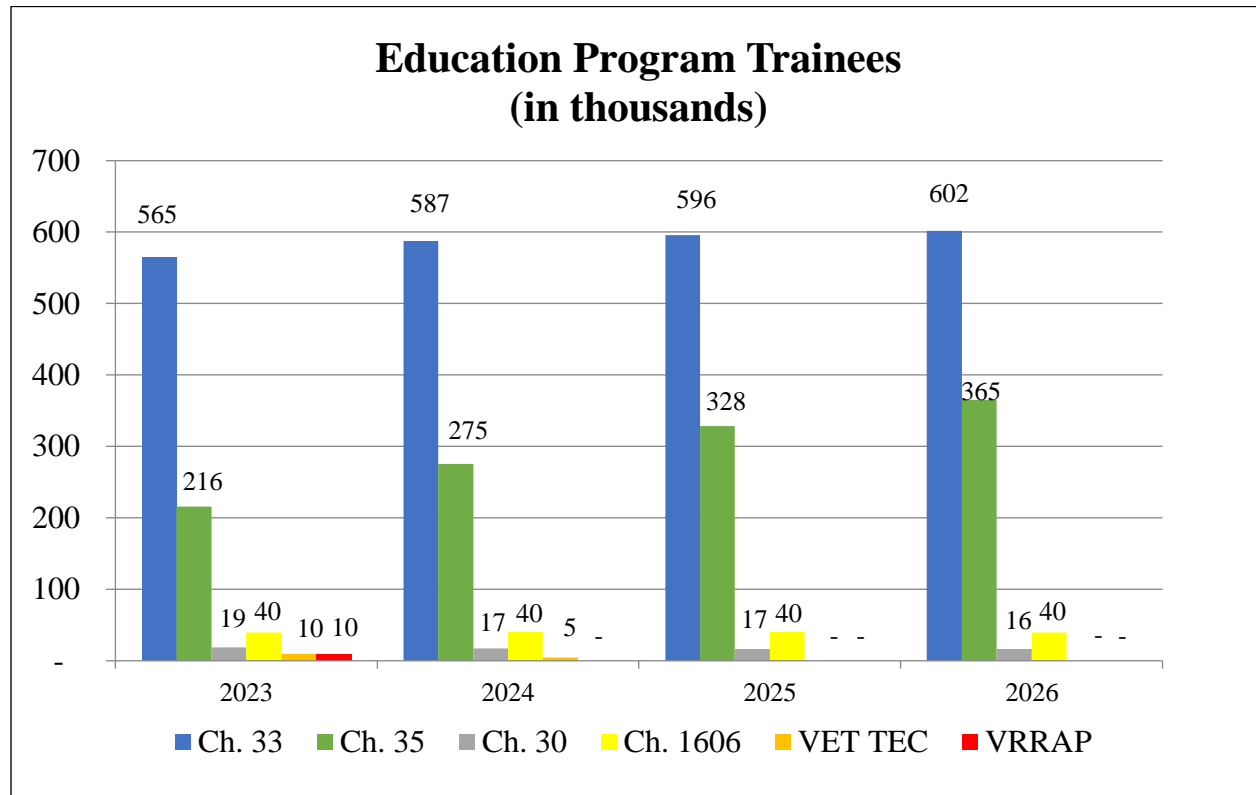
Total special assistance is expected to increase by \$11.9 million in 2026. Housing grants are estimated to increase by \$12.9 million; adaptive equipment grants are estimated to decrease by \$1.7 million; and automobile grants are expected to increase by \$672,000.

Indirect Benefits

Total changes in indirect benefits are expected to increase obligations by \$1.7 million in 2026. Reporting fees will increase by \$1.0 million; payments to SAAs are expected to increase by \$684,000; and reimbursements to GOE are expected to increase by \$4,000.

Education Program Highlights

In 2024, education benefits will be provided to an estimated 924,810 beneficiaries. Total beneficiaries are projected to be 981,228 in 2025 and 1,023,924 in 2026.

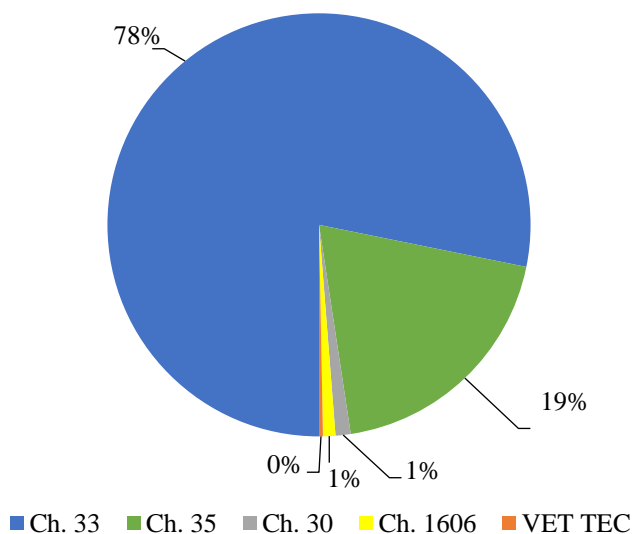


The average cost per beneficiary is highest for chapter 33, reaching \$16,301 in 2024. The other education programs have significantly lower average payments, incentivizing most beneficiaries to elect chapter 33 benefits when eligible. In 2024, the estimated average cost per beneficiary will be \$8,767 for chapter 30, \$7,815 for chapter 35, and \$3,046 for chapter 1606. These average payments generally increase at rates consistent with economic assumptions and historical program trends.

Since 2010, chapter 33 has been the largest education program and is expected to provide benefits for 595,737 trainees in 2025, accounting for 78% of education obligations. Chapter 35 represents 19% of education obligations, chapters 30 and 1606 represent 1% of education obligations each, and miscellaneous education benefits, such as work-study, account for less than 1% of obligations.

Education Obligations in 2025: \$13.4 Billion

*Obligations are reported on the Summary of Readjustment Benefits chart

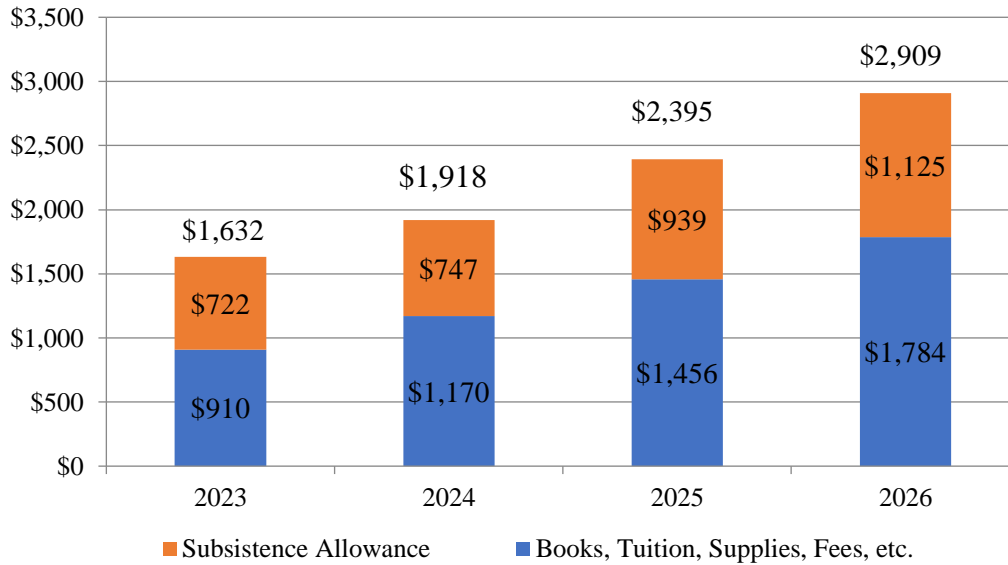


VR&E Program Highlights

In 2023, 132,687 Veterans and Service members received benefits and services under the VR&E program. Of these, 95,571 received monetary benefits totaling \$1.6 billion. The number of participants receiving monetary benefits is anticipated to increase to 115,463 for a total of \$1.9 billion in 2024, 134,580 for a total of \$2.4 billion in 2025, and 154,523 for a total of \$2.9 billion in 2026.

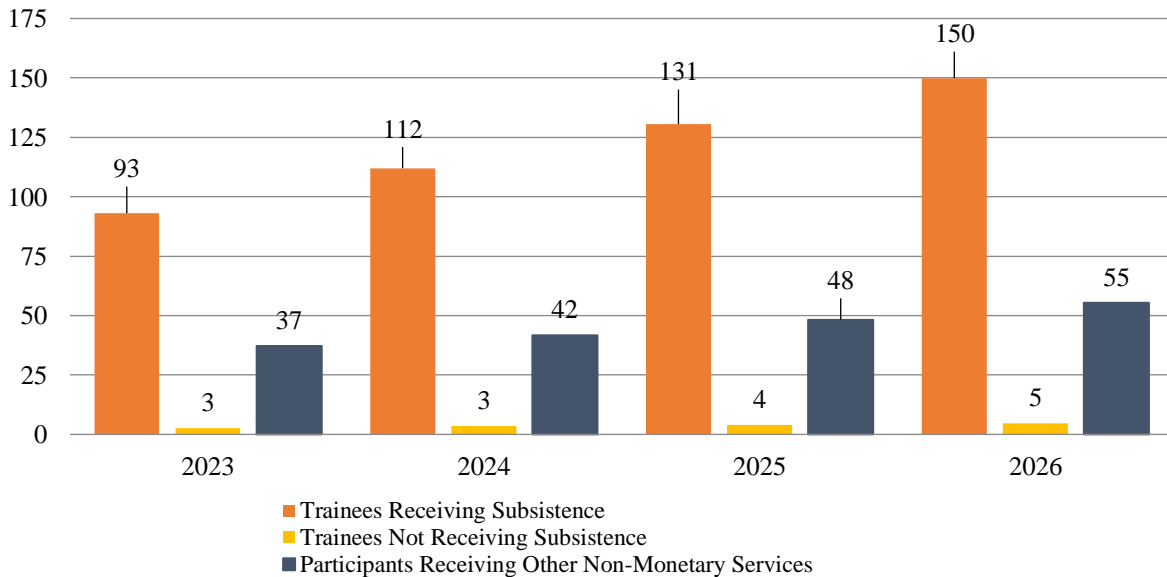
Most VR&E program participants enter educational or training programs. All program costs, including tuition, books, and fees, if appropriate, are borne by VA. In addition, Veterans are provided with a monthly subsistence allowance, which accounted for 44% of program costs in 2023. Beneficiaries with service on or after September 11, 2001, receive subsistence allowance at the chapter 33 monthly housing allowance rate. Beneficiaries who receive evaluation, planning, and delivery services do not receive any payments. This specific element of the program provides non-monetary assistance such as resumé preparation, job hunting strategies, interview preparation, and other assistance designed to help Veterans and Service members find suitable employment.

Veteran Readiness & Employment Program Costs (\$ in millions)



**Totals do not include work-study, as reported on the Summary of Readjustment Benefit Requirements.*

Veteran Readiness & Employment Program Number of Trainees by Type (000s)



Summary of Readjustment Benefit Requirements						
(obligations in thousands)						
	2023			2024		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
Education Total ^{1/}	859,119	\$12,596	\$10,821,394	924,810	\$13,062	\$12,079,939
Chapter 33 ^{2/}	564,665	\$15,305	\$8,642,295	587,309	\$16,301	\$9,573,453
Tuition and Fees	477,397	\$8,371	\$3,996,366	507,451	\$8,549	\$4,338,327
Housing	504,655	\$8,067	\$4,071,154	539,721	\$8,558	\$4,619,101
Books and Supplies	505,198	\$645	\$325,829	529,349	\$645	\$341,403
Yellow Ribbon	30,023	\$5,080	\$152,518	32,700	\$5,211	\$170,409
DoD Kickers	23,360	\$1,710	\$39,938	24,297	\$1,806	\$43,875
STEM Scholarship	3,509	\$10,633	\$37,311	3,642	\$10,931	\$39,811
Other ^{3/}	-	-	\$19,180	-	-	\$20,528
Chapter 35	215,934	\$7,586	\$1,637,992	275,243	\$7,815	\$2,150,945
Sons and Daughters	171,261	\$7,899	\$1,352,873	224,063	\$8,061	\$1,806,268
Spouses and Widows (ers)	44,673	\$6,382	\$285,119	51,180	\$6,735	\$344,677
Chapter 30	19,056	\$8,333	\$158,792	16,924	\$8,767	\$148,374
Reservists (1606)	39,849	\$2,964	\$118,128	40,493	\$3,046	\$123,336
VET TEC	9,519	\$8,958	\$85,269	4,841	\$9,558	\$46,268
VRRAP	10,096	\$14,529	\$146,683	-	-	\$2,798
Work-Study	6,617	\$4,126	\$27,299	6,416	\$4,560	\$29,256
Tuition Assistance	766	\$2,566	\$1,965	672	\$2,738	\$1,838
Licensing and Certification Tests	3,240	\$894	\$2,897	3,756	\$954	\$3,584
National Exams	185	\$393	\$73	206	\$419	\$86
VR&E Total (Chapter 31)^{4/}	95,571	\$17,180	\$1,641,900	115,463	\$16,695	\$1,927,655
Subsistence Allowance	93,037	\$7,765	\$722,465	111,994	\$6,674	\$747,481
Books, Tuition, Supplies, Fees, etc.	2,534	\$9,518	\$909,693	3,469	\$10,136	\$1,170,382
Work-Study	2,050	\$4,752	\$9,742	2,214	\$4,423	\$9,793
Special Assistance Total			\$254,940			\$315,406
Specially Adapted Housing Grants	2,726	\$49,572	\$135,132	3,163	\$47,554	\$150,416
Automobile Grants	1,097	\$23,299	\$25,559	2,665	\$22,411	\$59,719
Adaptive Equipment	3,219	\$29,279	\$94,249	3,610	\$29,160	\$105,272
Indirect Benefits Total			\$46,035			\$52,042
Chapter 36	4,645	\$1,292	\$6,000	4,645	\$1,292	\$6,000
State Approving Agencies	-	-	\$26,272	-	-	\$28,909
Reporting Fees	-	-	\$13,156	-	-	\$15,919
Specially Adapted Housing Tech Grants	2	\$198,662	\$397	5	\$200,000	\$1,000
Reimbursement to GOE	-	-	\$210	-	-	\$214

1/ Education workload is not a count of unique individuals; trainees switching education programs are counted in each program they trained in during the year. Workload is the sum of chapters, not miscellaneous education benefits such as work-study.

2/ Chapter 33 trainees are listed by the subset of total trainees receiving each payment type. Most trainees receive more than one payment type.

3/ Other chapter 33 benefits include payments for rural benefits, refund of MGIB contributions, tutorial assistance, on-the-job training, and apprenticeship.

4/ Chapter 31 trainees total does not include chapter 31 work-study caseload.

Summary of Readjustment Benefit Requirements (cont.)
(obligations in thousands)

	2025			2026		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
Education Total ^{1/}	981,228	\$13,703	\$13,445,370	1,023,924	\$14,138	\$14,476,466
Chapter 33 ^{2/}	595,737	\$17,646	\$10,512,230	602,124	\$18,677	\$11,246,010
Tuition and Fees	514,734	\$9,126	\$4,697,417	520,252	\$9,740	\$5,067,285
Housing	547,466	\$9,441	\$5,168,646	553,336	\$9,952	\$5,506,908
Books and Supplies	536,946	\$645	\$346,483	542,702	\$646	\$350,337
Yellow Ribbon	33,169	\$5,561	\$184,442	33,525	\$5,933	\$198,900
DoD Kickers	24,645	\$1,993	\$49,118	24,910	\$2,101	\$52,347
STEM Scholarship	3,765	\$11,663	\$43,911	3,719	\$12,444	\$46,282
Other ^{3/}	-	-	\$22,213	-	-	\$23,950
Chapter 35	328,432	\$7,947	\$2,609,999	365,437	\$7,919	\$2,893,787
Sons and Daughters	271,474	\$8,158	\$2,214,746	305,930	\$8,111	\$2,481,547
Spouses and Widows (ers)	56,957	\$6,939	\$395,253	59,507	\$6,926	\$412,240
Chapter 30	16,641	\$9,335	\$155,340	16,364	\$9,938	\$162,629
Reservists (1606)	40,419	\$2,620	\$126,218	40,000	\$2,883	\$127,795
VET TEC	-	-	-	-	-	-
VRRAP	-	-	\$200	-	-	\$200
Work-Study	6,901	\$5,030	\$34,709	7,221	\$5,301	\$38,281
Tuition Assistance	657	\$3,020	\$1,985	643	\$3,183	\$2,048
Licensing and Certification Tests	4,354	\$1,052	\$4,582	5,047	\$1,109	\$5,598
National Exams	230	\$462	\$106	242	\$487	\$118
VR&E Total (Chapter 31)^{4/}	134,580	\$17,890	\$2,407,674	154,523	\$18,928	\$2,924,850
Subsistence Allowance	130,542	\$7,191	\$938,778	149,887	\$7,508	\$1,125,390
Books, Tuition, Supplies, Fees, etc.	4,039	\$10,820	\$1,456,180	4,636	\$11,546	\$1,784,072
Work-Study	2,606	\$4,879	\$12,716	2,993	\$5,142	\$15,389
Special Assistance Total			\$332,140			\$344,000
Specially Adapted Housing Grants	3,328	\$49,299	\$164,083	3,419	\$51,760	\$176,983
Automobile Grants	2,678	\$22,882	\$61,281	2,653	\$23,351	\$61,954
Adaptive Equipment	3,570	\$29,911	\$106,775	3,430	\$30,631	\$105,063
Indirect Benefits Total			\$53,143			\$54,840
Chapter 36	4,645	\$1,292	\$6,000	4,645	\$1,292	\$6,000
State Approving Agencies	-	-	\$29,718	-	-	\$30,402
Reporting Fees	-	-	\$17,206	-	-	\$18,215
Specially Adapted Housing Tech Grants	-	-	-	-	-	-
Reimbursement to GOE	-	-	\$218	-	-	\$223

1/ Education workload is not a count of unique individuals; trainees switching education programs are counted in each program they trained in during the year. Workload is the sum of chapters, not miscellaneous education benefits such as work-study.

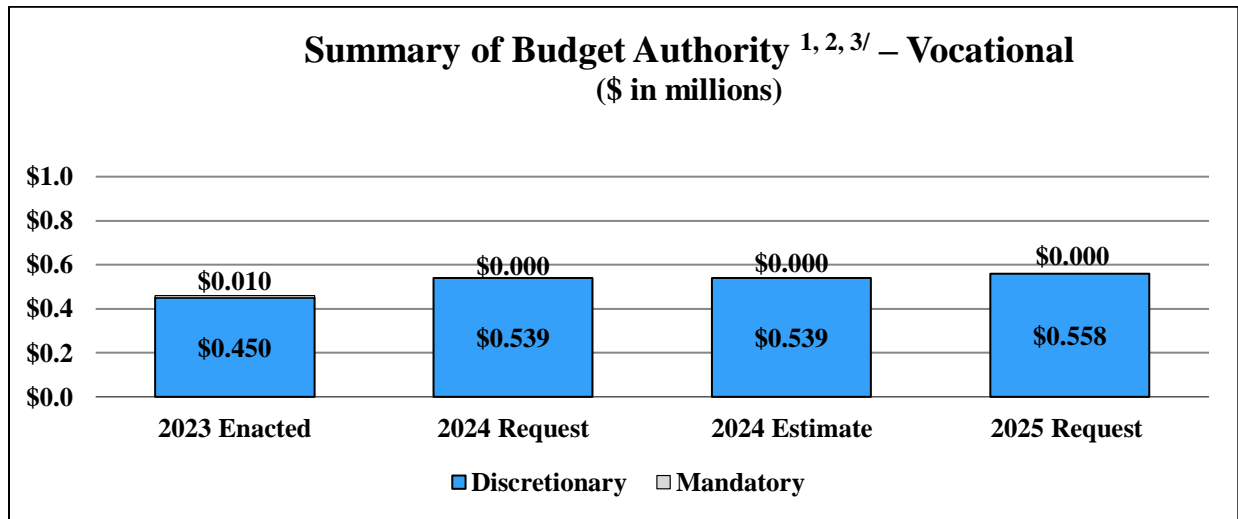
2/ Chapter 33 trainees are listed by the subset of total trainees receiving each payment type. Most trainees receive more than one payment type.

3/ Other chapter 33 benefits include payments for rural benefits, refund of MGIB contributions, tutorial assistance, on-the-job training and apprenticeship.

4/ Chapter 31 trainees total does not include chapter 31 work-study caseload.



Vocational Rehabilitation Loan Program



Notes:

1/ Discretionary budget authority supports loan administrative and subsidy costs.

2/ Mandatory budget authority for credit subsidy reestimates is excluded from the 2024-2025 Requests based on Office of Management and Budget Circular No. A-11, Section 185.

3/ Mandatory budget authority for credit subsidy reestimates is included in the 2023 Enacted and 2024 Estimate based on the Circular No. A-11, Section 185.

4/ A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 Estimate reflects the 2024 President’s Budget request for discretionary appropriations with updates to balances, recoveries, and collections.

Appropriation Language

For the cost of direct loans, \$64,431 as authorized by 38 U.S.C. Ch. 31: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974; Provided further, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$1,563,660.

In addition, for administrative expenses necessary to carry out the direct loan program, \$493,868, which may be paid to the appropriation for “General Operating Expenses, Veterans Benefits Administration.”

Summary of Net 2024 Estimate and 2025 Request (\$ in thousands)			
	2024 Estimate	2025 Request	Increase (+) Decrease (-)
Program Account:			
Budget Authority, Discretionary	\$539	\$558	+\$19
Budget Authority, Mandatory	\$27	\$0	-\$27
Outlays	\$566	\$558	-\$7
Direct Loan Financing Account:			
Financing Authority	\$425	-\$265	-\$690
Financing Disbursements	\$425	-\$265	-\$690

Summary of the 2025 President’s Budget Request

The discretionary appropriation request of \$558,299 includes \$64,431 for subsidy costs and \$493,868 for reimbursement to the Veterans Benefits Administration (VBA) General Operating Expenses (GOE) appropriation to support an estimated \$1,563,660 in direct loan obligations in 2025.

Program Description

Pursuant to 38 U.S.C. § 3112(b)(1), up to \$1,530 in no-interest direct loans are available to veterans with service-connected disabilities who participate in the Veteran Readiness and Employment Program (VR&E)¹³. The loan maximum is twice the amount of indexed full-time subsistence allowance for a Veteran without dependents¹⁴. Note that 38 CFR 21.274(d)(iii) limits the loan amount to twice the monthly subsistence allowance for a veteran without dependents in full time institutional training and 38 CFR 21.274(e)(2) states loans will be made in multiples of \$10 (since VBA cannot exceed twice the full-time rate, that is why VBA rounds down to the nearest \$10). Upon approval by VR&E counselors, the loan provides veteran participants with the resources necessary to start, continue, or reenter Vocational Rehabilitation training if an unforeseen hardship occurs.

These loans help ensure the success of the Department’s investment in veterans participating in Vocational Rehabilitation training, which averaged approximately \$1,303 per participant in 2023. Repayment of the loans are made in monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, or educational assistance allowance, ensuring that loans are fully repaid. The rate of repayment may not be less than 10% of the amount advanced unless the monthly benefit being used for repayment is less than 10% of the loan amount. That ensures most of the loans disbursed are repaid within ten months. In the rare instance the monthly benefits payment is less than 10% of the advanced amount, the repayment period may be extended. As a result, minimal loan defaults are expected. However, should a loan default, it will be referred to the Debt Management Center (DMC) for collection. More information regarding the DMC can be found in the Office of Management and Franchise Fund Enterprise Centers chapters within Part 5 of Volume 3.

¹³ [87 FR 8740](#), effective February 16, 2022, amended the program name from “Vocational Rehabilitation and Employment”.

¹⁴ Subsistence Rates are as of October 1, 2023: [VR&E Fiscal Year 2024 Subsistence Rates - Veteran Readiness and Employment \(VR&E\) \(va.gov\)](#)

Federal Credit Reform

The Federal Credit Reform Act of 1990 (P.L. 101-508) changed the accounting for Federal direct and loan guarantees programs to measure their costs and make them consistent with comparable non-credit programs. To accomplish this objective, the program is managed using the Credit Program Account, which outlays appropriations to pay for the administrative and subsidy costs and the non-budgetary Direct Loan Financing Account, which holds balances, receives the cost payment from the credit program account, and also includes all other cash flows to and from the Government resulting from direct loan obligations made on or after October 1, 1991.

Credit Program Account – On-Budget

VA requests appropriations for loan subsidy payments and administrative expenses through the Credit Program Account. The program administrative expenses are reimbursed to the VBA GOE appropriation account.

Summary of Appropriations Highlights – Program Account					
(\$ in thousands)					
	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Obligations					
Direct loan subsidy	\$4	\$78	\$78	\$64	-\$14
Upward Reestimates	\$10	\$0	\$26	\$0	-\$26
Interest on Reestimates	\$0	\$0	\$1	\$0	-\$1
Administrative expenses	\$446	\$461	\$461	\$494	+\$33
Total obligations	\$460	\$539	\$566	\$558	-\$7
Unobligated Balance:					
Start of year	\$5	\$5	\$5	\$5	\$0
End of year	\$5	\$5	\$5	\$5	\$0
Budget authority (net)	\$460	\$539	\$566	\$558	-\$7
Obligated Balance:					
Start of year	\$0	\$0	\$0	\$0	\$0
End of year	\$0	\$0	\$0	\$0	\$0
Outlays (net)	\$460	\$539	\$566	\$558	-\$7
Workload:					
Number of loans established	443	1,559	1,559	1,000	-\$559
Average loan amount	\$1	\$1	\$1	\$2	+\$1
Total Loan Amount	\$577	\$2,026	\$2,026	\$1,564	-\$462
Loan subsidy rate	0.76%	3.87%	3.87%	4.12%	0.25%
FTE:					
Veterans Benefits Administration	3	3	3	3	0

Note: The dollar amounts may not add due to rounding in this and subsequent tables.

Detail of Budget Request

The subsidy rate is estimated to be 4.12% for new loans in 2025. These loans are not expected to default because they are repaid from other VBA benefits payments to the borrowers. The loan subsidy rate supports the disbursement of an estimated 1,000 new loans with an average loan size of

\$1,564 and a value of \$1,563,660 for a subsidy cost of \$64,431. VBA requests \$493,868 for the three full-time equivalent (FTE) employees (to include non-pay inflation rates) funded by the FCRA loan administration request. The request ensures that VBA can rapidly disburse loans to veterans in need.

Changes from Original 2024 Budget Estimate

The current 2024 budget authority estimate against the Credit Program Account is \$566,000, a \$27,000 increase from the original 2024 budget request.

Analysis of Increases and Decreases – Outlays		
(\$ in thousands)		
	2024 Estimate	2025 Request
Prior year outlays (net)	\$460	\$566
Increases (+) and Decreases (-)		
Loan Subsidy	\$74	-\$14
Upward Reestimates	\$16	-\$27
Administrative expense	\$15	+\$33
Change in obligated balance/other	\$0	\$0
Net Change	\$105	-\$7
Estimated Outlays (net)	\$566	\$558

The 2024 net outlays are projected to increase by \$105,000 primarily due to a \$74,000 increase in direct loan subsidy. The loan subsidy rate is 3.87%, an increase of 311 basis points from the 2023 subsidy rate. The subsidy rate will support an estimated 1,559 loans totaling \$2.0 million with an average disbursement of \$1,300.

The 2025 net outlays are projected to decrease by \$7,000 due the combined increase of \$33,000 in administrative expense offset against \$14,000 in loan subsidy and \$27,000 in upward reestimates. The loan subsidy rate estimate is 4.12%, an increase of 25 basis points over the 2024 rate. The loan subsidy rate will support an estimated 1,000 loans totaling \$1,563,660 with an average disbursement of \$1,564. This is an interest-free, risk-free, short-term direct loan program with a term of less than 12 months. The average loan amount is automatically repaid from other Government spending on the Veteran. The subsidy rates rise is because of the discount rates rise. Discount rates and subsidy rates have a direct relationship. The upward subsidy reestimates of 2025 will be calculated during the formulation of the 2026 President’s Budget.

Direct Loan Financing Account – Off-Budget

The direct loan financing account is a non-budgetary account that records all financial transactions primarily consisting of collections and outlays associated with direct loan originations. The account is used primarily for the tracking of activity in each loan cohort year (loans are grouped by the fiscal year of loan obligations) and is not included in the budget totals when calculating the federal budget surplus or deficit.

Financial Summary (\$ in thousands)					
	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Obligations:					
Direct loans	\$577	\$2,026	\$2,026	\$1,564	-\$462
Downward Reestimates	\$8	\$0	\$0	\$0	\$0
Interest on Downward Reestimates	\$8	\$0	\$27	\$0	-\$27
Interest on Treasury borrowing	\$6	\$0	\$0	\$0	\$0
Total obligations	\$600	\$2,026	\$2,053	\$1,564	-\$490
Unobligated Balance:					
Start of year	\$400	\$0	\$153	\$0	-\$153
End of year	\$300	\$0	\$0	\$0	\$0
Obligated Balance:					
Start of year	\$1	\$1	\$4	\$4	\$0
End of year	\$4	\$1	\$4	\$4	\$0
Offsetting Collections:					
Loan Repayments	\$626	\$1,592	\$1,507	\$1,749	+\$242
Interest on Uninvested Funds	\$10	\$20	\$16	\$15	-\$1
Payments from Program Account	\$4	\$78	\$78	\$64	-\$14
Upward Reestimates	\$10	\$0	\$27	\$0	-\$27
Other	\$1	\$0	\$0	\$0	\$0
Total offsetting collections	\$652	\$1,690	\$1,628	\$1,829	+\$201
Financing:					
Financing authority, net	-\$200	\$336	\$425	-\$265	-\$690
Financing disbursements, net	-\$55	\$336	\$425	-\$265	-\$690

Summary of Off-Budget Financing Account

Direct loan obligations are estimated to be \$1,563,660 in 2025, a decrease of \$462,000 from the 2024 level. The decrease in the loan level is a function of the 1,000 estimated loan disbursements, given historical data and the outlook for loan demand.

Offsetting collections in 2025 are estimated to be \$1.8 million, an increase of \$201,000 from the 2024 level. This is primarily due to an increase of \$242,000 in loan repayments.

Analysis of Increases and Decreases – Financing Disbursements		
(\$ in thousands)		
	2024 Estimate	2025 Request
Prior year Financing Disbursement (net)	-\$55	\$425
Increases (+) and Decreases (-)		
Obligations:		
Direct Loans	+\$1,449	-\$462
Downward Reestimates	+\$11	-\$27
Interest on Treasury Borrowing	-\$6	\$0
Subtotal Obligations	\$1,454	-\$490
Offsetting collections		
Loan Repayments	-\$881	-\$242
Interest on Uninvested Funds	-\$6	+\$1
Payments from Program Account	-\$74	+\$14
Upward Reestimates	-\$16	+\$27
Change in Obligated Balance/Other	+\$4	\$0
Subtotal Offsetting Collections	-\$973	-\$201
Net Change	+\$480	-\$690
Estimated Financing Disbursement (net)	+\$425	-\$265

The 2024 net financing disbursements are estimated to increase by \$480,000. This is primarily due to an increase in direct loan obligations of \$1.5 million and offsetting collections of \$1 million.

The 2025 net financing disbursements are estimated to decrease by \$690,000, primarily due to a decrease in obligations of \$490,000 offset by \$201,000 in offsetting collections.



Post-Vietnam Era Veterans' Education Account

Program Description

Pursuant to 38 U.S.C. Ch. 32, the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) is a voluntary contribution and matching program established under the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94-502). To be eligible, an individual must have initially entered active duty on or after January 1, 1977, and before July 1, 1985; enrolled and contributed before April 1, 1987; and served continuously for more than 180 days. Individuals on active duty could enroll and contribute between \$25 and \$100 per month up to a total of \$2,700. Individuals on active duty could make a lump-sum contribution at any time before their discharge or release if they had not yet contributed \$2,700. The Government matches contributions on a 2-for-1 basis, but may make additional contributions, or "kickers," on behalf of individuals in critical military fields, as determined by the Department of Defense (DoD), to encourage individuals to enlist or reenlist. VEAP participants who disenroll from the program may request a refund of prior contributions. Participants have 10 years from release of active duty to use VEAP benefits, and contributions are automatically refunded after that period.

The Educational Assistance Program for Persons Enlisting for Active Duty authorized in the Department of Defense Authorization Act of 1981 (P.L. 96-342) § 901, is a non-contributory program in which individuals or eligible dependents may receive educational assistance and subsistence allowance while training at accredited educational institutions. The program is funded by DoD and codified in 10 U.S.C. Ch. 106A.

The Educational Assistance Pilot Program, authorized in P.L. 96-342 § 903, is a non-contributory modified chapter 32 benefit. It differs from the basic chapter 32 program in that the service department makes the individual's monthly contributions, and certain individuals are permitted to transfer the entitlement to their spouses or children. This program is codified in 10 U.S.C. § 2141(a).

VEAP participants have been afforded opportunities to enroll in the Montgomery GI Bill (MGIB):

- P.L. 101-510, the National Defense Authorization Act for Fiscal Year 1991, allowed Service members enrolled or eligible to reenroll in VEAP, who were involuntarily separated from service on or after February 3, 1991, an opportunity to make an irreversible election to receive assistance under the MGIB educational assistance program in lieu of VEAP.
- P.L. 102-484, the National Defense Authorization Act for Fiscal Year 1993, allowed certain Service members who voluntarily separated from the military on or after December 5, 1991, to be eligible for the MGIB program effective October 23, 1992.
- P.L. 104-275, the Veterans Benefits Improvement Act of 1996, provided an opportunity for chapter 32 (and section 903) to enroll in the MGIB program. Under this law, the Service member must have been a VEAP participant on October 9, 1996, and made a permanent election to become eligible for the MGIB program. Individuals who elected to disenroll from

VEAP paid \$1,200 into the Department of Treasury’s GI Bill receipt account to establish eligibility under the MGIB program.

Post-Vietnam Era Veterans’ Education Program Fund Highlights and Caseload Summary (\$ in thousands)					
	2023	2024		2025	Increase (+) Decrease (-)
	Actual	Budget Estimate	Current Estimate	Estimate	
Obligations:					
Disenrollments	\$2,156	\$4,027	\$1,617	\$809	-\$808
Budget Authority (trust fund, indefinite)	\$0	\$0	\$0	\$0	\$0
Outlays	\$2,220	\$3,842	\$1,542	\$805	-\$737
Unobligated balance:					
Start of year	\$52,288	\$44,233	\$50,132	\$48,515	-\$1,617
End of year	\$50,132	\$40,205	\$48,515	\$47,706	-\$809
Caseload/Participants					
Disenrollments	3,631	6,256	2,723	1,362	-1,361
Participants, end of year	96,531	80,145	93,808	92,446	-1,362
Average Payments (whole dollars)					
Disenrollments	\$594	\$644	\$594	\$594	\$0

Note: Dollars may not add due to rounding in this and subsequent charts.

Summary of Budget Request

No appropriation action by Congress is required. Budget authority, consisting of transfers from DoD and deposits from participating Service members, are available as permanent and indefinite authority. VA currently estimates that the unobligated balance carried forward from prior years will provide sufficient funding for VEAP through 2025. VA does not anticipate receiving additional deposits from participating Service members or transfers from DoD. Therefore, no additional budget authority is identified in this request to fund the estimated obligations of \$808,709 for 1,362 disenrollment refunds in 2025.

Changes from the Original 2024 Estimate

Current estimated obligations for 2024 decreased by \$2.4 million from the original estimate due to a decrease in the number of disenrollment refunds (2,723 vs. 6,256). The decrease in refunds is due to an anticipated decrease in the number of disenrollments for unused contributions.

Post-Vietnam Era Veterans' Education Program Analysis of Increases and Decreases (\$ in thousands)		
	2024 Estimate	2025 Estimate
Prior year obligations	\$2,156	\$1,617
Disenrollments	-\$539	-\$808
Net change	-\$539	-\$808
Estimated obligations	\$1,617	\$809

Analysis of Increases and Decreases

In 2025, obligations are projected to be \$808,709, a decrease of \$808,115 from the 2024 level of \$1.6 million. Disenrollment obligations (refunds) are projected to decrease due to fewer participants disenrolling (1,362 vs. 2,723). The number of participants will continue to decrease because the program is closed to new enrollments, and eligibility is restricted to persons who first entered active duty prior to July 1, 1985.

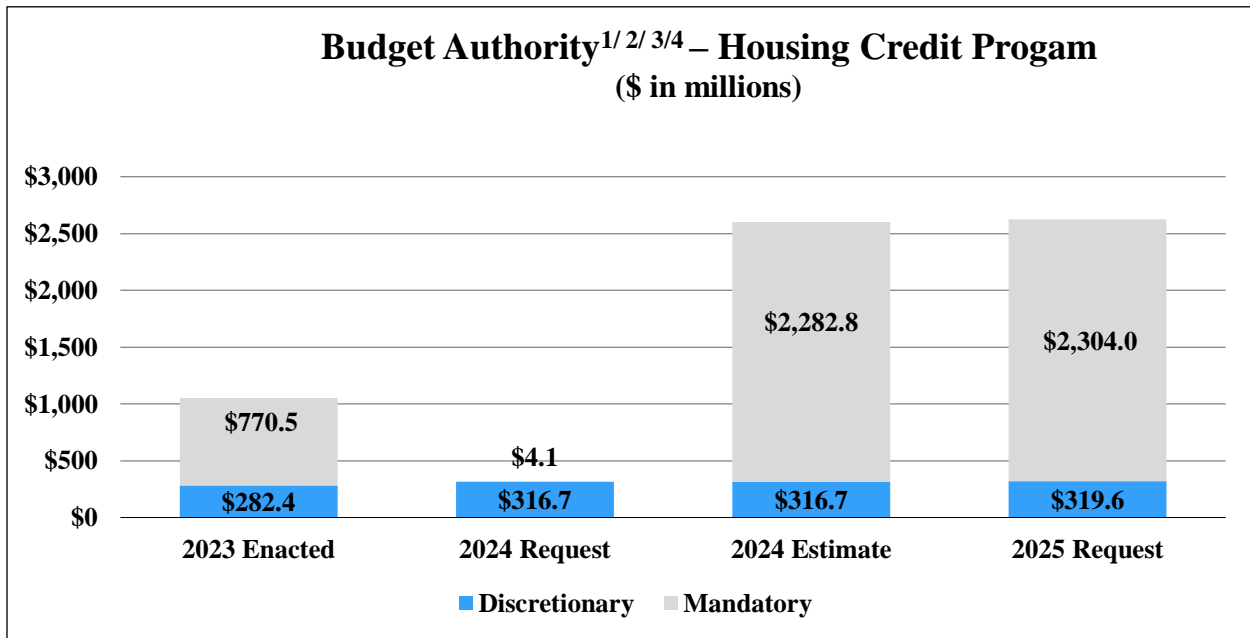
Program Highlights

Since 2018, no one has used VEAP as an education benefit, and VA has only issued refunds to Veterans who never used the benefit. For budget purposes, VA anticipates no one will use VEAP as an education benefit in the future. During 2025, 1,362 participants are expected to disenroll from this program and receive \$808,709 in refunds.

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Veterans Housing Loan Program



Notes:

- 1/ Discretionary budget authority supports loan administration spending.
- 2/ Mandatory budget authority for credit subsidy reestimates is excluded from the 2024-2025 Requests based on the Office of Management and Budget Circular No. A-11, Section 185.
- 3/ Mandatory budget authority for credit subsidy reestimates is included in the 2023 Actual and 2024 Estimate based on the Circular No. A-11, Section 185.
- 4/ A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 Request reflects the 2024 President’s Budget request for discretionary appropriations, with updates to mandatory appropriation estimates, balances, recoveries, and collections in the 2024 Estimate column.

Appropriations Language

For the cost of direct loans and loan guarantees, such sums as may be necessary to carry out the program, as authorized in 38 U.S.C. Ch. 37, subchapters I through III: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That during fiscal year 2025, within the resources available, not to exceed \$500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$319,596,460.

Housing Programs
Summary of Appropriation Highlights
(\$ in thousands)

	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Obligations:					
Liquidating Account	\$436	\$288	\$215	\$177	-\$38
Credit Program Account	\$1,018,966	\$320,866	\$2,599,498	\$2,623,576	\$24,078
Total Obligations	\$1,019,402	\$321,154	\$2,599,712	\$2,623,753	\$24,040
Budget Authority:					
Mandatory, Credit Program Account	\$770,515	\$4,123	\$2,282,755	\$2,303,979	\$21,224
Mandatory, Liquidating Account	-\$3,065	-\$2,559	-\$3,477	-\$2,814	\$663
Discretionary, Credit Program Account	\$282,361	\$316,742	\$316,742	\$319,596	\$2,854
Total Budget Authority (net)	\$1,049,812	\$318,307	\$2,596,020	\$2,620,762	\$24,741
Outlays:					
Liquidating Account	-\$4,083	-\$2,559	-\$2,713	-\$2,814	-\$101
Credit Program Account	\$997,582	\$320,866	\$2,599,498	\$2,623,576	\$24,078
Total Outlays (net)	\$993,499	\$318,307	\$2,596,785	\$2,620,762	\$23,977
Total Loan Guarantee Count	3,781,756	3,932,438	3,903,604	4,025,451	121,847

Note: Mandatory budget authority includes credit subsidy funding to implement new temporary and permanent lending programs for Veterans and VA lenders.

Summary of the 2025 President's Budget Request

The 2025 appropriations request of \$2.6 billion supports discretionary and mandatory spending by the Department of Veterans Affairs (VA) housing credit programs. The mandatory appropriation request of \$2.3 billion will support new mortgage originations of VA's Acquired direct loans for 2025.

The discretionary appropriation request of \$319.6 million will be transferred to other VA accounts to fund administrative expense spending by the Veterans Benefits Administration (VBA), the Office of General Counsel (OGC), and the Office of Information and Technology (OIT).

The Housing liquidating loan account has adequate resources to support obligations because of offsetting collections from loan principal and interest payments. The liquidating loan program spending continues indefinitely.

The Housing loan guarantee program subsidy is the government's cost of guaranteeing loans, net of recoveries, on a net present value basis. For 2025, the program's credit subsidy rate is -0.19% to support 432,764 new loan guarantees for a value of \$155.9 billion and an average loan amount of \$360,265. The Housing loan guarantee program will not require credit subsidy appropriation for 2025.

Housing Program Data Summary (\$ in thousands)

	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Veterans Housing Benefit Programs:					
Loan Guarantees:					
Credit Subsidy Rate	0.08%	-0.03%	-0.03%	-0.19%	-0.16%
Loan Count	386,045	553,417	411,029	432,764	21,735
Loan Amount	\$139,444,470	\$179,568,648	\$145,175,662	\$155,909,525	\$10,733,863
Average Loan Amount (\$s)	\$361,213	\$324,473	\$353,201	\$360,265	\$7,064
Loan Sales Securities:					
Credit Subsidy Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Vendee Direct Loans Sold:					
Loan Count	0	0	0	0	0
Loan Amount	\$0	\$0	\$0	\$0	\$0
Average Loan Amount (\$s)	\$0	\$0	\$0	\$0	\$0
Net proceeds from sale	\$0	\$0	\$0	\$0	\$0
Direct Loans:					
Acquired Loans:					
Credit Subsidy Rate	0%*	11.99%	11.99%	24.70%	12.70%
Loan Count	0	94	16,009	25,450	9,441
Loan Amount	\$0	\$34,386	\$5,742,245	\$9,329,412	\$3,587,167
Average Loan Amount (\$s)	\$0	\$367,295	\$358,690	\$366,581	\$7,891
Vendee Loans:					
Credit Subsidy Rate	-26.29%	-27.93%	-27.93%	-28.97%	-1.05%
Loan Count	44	1,421	193	935	743
Loan Amount	\$14,527	\$371,532	\$64,716	\$321,019	\$256,303
Average Loan Amount (\$s)	\$330,157	\$261,371	\$335,774	\$343,162	\$7,388

*There were no actual acquired direct loans in 2024.

The Housing loan sales securities program credit subsidy is the government's cost of guaranteeing loan sales, net of recoveries, on a net present value basis. For 2025, VA will not require credit subsidy appropriations because the program does not expect to issue any new loan sales securities guarantees.

The direct loan programs consist of the Housing Acquired and Vendee loan programs. VA uses the Acquired loan program in combination with the loan guarantee program to purchase nonperforming home loan mortgages from VA lenders while simultaneously establishing Acquired direct loan mortgages with Veteran borrowers. VA uses the Vendee direct loan program to finance the sale of VA-owned foreclosed homes to buyers of the foreclosed homes.

For 2025, the Acquired loan program subsidy rate is estimated to be 24.70% to fund 25,450 new direct loans with a value of \$9.3 billion and an average loan amount of \$366,581. For 2025, the Vendee loan program subsidy rate is estimated to be -28.97% to fund 935 new direct loans with a value of \$321.0 million and an average loan amount of \$343,162. The Acquired and Vendee

direct loan program credit subsidy rates are driven by the budget interest rate assumptions for mortgage rates. The Acquired direct loan program will need credit subsidy appropriation for new loans. The Vendee direct loan program will not need credit subsidy appropriation for new loans.

The Housing Transitional loan guarantee program subsidy is the estimated net present value cost to the government of its guarantee the direct loan disbursed in 2005. In 2012, VA stopped using this loan program to guarantee any new direct loans funded by the Federal Financing Bank (FFB). Thus, the program will not require any future new credit subsidy appropriation.

Federal Credit Reform

The Federal Credit Reform Act of 1990 (P.L. 101-508) changed the accounting for Federal credit programs to measure their costs more accurately and to make them consistent with and comparable to non-credit transactions. The intent of credit reform is to separate subsidy costs, the cost to the government, from the non-subsidized cash flows of credit transactions and to focus on the former for budgeting and analysis. To accomplish this objective, the VA Housing loan program comprises six accounts: Credit Program Account, Loan Guarantee Financing Account, Direct Loan Financing Account, Loan Guarantee Sales Securities Financing Account, Liquidating Account, and Housing Transitional Loan Guarantee Financing Account.

Credit Reform Accounts Descriptions

Credit Program Account – On-Budget:

The Credit Program Account records the loan subsidy costs of the government that are associated with direct loans obligated and loan guarantees committed since 1992 and their related administrative expenses of the VA housing loan programs. The subsidy costs are calculated on a net present value basis. All administrative expenses are estimated on a cash basis.

Loan Guarantee Financing Account – Off-Budget:

The Loan Guarantee Financing Account (LGFA) is a non-budgetary account that records all financial transactions to and from the government resulting from loan guarantees, committed since 1992 (including loan guarantee modifications by VA). Its primary purpose is financial tracking of each cohort year's loan activity and is not included in federal budget totals.

Direct Loan Financing Account – Off-Budget:

The Direct Loan Financing Account (DLFA) is a non-budgetary account that records all financial transactions to and from the government resulting from direct loans obligated since 1992. The DLFA primarily tracks each cohort year's loan activity (principal and interest payments, Treasury borrowing, interest paid to or received from Treasury, etc.) and is not included in the budget totals when calculating the Federal budget surplus or deficit. In 2007, the DLFA began executing two distinct sub-accounts for newly acquired and vendee direct loans after 2006.

Loan Guarantee Sales Securities Financing Account – Off-Budget:

The Loan Guarantee Sales Securities Account (LSSA) was established in 1999 to record transactions from the guarantee of Vendee loans sold under the Vendee Mortgage Trust (VMT) Securitization Program. Like the DLFA and LGFA, this account's primary purpose is the financial

tracking of each cohort year's loan sale activity and is not included in budget totals when calculating total government spending.

Liquidating Account – On-Budget:

The Liquidating Account records all cash flows to and from the government resulting from VA direct loan obligations and loan guarantee commitments before 1992. This account is shown on a cash basis. All new VA Acquired and Vendee direct loan obligations in 1992 and after are recorded in the DLFA. All new VA loan guarantee commitments in 1992 and after are recorded in the LGFA.

Housing Transitional Loan Guarantee Financing Account – Off-Budget:

The Housing Transitional Loan Guarantee Loan Financing Account is a non-budgetary account that records all financial transactions to and from the government resulting from direct loan obligations. The account tracks one loan that was 100% guaranteed by VA and funded by the FFB. Because of this, for budgetary and financial reporting purposes, the loan is treated as a debt of VA and all its transactions are accounted for as a direct loan program.

Program Description

VA's housing loan programs help eligible Veterans, Service members, surviving spouses, and members of the Reserves and National Guard purchase and retain homes and refinance mortgages in recognition of their service to the Nation. When a borrower purchases a home or refinances a home loan mortgage, the program operates by effectively substituting the Federal Government's guarantee for a down payment that might otherwise be required.

Under 38 U.S.C. § 3703, the guaranteed amount for a borrower with full entitlement (first-time users of the program or users whose entitlement is fully restored) is as follows:

- 50% for loans of \$45,000 or less,
- \$22,500 for loans greater than \$45,000, but no more than \$56,250,
- The lesser of \$36,000 or 40% of the loan amount for loans greater than \$56,250, but not more than \$144,000, or
- 25% of the loan amount for loans greater than \$144,000.

VA housing programs aim to help Veterans retain their homes and reduce the likelihood of foreclosure. VA and loan servicers take aggressive intervention actions when loans are more than 60 days in default. The benefits of assisting borrowers in default include Veterans retaining their homes and minimizing damages to their credit ratings, as well as cost savings to the government because of costs not expended for claims due to foreclosures.

VA charges upfront loan funding fees according to the fee structure authorized in 38 U.S.C. § 3729. The statutory funding fee rates are stipulated in the included loan fee structure table. A person who pays a fee for a loan guaranteed or insured after December 31, 1989, or who is exempt from payment of the fee, will have no liability to VA for any loss resulting from default except in the case of fraud, misrepresentation, or bad faith. This exemption does not apply to manufactured homes under section 3712 or to assumption of an existing loan.

Loan Fee Structure for VA-Loan Guarantees		
	Veterans	Reservists
First Time Use		
Down Payment		
Less than 5%		
- October 1, 2004, until January 1, 2020	2.15%	2.40%
- January 1, 2020, through April 7, 2023	2.30%	2.30%
- April 7, 2023, through November 15, 2031	2.15%	2.15%
- On or after November 15, 2031	1.40%	1.40%
At least 5% but less than 10%		
- October 1, 2004, until January 1, 2020	1.50%	1.75%
- January 1, 2020, through April 7, 2023	1.65%	1.65%
- April 7, 2023, through November 15, 2031	1.50%	1.50%
- On or after November 15, 2031	0.75%	0.75%
10% or more		
- October 1, 2004, until January 1, 2020	1.25%	1.50%
- January 1, 2020, through April 7, 2023	1.45%	1.45%
- April 7, 2023, through November 15, 2031	1.25%	1.25%
- On or after November 15, 2031	0.50%	0.50%
Second and Subsequent Use		
Down Payment		
Less than 5%		
- October 1, 2004, until January 1, 2020	3.30%	3.30%
- January 1, 2020, through April 7, 2023	3.60%	3.60%
- April 7, 2023, through November 15, 2031	3.30%	3.30%
- On or after November 15, 2031	1.25%	1.25%
At least 5% but less than 10%		
- October 1, 2004, until January 1, 2020	1.50%	1.75%
- January 1, 2020, through April 7, 2023	1.65%	1.65%
- April 7, 2023, through November 15, 2031	1.50%	1.50%
- On or after November 15, 2031	0.75%	0.75%
10% or more		
- October 1, 2004, until January 1, 2020	1.25%	1.50%
- January 1, 2020, through April 7, 2023	1.40%	1.40%
- April 7, 2023, through November 15, 2031	1.25%	1.25%
- On or after November 15, 2031	0.50%	0.50%
Refinancing Loans		
Interest Rate Reduction	0.50%	0.50%
Other		
Assumptions (loan transfer to new borrower with securing property sale)	0.50%	0.50%
Service-connected Veterans	0.00%	0.00%

Note: Cash-Out Refinance and Subsequent Use funding fee rates are assigned the less than 5% Down Payment funding fee rates.

Service-connected Veterans are in-receipt of or eligible for service-connected disability compensation.

Loan guarantee borrowers can finance any loan guarantee funding fees at the mortgage rates for 30-year fixed-rate mortgages during the issuance of the loan guarantee commitments. Some borrowers can finance any loan guarantee funding fees at adjustable interest rate averages as adjustable-rate mortgages (ARMs) or hybrid adjustable-rate mortgages (HARMs) during the origination of the loan

guarantee commitments. The mortgage rates are based on the market interest rates for residential mortgages.

Eligible direct loan borrowers are not required to make loan down payments nor to pay market interest rates. Direct loans have no loan size limits. Any VA borrower, who can be a Veteran, Service member, Surviving Spouse, or property buyer, pays a funding fee rate of 2.25% of the direct loan amount unless exempt due to receipt of service-connected disability compensation, in accordance 38 U.S.C. Ch. 37, § 3729(b)(2)(J), Loan Fee Table, and § 3729(c), Waiver of Fee. Housing loan guarantee and direct loan programs are supervised by VA and are administered by VA contractors.

Multiple laws have further altered the housing credit programs:

- The Veterans' Benefits Act of 2010 (P.L. 111-275), § 204 and 802, provided VA with new housing program authority. Section 204 allows the housing programs to waive housing loan fees for certain Veterans with service-connected disabilities called to active service and who were receiving active duty pay in lieu of VA compensation. Section 802 allows the housing program the option to purchase a VA-guaranteed loan that is modified under bankruptcy proceedings.
- The Restoring GI Bill Fairness Act of 2011 (P.L. 112-26) set the loan guarantee funding fee rate for subsequent loans at 2.8% for such loans closed in fiscal year 2012 only. P.L. 112-56, § 265, enacted in November 2011, superseded P.L. 112-26 and extended 2011 loan guarantee funding fee rates from November 22, 2011, through September 30, 2016. The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154), § 702(b), extended the funding fee rates through September 30, 2017; and three subsequent laws further extended the funding fee rates.¹⁵
- The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154), § 702(c), reinstated the method VA used to calculate the maximum guaranteed amount that expired on December 31, 2011. This reinstatement of the method to calculate maximum guarantee amount was effective August 6, 2012, through December 31, 2014.
- The Blue Water Navy Vietnam Veterans Act of 2019 (P.L. 116-23), § 6, amended 38 U.S.C. § 3703(a)(1) by removing the guaranteed loan limit for loans greater than \$144,000 for Veterans with full guaranteed entitlement available, thereby enabling such Veterans to obtain a zero down-payment loan with a 25% VA guaranty (25% of the loan amount) when they live in a high-cost area. That is, essentially the guaranteed limits for the VA loan (i.e., the limitations based upon the Freddie Mac Conforming Loan Limit) were eliminated for primary residences. In previous years, borrowers were required to make down payments if they obtained loans above the limits.
- The Blue Water Navy Vietnam Veterans Act of 2019 (P.L. 116-23), § 6(b), made several changes to the loan fee table, including temporarily increasing certain categories of loans – not including interest rate reduction refinancing loans (IRRRLs), assumptions, and direct loans – ranging from 0.15-0.30 %, effective January 1, 2020, through December 31, 2021; eliminating any difference in funding fee rates between Reservist borrowers

¹⁵ The Veterans Access, Choice and Accountability Act of 2014 (P.L. 113-146), section 704, extended the funding fee rates through September 30, 2024. The VA Choice and Quality Employment Act of 2017 (P.L. 115-46), section 402, extended the funding fee rates through September 30, 2027. The VA MISSION Act (P.L. 115-182), section 508, extended the funding fee rates through September 30, 2028.

- and all other Veteran borrowers, effective January 1, 2020; and lowering funding fee rates for Reservist borrowers after December 31, 2021. Section 6 also increased funding fee rates for one year from October 1, 2028, through September 30, 2029. Section 6(c) added a waiver of fees for Servicemembers on active duty who have received the Purple Heart and provide evidence of such award on or before the date of loan closing.
- The Blue Water Navy Vietnam Veterans Act of 2019 (P.L. 116-23), § 7 amended 38 U.S.C. § 3731(b) by authorizing VA-designated appraisers to rely on third parties for appraisal-related information; this section also authorized VA to issue guidance to implement this section before prescribing new regulations.
 - The Protecting Affordable Mortgages for Veterans Act of 2019 (P.L. 116-33) revised the loan seasoning requirements first outlined in Section 309 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (P.L. 115-174) and found at 38 U.S.C. § 3709(c)(2). P.L. 116-33 clarified that the 210-day seasoning requirement for VA-guaranteed refinance loans should be calculated from the due date of the first payment of the loan being refinanced. It also added a statutory requirement that the borrower have made six *consecutive* monthly payments, rather than just six-monthly payments.
 - The Ryan Kules and Paul Benne Specially Adaptive Housing Improvement Act of 2019 (P.L. 116-154) extended the temporary loan fee increases put in place by P.L. 116-23 through April 6, 2023.
 - The Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), § 2102, amended 38 U.S.C. § 3729(b) to require the Secretary to collect loan fees at the “initial loan” rate, rather than the “subsequent loan” rate, if a Veteran’s dwelling is secured by a guaranteed, insured, or direct loan under chapter 37 and is substantially damaged or destroyed by a Presidentially declared major disaster. The initial loan fee rate will only apply if the Veteran obtains the next VA-guaranteed or VA-made loan within three years of the date on which the dwelling was substantially damaged or destroyed. Section 2103 extended the period during which VA is authorized to collect loan fees through October 1, 2030.
 - The Responsible Education Mitigating Options and Technical Extensions (REMOTE) Act (P.L. 117-76), § 6, adjusts certain loan fees required under 38 U.S.C. § 3729(b) that were scheduled to decrease October 1, 2030. Section 6 delays the decrease approximately three months, until January 14, 2031.
 - The Consolidated Appropriations Act, 2023 (P.L. 117-328), Division U, Title II, § 204, amended 38 U.S.C. § 3729(b)(2) by striking “January 14, 2031,” each place it appeared and inserting “November 14, 2031,” as applicable to the statutory loan guarantee funding fee rates.
 - An act to amend title 38, United States Code, to extend and modify certain authorities and requirements relating to the Department of Veterans Affairs, and for other purposes (P. L. 118–19), substituted "November 15, 2031," for "November 14, 2031," wherever appearing in table.

VA is authorized to make direct loans to severely disabled Veterans in connection with Specially Adapted Housing Grants. The maximum loan amount is \$33,000.

Veterans may also obtain guaranteed loans to buy new or used manufactured homes and to buy or improve lots for placement of manufactured homes. The guaranteed loan amount is the lesser of 40% of the loan amount or \$20,000. A Veteran is charged a funding fee of 1% of the loan amount.

The Housing Transitional Loan Guarantee program was established by the Veterans Benefits Enhancement Act of 1998 (P.L. 105-368). In 2005, the program started as a pilot project with a goal to expand the supply of transitional housing for homeless Veterans by providing up to 15 loans with a maximum aggregate value of \$100 million. The project enforces sobriety standards and provides a wide range of supportive services, such as counseling for substance abuse and job readiness skills.

Housing Liquidating and Program Accounts
Summary of Appropriation Highlights
(\$ in thousands)

	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Liquidating:					
Program Obligations	\$436	\$288	\$215	\$177	-\$38
Unobligated Balance:					
Start of year	\$909	\$0	\$1,062	\$0	-\$1,062
End of year	\$0	\$0	\$0	\$0	\$0
Transfer to General Fund	-\$3,974	-\$2,559	-\$4,539	-\$2,814	\$1,725
Offsetting Collections	\$4,562	\$2,847	\$3,692	\$2,991	-\$701
Budget Authority (net)	-\$3,065	-\$2,559	-\$3,477	-\$2,814	\$663
Change in Obligated Balance:					
Start of year	\$808	\$0	\$764	\$0	-\$764
End of year	\$764	\$0	\$0	\$0	\$0
Outlays (net)	-\$4,083	-\$2,559	-\$2,713	-\$2,814	-\$101
Housing Programs:					
Loan Subsidy Obligations:					
Veterans Housing Loan Guarantees	\$111,556	\$0	\$0	\$0	\$0
Veterans Housing Direct Acquired	\$0	\$4,123	\$688,545	\$2,303,979	\$1,615,434
Veterans Housing Direct Vendee	\$0	\$0	\$0	\$0	\$0
Veterans Housing Transitional Loan	\$0	\$0	\$0	\$0	\$0
Modification in Subsidy:					
Veterans Housing Loans	\$0	\$0	\$1,095,605	\$0	-\$1,095,605
Upward Reestimates interest:					
Veterans Housing Loan Guarantees	\$643,831	\$0	\$478,785	\$0	-\$478,785
Veterans Housing Loan Sales	\$2,699	\$0	\$275	\$0	-\$275
Veterans Housing Acquired Direct	\$10,445	\$0	\$13,708	\$0	-\$13,708
Veterans Housing Vendee Direct	\$1,984	\$0	\$5,837	\$0	-\$5,837
Administrative Expenses:					
Veterans Benefits Administration	\$142,680	\$205,743	\$205,743	\$205,850	\$107
Office of General Counsel	\$4,950	\$5,188	\$5,188	\$6,937	\$1,749
Office of Information Technology	\$100,821	\$105,811	\$105,811	\$106,809	\$997
Obligations	\$1,018,966	\$320,866	\$2,599,498	\$2,623,576	\$24,078
Unobligated Balance:					
Start of year	\$46,403	\$56,434	\$50,793	\$56,434	\$5,641
Other Balances Withdrawn to Treasury	-\$29,520	\$0	\$0	\$0	\$0
End of year	\$50,793	\$56,434	\$56,434	\$56,434	\$0
Budget Authority (net)	\$1,052,877	\$320,866	\$2,605,139	\$2,623,576	\$18,437
Obligated Balance:					
Start of year	\$201,731	\$201,731	\$223,116	\$223,116	\$0
End of year	\$223,116	\$201,731	\$223,116	\$223,116	\$0
Outlays (net)	\$997,582	\$320,866	\$2,599,498	\$2,623,576	\$24,078
Total Obligations	\$1,019,402	\$321,154	\$2,599,712	\$2,623,753	\$24,040
Budget Authority (Housing only):					
Appropriation, Mandatory	\$770,515	\$4,123	\$2,282,755	\$2,303,979	\$21,224
Appropriation, Discretionary	\$282,361	\$316,742	\$316,742	\$319,596	\$2,854
Liquidating Account	-\$3,065	-\$2,559	-\$3,477	-\$2,814	\$663
Budget Authority (Housing only):	\$1,049,812	\$318,307	\$2,596,020	\$2,620,762	\$24,741
Total Outlays (net)	\$993,499	\$318,307	\$2,596,785	\$2,620,762	\$23,977

Notes: VA credit program subsidy costs assume the use of about 30 VA foreclosed houses for disaster relief annually.

The modification in subsidy cost is for spending on incremental 2024 Acquired direct loans because of likely new lending programs, in addition to marginal credit subsidy cost because of incremental Acquired direct loans. These notes to the above and following table.

Housing Liquidating and Program Accounts
Summary of Appropriation Highlights
(\$ in thousands)

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Appropriation, Discretionary	\$282,361	\$316,742	\$316,742	\$319,596	\$2,854
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Budget Authority (Housing only):	\$1,049,812	\$318,307	\$2,596,020	\$2,620,762	\$24,741
Total Outlays (net)	\$993,499	\$318,307	\$2,596,785	\$2,620,762	\$23,977

Detail of Budget Request – On-Budget

For 2025, the liquidating account does not need mandatory appropriation to fund its obligations because sufficient resources are available from the anticipated \$3.0 million in offsetting collections (loan principal and interest payments and home sales proceeds). The obligations are estimated at \$0.2 million, which — when netted against collections — results in a negative budget authority of \$2.8 million. The liquidating account funds all the loan guarantee commitments and direct loan originations prior to 1992.

For 2025, the budget authority of \$2.6 billion is requested to fund credit subsidy of \$2.3 billion and loan administration expenses of \$319.6 million. The funds will be needed to fund VA credit subsidy and administrative spending. No credit subsidy appropriation is requested to fund any new Loan Guarantees, Vendee Loans, Loan Sales Securities, and Housing Transitional Loans.

The credit subsidies for VA credit programs represent the estimated cost to the government of issuing loan guarantees and direct loans. Veterans' housing loans are generally for 30 years, and the credit subsidy rates reflect the cost to the government for that 30-year period. A credit subsidy rate is the present value differences of all cash inflows (fees, down payments, sales of inventory property, and other cash flows) and the cash outflows (claim and acquisition payments, property expenses, and other cash flows) for 30 years. The loan cash inflow and outflow projections are made annually over 30 years for federal loan groups, or cohorts.

Generally, budget credit subsidy appropriation requests equal the product of credit subsidy rates and the associated federal loan obligations. A negative subsidy rate results when the cash inflows exceed the cash outflows for a cohort on a present value basis; thus, government funding in the form of new credit subsidy appropriation is not needed for a negative subsidy rate loan program.

Changes from Original 2024 Budget Estimate

For the Credit Program Account, the 2024 budget authority estimate of \$2.6 billion is an increase \$2.3 billion from the original 2024 budget request of \$320.9 million. The change reflects a mix of credit subsidy and modification in subsidy for the Acquired loan program and updates to subsidy upward reestimates for federal loans as of September 30, 2023. The modification in subsidy cost is associated with a new VA lending policy, starting in 2024.

Housing Liquidating and Program Accounts		
Analysis of Increases and Decreases - Outlays		
(\$ in thousands)		
	2024 Estimate	2025 Request
Prior Year Outlays	\$993,499	\$2,596,785
Liquidating:		
Liquidating Obligations	-\$221	-\$38
Liquidating Collections	\$870	\$701
Change in Obligated Balance	\$721	-\$764
Change in UCPs	\$0	\$0
Subtotal:	\$1,370	-\$101
Housing Programs:		
Loan Guarantee Subsidy	-\$111,556	\$0
Loan Sales Securities Subsidy	\$0	\$0
Direct Acquired Loan Subsidy	\$688,545	\$1,615,434
Direct Vendee Loan Subsidy	\$0	\$0
Transitional Loan Subsidy	\$0	\$0
Modification in Subsidy (Acquired Loans)	\$1,095,605	-\$1,095,605
Subtotal:	\$1,672,594	\$519,829
Upward reestimates, with interest:		
Loan Guarantees	-\$165,046	-\$478,785
Loan Sales Securities	-\$2,424	-\$275
Acquired Direct Loans	\$3,262	-\$13,708
Vendee Direct Loans	\$3,853	-\$5,837
Subtotal:	-\$160,355	-\$498,605
Change in Obligated Balance/other	\$21,385	\$0
Administrative Expenses	\$68,291	\$2,854
Net Change	\$1,603,286	\$23,977
Estimated Outlays (net)	\$2,596,785	\$2,620,762

In 2024, net outlays of the housing programs are projected to increase by \$1.6 billion from the 2023 level. This is primarily due to increases in credit subsidy and modification in subsidy of \$1.7 billion with offsetting decreases in subsidy upward reestimates of \$0.2 billion.

For 2025, net outlays of the housing programs are projected to increase by \$24.0 million from the 2024 level due to a net increase in credit subsidies. This is primarily due to a net increase in credit subsidy and modification in subsidy of \$0.52 billion with offsetting timing decreases in subsidy upward reestimates of \$0.50 billion. The subsidy upward reestimates for 2025 will be calculated during formulation of the 2026 President's Budget.

Housing Loan Financing Accounts
Summary Data
(\$ in thousands)

	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Loan Guarantees:					
Obligations	\$3,055,654	\$4,645,285	\$12,725,401	\$12,893,474	\$168,074
Collections	\$3,224,840	\$4,497,425	\$8,383,707	\$12,992,540	\$4,608,833
Financing Authority (net)	\$0	\$0	\$0	\$0	\$0
Change in Obligated Balance:					
Start of year	\$139,600	\$47,995	\$158,071	\$150,094	-\$7,977
Change in uncollected payments	-\$2,840	\$0	\$0	\$0	\$0
End of year	\$155,230	\$91,653	\$150,094	\$251,888	\$101,795
Financing Disbursements (net)	-\$187,658	\$104,202	\$4,349,671	-\$200,861	-\$4,550,531
Loan Sales Securities:					
Obligations	\$2,093	\$3,084	\$6,896	\$2,433	-\$4,463
Collections	\$3,390	\$908	\$1,186	\$956	-\$230
Financing Authority (net)	\$0	\$0	\$0	\$0	\$0
Change in Obligated Balance:					
Start of year	\$76	\$0	\$19	\$0	-\$19
Change in uncollected payments	\$0	\$0	\$0	\$0	\$0
End of year	\$19	\$0	\$0	\$0	\$0
Financing Disbursements (net)	-\$1,240	\$2,176	\$5,729	\$1,477	-\$4,252
Direct Loans:					
Obligations	\$46,497	\$545,135	\$5,867,015	\$9,806,041	\$3,939,026
Collections	\$54,783	\$51,213	\$2,001,646	\$3,161,008	\$1,159,363
Financing Authority (net)	\$74,494	\$493,922	\$3,865,369	\$6,645,032	\$2,779,663
Change in Obligated Balance:					
Start of year	\$1,459	\$1,967	\$3,602	\$116,161	\$112,559
Change in uncollected payments	-\$96	\$0	\$0	\$0	\$0
Prior year recoveries-UDOs	\$0	\$0	\$0	\$0	\$0
End of year	\$3,602	\$8,143	\$116,161	\$193,056	\$76,895
Transitional Loan:					
Obligations	\$477	\$183	\$474	\$179	-\$295
Collections	\$475	\$489	\$506	\$501	-\$5
Financing Authority (net)	-\$97	-\$103	-\$103	-\$107	-\$4
Change in Obligated Balance:					
Start of year	\$40	\$40	\$38	\$38	\$0
Change in uncollected payments	\$0	\$0	\$0	\$0	\$0
End of year	\$38	\$40	\$38	\$38	\$0
Financing Disbursements (net)	\$5	-\$306	-\$32	-\$322	-\$290
Housing Financing Accounts Totals:					
Obligations	\$3,104,722	\$5,193,687	\$18,599,786	\$22,702,127	\$4,102,341
Collections	\$3,283,488	\$4,550,036	\$10,387,045	\$16,155,006	\$5,767,961
Financing Authority (net)	\$74,398	\$493,819	\$3,865,266	\$6,644,925	\$2,779,659
Financing Disbursements (net)	-\$199,418	\$593,817	\$8,108,178	\$6,368,431	-\$1,739,747

Detail of Financing Accounts – Off-Budget

For 2025, new loan guarantees will have an estimated credit subsidy rate of -0.19% to support 432,764 new home loan guarantees with a value of \$155.9 billion. The credit subsidy rate is data dependent on the mix of loan guarantee types, actual foreclosure claims spending data, new VA lending policies (for example, changes in loan repayment policies), and budget interest rate and house price appreciation assumptions.

Multiple laws have altered the structure of the loan financing accounts:

- The Veterans' Benefits Improvement Act of 2008 (P.L. 110-389) extended VA's authority to guarantee adjustable-rate mortgages (ARMs) and hybrid adjustable-rate mortgages (HARMs) through September 30, 2012. The Act also increased the maximum guaranteed amount for cash-out refinance loan guarantees to the same maximum guaranteed amount for purchase loan guarantees. The law authorized a cash-out refinance loan guarantee for up to 100% of an appraised home value.
- The Veterans' Benefits Improvement Act of 2010 (P.L. 111-275), § 204, enacted October 13, 2010, authorized the housing program to originate loan guarantees without funding fees for Veterans with service-connected disabilities who had been called to active duty and who were receiving active duty pay in lieu of VA compensation.
- In the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154):
 - Section 206 extended the home loan guarantee entitlement to surviving spouses of certain totally disabled Veterans. The Act, for the purpose of home loan benefits, includes as a "Veteran," a surviving spouse of a Veteran who died and who was in receipt of or entitled to receive compensation, at the time of death, for a service-connected disability rated totally disabled. The surviving spouses are also exempt from paying the funding fee rates.
 - Section 207 allowed an active-duty Servicemember's dependent child to satisfy the occupancy requirement for obtaining a VA-guaranteed home loan. Previously, only a Veteran or a Veteran's spouse was able to certify the occupancy requirement in 38 U.S.C. § 3704(c).
 - Sections 208 and 209 subsequently made permanent VA's authority to guarantee ARMs and HARMs.
 - Section 210 amended 38 U.S.C. § 3729(c) to allow an individual to receive a loan fee waiver if, during a pre-discharge program, he or she receives a disability rating for purposes of VA compensation based on existing medical evidence, such as service medical and treatment records. This change authorizes an eligible individual to purchase a home without having to pay a VA funding fee even if he or she has not undergone a pre-discharge examination or a VA disability evaluation.
 - Section 702(a) reinstated VA's authority to issue, or approve the issuance of, and guarantee the timely payment of principal and interest on, certificates or other securities evidencing an interest in a pool of mortgage loans. This guaranty authority previously expired on December 31, 2011. Section 410 of the Department of Veterans Affairs Expiring Authorities Act of 2016 (P.L. 114-228) extended it through December 31, 2017. Section 409 of the Department of Veterans Affairs Expiring Authorities Act of 2017 (P.L. 115-62) later extended this authority through September 30, 2018. Permanent authority to guarantee principal and

interest payments was authorized with Section 123 of the Department of Veterans Affairs Expiring Authorities Act of 2018 (P.L. 115-251).

- Section 710(d) also amended Section 303(c) of the Servicemembers' Civil Relief Act (SCRA) of 2003 (P.L. 108-189) by extending the period in which a Servicemember may exercise SCRA protections from nine months after the period of service ends to 12 months. The amendments made by Section 710(d) had a sunset date of December 31, 2014, at which time the protection reverted to a 90-day period. Section 2 of the Foreclosure Relief and Extension for Servicemembers Act of 2014 (P.L. 113-286), later extended the sunset date of this authority through December 31, 2015.
- The Department of Veterans Affairs Expiring Authorities Act of 2013 (P.L. 113-37) extended, until October 1, 2014, VA's authority to calculate the net value of a property with a VA guaranteed loan when the loan goes into default.
 - This authority was subsequently extended, by P.L. 113-175, to October 1, 2015, by P.L. 114-58 through September 30, 2016, by P.L. 114-228 through September 30, 2017; and, pursuant to P.L. 115-62, it was extended through September 30, 2018.
 - Permanent authority was authorized with Section 124 of the Department of Veterans Affairs Expiring Authorities Act of 2018 (P.L. 115-251).
- The VA Expiring Authorities Extension Act of 2013 (P.L. 113-59):
 - Extended the requirements for vendee direct loan disbursement through September 30, 2014. Section 404 of Veterans Benefits Act of 2003 (P.L. 108-183), had earlier amended 38 U.S.C. § 3733(a)(1) to increase the maximum percentage of loans which may be financed with Vendee loans from 65% to 85% and to make this a percentage a mandate and not optional. Later, Section 303 of the Department of Veterans Affairs Expiring Authorities Act of 2014 (P.L. 113-175) extended requirements of vendee loans through September 30, 2015. This authority was subsequently extended by Department of Veterans Affairs Expiring Authorities Act of 2015 (P.L. 114-58) through September 30, 2016, by P.L. 114-228 through September 30, 2017, and by P.L. 115-62 through September 30, 2018. Section 125 of the Department of Veterans Affairs Expiring Authorities Act of 2018 (P.L. 115-251) extended authority through September 30, 2019. Section 2 of the Department of Veterans Affairs Expiring Authorities Act of 2019 (P.L. 116-61) extended authority through September 30, 2020. Section 5405 of the Continuing Appropriations Act, 2021 and Other Extensions Act (P.L. 116-159) extended authority through September 30, 2025.
 - Section 5405 also amended 38 U.S.C. § 3733(a) to change VA's mandatory financing percentages (65-85% maximum, and 50% minimum) to marketing targets. This is applicable to VA's use of the vendee loan program to provide government mortgage financing for the sale of a VA acquired property.
 - Extended VA's authority through December 14, 2014, to use acquired homes of the guaranteed loan program to help provide shelter to homeless Veterans (that is, the Homeless Shelter Program, HSP). This authority was also subsequently extended, by P.L. 113-175, through September 30, 2015, by P.L. 114-58, through September 30, 2016, and by P.L. 114-228 through September 30, 2017. That authority was not extended for 2018, and VA subsequently suspended the HSP.

- The National Defense Authorization Act for Fiscal Year 2021 (P.L. 116-283), § 926, amended various references in 38 U.S.C., including sections 3701, 3712, 3729, 2101A and 101 to incorporate references to the newly established Space Force and Space Force Reserve.
- In the Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315):
 - Section 2001 amended 38 U.S.C. § 101(29) to revise the definition of the Vietnam era as beginning on November 1, 1955, instead of February 28, 1961. This definition change affected the Loan Guaranty program as 38 U.S.C. § 3702(a)(2)(A), the statute outlining basic entitlement to the program, refers to the “Vietnam era” for purposes of establishing eligibility.
 - Section 2101 expanded program eligibility to members of the National Guard who perform certain full-time National Guard duty (as that term is defined in section 101 of title 10) but do not qualify under prior National Guard and Reserve eligibility requirements. Specifically, individuals with 90 or more days cumulative qualifying service with at least one period of 30 consecutive days of qualifying service are entitled to home loan benefits regardless of whether they have completed six years of honorable service in the National Guard.
- The Improving Access to the VA Home Loan Benefit Act of 2022 (P.L. 117-308) directed the Secretary of Veterans Affairs to update the appraisal requirements for certain loans guaranteed by the Department of Veterans Affairs, and for other purposes.
- In the Consolidated Appropriations Act, 2023 (P.L. 117-328), Division U, Title II:
 - Section 203 enhanced loan underwriting methods, requiring that the Secretary establish an advisory group representing various stakeholder interests to develop regulations and guidance to assist lenders in evaluating the sufficiency of the residual income of a Veteran wherein the Veteran provides the lender with an energy efficiency report related to the home.
 - Section 304 restarted and extended the Department of Veterans Affairs housing assistance for homeless Veterans (the Homeless Shelter Program, HSP), amending subsection (a) of 38 U.S.C. § 2041 to authorize VA to sell or rent VA property directly to Veterans experiencing or at risk of homelessness through September 30, 2026. The HSP was previously suspended in 2017.

Analysis of Financing Account Increases and Decreases
Off-Budgetary Disbursements
(\$ in thousands)

	2024	2025
	Estimate	Request
Prior Year Net Disbursements	-\$199,418	\$8,108,178
Veterans Housing Financing Accounts:		
Loan Guarantees:		
Obligations	\$9,669,747	\$168,074
Offsetting collections	-\$5,158,867	-\$4,608,833
Change in Obligated Balances	\$23,608	-\$109,772
Change in Uncollected Customer Payments	\$2,840	\$0
Subtotal	\$4,537,328	-\$4,550,531
Loan Sales Securities:		
Obligations	\$4,803	-\$4,463
Offsetting collections	\$2,204	\$230
Change in Obligated Balances	-\$38	-\$19
Change in Uncollected Customer Payments	\$0	\$0
Subtotal	\$6,969	-\$4,252
Direct Loans:		
Obligations	\$5,820,518	\$3,939,026
Offsetting collections	-\$1,946,863	-\$1,159,363
Change in Obligated Balances	-\$110,416	\$35,664
Change in Uncollected Customer Payments	\$96	\$0
Change in PY Recoveries-UDOs	\$0	\$0
Subtotal	\$3,763,335	\$2,815,327
Transitional Loan:		
Obligations	-\$3	-\$295
Offsetting collections	-\$32	\$5
Change in Obligated Balances	-\$2	\$0
Change in Uncollected Customer Payments	\$0	\$0
Subtotal:	-\$37	-\$290
Net Change	\$8,307,596	-\$1,739,747
Estimated Net Disbursements	\$8,108,178	\$6,368,431

In 2024, net disbursements are projected to increase by \$8.3 billion. The net disbursements for guaranteed loans are projected to increase by \$4.6 billion, which is primarily due to an increase of \$9.7 billion in loan obligations for mainly \$5.8 billion in home loan purchases and \$5.0 billion in modification in subsidy that are somewhat offset by \$5.2 billion in offsetting collections because of reimbursements from the Direct Loan Financing Account. The obligations and collections

increase reflect workload data impact of special VA lending programs (the COVID-19 Partial Claim and the Refund Modification Waterfall programs and a planned new permanent Veterans Affairs Servicing Purchase (VASP) program). The net disbursements for loan sales securities are projected to increase by \$6.9 million, which is due to an increase in obligations of \$4.8 million and a decrease in offsetting collections of \$2.2 million. The net disbursements for direct loans are projected to increase by \$3.8 billion, primarily due to an increase in direct loan obligations of \$5.8 billion offset by \$2.0 billion in offsetting collections increase because of credit subsidy based on VASP data.

For 2025, net disbursements are projected to decrease by \$1.7 billion, which is mostly due to increases in offsetting collections. The net disbursements for loan guarantees are projected to decrease by \$4.6 billion, which is primarily due to net offsetting collections increase of \$4.6 billion associated with VASP data. The net disbursements for loan sales securities are projected to decrease by \$4.3 million, which is due to a decrease in obligations of \$4.5 million. The net disbursements for direct loans are projected to increase by \$3.9 billion, which is due to increases in obligations of \$3.9 billion against increases of \$1.2 billion in offsetting collections based on VASP data.

The VASP Program is set to launch in spring 2024 as a last resort loss-mitigation option for Veterans facing foreclosure. Under the VASP program, VA will purchase the Veteran's entire loan balance from the servicer and modify the loan to reach an affordable monthly mortgage payment. In essence, VASP loans will substitute VA acquired direct lending for loan guarantee lending, with some reductions in VA property selling with vendee direct lending. Some of the benefits of VASP include:

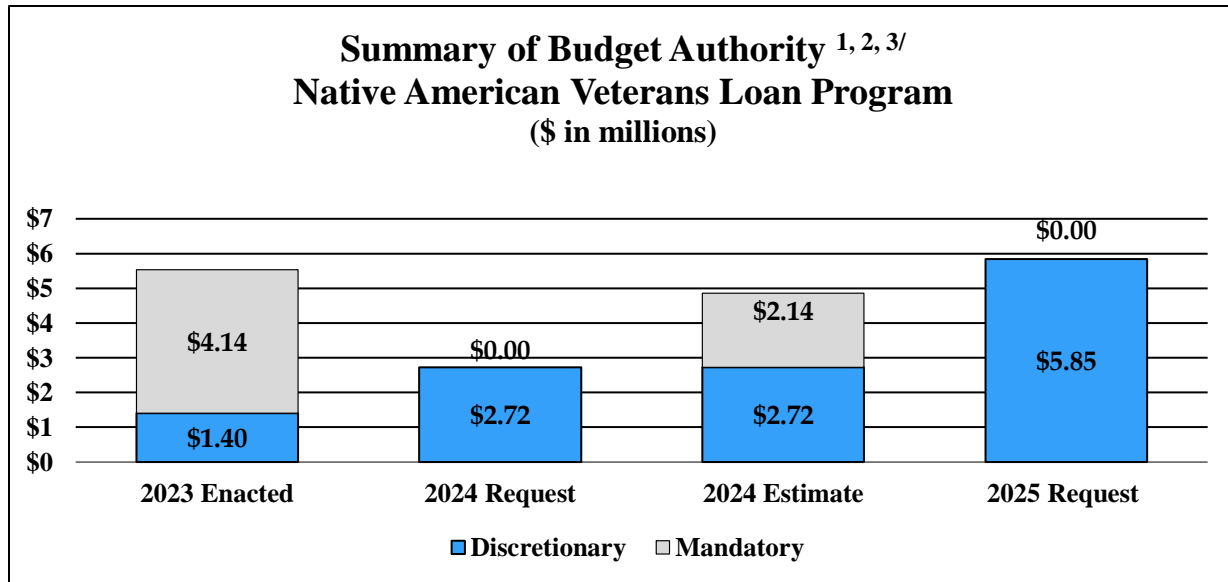
- Long-term payment relief for the life of the Veteran's loan;
- Payment relief achieved through modification of interest rate and term;
- No future balloon payments from a partial claim that a Veteran may be unable to repay;
- No documentation review process for the Veteran;
- Minimization of foreclosures and future redefaults;
- Low interest rate for Veterans at 2.5%.

For more information on program guidelines and qualifying criteria for VASP, please visit "<https://www.va.gov/housing-assistance/>".

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Native American Veterans Loan Program



Notes:

1/ Discretionary budget authority supports loan administrative and subsidy costs.

2/ Mandatory budget authority for credit subsidy reestimates is excluded from the 2024-2025 Requests based on Office of Management and Budget Circular No. A-11, Section 185.

3/ Mandatory budget authority credit subsidy reestimates is included in the 2023 Enacted and 2024 Estimate based on the Circular No. A-11, Section 185.

4/ A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 Request reflects the 2024 President’s Budget request for discretionary appropriations, and the 2024 Estimate reflects updates to assumptions and estimates.

Appropriation Language

For the principal amount of direct loans, as authorized by subchapter V of chapter 37 of title 38, United States Code, \$75,000,000, to remain available until expended.

In addition, for administrative expenses necessary to carry out the direct loan program, \$5,845,241.

Summary of Net 2024 and 2025 Estimates (\$ in thousands)			
	2024 Estimate	2025 Request	Increase (+) Decrease (-)
Program Account:			
Budget Authority, Discretionary	\$2,719	\$5,845	+\$3,127
Budget Authority, Mandatory	\$2,135	\$0	-\$2,135
Outlays	\$4,854	\$5,845	+\$991
Direct Loan Financing Account:			
Financing Authority	\$14,165	\$7,845	-\$6,320
Financing Disbursements	\$14,511	\$7,642	-\$6,869

Summary of the 2025 President’s Budget Request

The budget requests \$5.8 million for reimbursement to the General Operating Expenses (GOE) appropriation fund of the Veterans Benefits Administration (VBA) and the Office of General Counsel (OGC) appropriation fund for the costs to administer the Native American Direct Loan program. The program will continue to disburse loans on a negative subsidy rate basis and will not require loan subsidy appropriations in 2025.

Program Description

The Native American Veterans Direct Loan program (NADL) authorized by Public Law 102-547 (38 U.S.C. Ch. 37, § 3761) provides direct loans to purchase, construct, or improve homes for Native American and Native Hawaiian Veterans or their eligible spouses living on Federally recognized trust lands.

Currently, Veteran borrowers pay a funding fee rate of 1.25%¹⁶ to purchase or 0.5% to refinance an existing NADL unless exempt due to receiving service-connected disability compensation. However, loans are contingent on the Veteran’s tribal organization signing a Memorandum of Understanding with the U.S. Department of Veterans Affairs (VA), which provides the legal framework and responsibilities for lending prior to the disbursement of a loan.

Federal Credit Reform

The Federal Credit Reform Act of 1990 (P.L. 101-508), changed the accounting for Federal direct and loan guarantees programs to measure their costs and make them consistent with comparable non-credit programs. To accomplish this objective, the NADL program is managed using the Credit Program Account, which outlays appropriations to pay for the loan administrative and subsidy costs and the non-budgetary Direct Loan Financing Account, which holds balances, receives subsidy funding from the credit program account, and also includes all other cash flows to and from the Government resulting from direct loan obligations and collections made on or after October 1, 1991.

¹⁶ <https://www.va.gov/housing-assistance/home-loans/funding-fee-and-closing-costs/>

Credit Program Account – On-Budget

The program receives appropriation for administrative expenses through the Credit Program Account and then reimburses to the VBA GOE and OGC appropriation accounts.

Native American Direct Loan Program Account					
Summary of Appropriation Highlights					
(\$ in thousands)					
	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Obligations:					
Upward reestimates, including interest	\$4,135	\$0	\$2,135	\$0	-\$2,135
Administrative expenses:					
Veterans Benefits Administration	\$1,319	\$2,635	\$2,635	\$5,759	+\$3,124
General Counsel	\$81	\$84	\$84	\$87	+\$3
Total administrative expenses	\$1,400	\$2,719	\$2,719	\$5,845	+\$3,127
Total obligations	\$5,535	\$2,719	\$4,854	\$5,845	+\$991
Unobligated Balance:					
Start of year	\$2,274	\$2,274	\$2,263	\$2,263	+\$0
End of year	\$2,263	\$2,274	\$2,263	\$2,263	+\$0
Budget authority (net)	\$5,535	\$2,719	\$4,854	\$5,845	+\$991
Obligated Balance:					
Start of year	\$81	\$81	\$162	\$162	+\$0
End of year	\$162	\$81	\$162	\$162	+\$0
Outlays (net)	\$5,453	\$2,719	\$4,854	\$5,845	+\$991
Financing:					
Appropriations, discretionary	\$1,400	\$2,719	\$2,719	\$5,845	+\$3,127
Mandatory Indefinite	\$4,135	\$0	\$2,135	\$0	-\$2,135
Workload:					
Number of direct loans established	35	45	45	45	+0
Average loan amount	\$239	\$280	\$292	\$299	+\$6
Amount of direct loans established	\$8,372	\$12,591	\$13,162	\$13,452	+\$290
Subsidy rate, direct loans	-17.15%	-20.26%	-20.26%	-0.60%	+19.66%
FTE:					
Veterans Benefits Administration	7	7	7	25	18

Note: The dollar amounts may not add due to rounding in this and subsequent tables.

The direct loan subsidy reflects the portion of loan disbursements that the government does not expect to recover (the cost to the government in net present value terms). The subsidy rate is calculated after discounting the estimated cash flows of direct loan obligations by comparable rates on Treasury securities. The loan subsidy rate is computed by dividing the net present value of the estimated loan cash flows by the direct loan obligations.

The funds used to finance the direct loans are borrowed from the U.S. Department of the Treasury are lent at market 30-year mortgage rates; the differences between the Treasury borrowing rates

and mortgage interest rates are net interest margins. Positive mortgage interest rate margins and the continued history of no defaults are the two leading drivers for the negative subsidy rate request.

Therefore, VA does not request an appropriation for credit loan subsidy in 2025 to support an estimated 45 direct loans with an original principal balance of \$13.5 million. In 2025, VA is targeting a 30-year fixed mortgage rate of 2.5% to encourage increases in demand for NADL direct loans. The subsidy rate in 2025 specifically becomes less negative because of the VA policy decision to lend money at below market rates. This VA policy contributes to a subsidy rate increase and has a noticeable impact on the present value of all payment prepayment subsidy calculations.

Detail of Budget Request

To provide for origination, service, management, investment, and common overhead expenses, the NADL program requests \$5.8 million in annual 2025 appropriation. The request will fund 25 full-time equivalent (FTE) employees for VBA at a cost of \$5.7 million in payroll and non-payroll expenses. OGC will be reimbursed \$86,522 to support one FTE employee dedicated to this direct loan program. The increase in FTE will allow the program to expand outreach to increase awareness and use of the benefit in underserved areas.

Native American Direct Loan Program Account Analysis of Increases and Decreases – Outlays (\$ in thousands)		
	2024 Estimate	2025 Request
Prior year outlays (net)	\$5,453	\$4,854
Increases (+) and Decreases (-)		
Upward reestimates, including interest	-\$1,999	-\$2,135
Administrative expenses	\$1,319	\$3,127
Change in obligated balance/other	\$81	\$0
Net Change	-\$599	+\$991
Estimated Outlays (net)	\$4,854	\$5,845

The 2024 net outlays are estimated to be \$4.9 million, which is a decrease of \$599,000 from the 2023 level of \$5.5 million. The change in net outlays is primarily due to the offsetting effect of upward subsidy reestimates against changes in the administrative expenses.

The 2025 net outlays are estimated to be \$5.8 million, which is a decrease of \$991,000 from the 2024 level. The change in outlays is due to the offsetting effect of the upward reestimates netted against the administrative expense increase of \$3.1 million to support an additional 9 FTE. The upward reestimates for 2025 will be calculated during the formulation of the 2026 President’s Budget.

Direct Loan Financing Account – Off-Budget

The direct loan financing account is a non-budgetary account that records all financial transactions primarily consisting of collections and outlays associated with direct loan originations. The account records activity in each loan cohort year (loans are grouped by the fiscal year of loan obligations) and is not included in the budget totals when calculating the federal budget surplus or deficit.

Native American Direct Loan Financing Account					
Financial Summary					
(\$ in thousands)					
	2023 Enacted	2024		2025 Request	Increase (+) Decrease (-)
		Request	Estimate		
Obligations:					
Direct loans	\$8,372	\$12,591	\$13,162	\$13,452	+\$290
Negative subsidy	\$1,220	\$2,551	\$2,667	\$81	-\$2,586
Interest on Treasury borrowing	\$2,626	\$3,657	\$3,058	\$3,459	+\$401
Property expenses	\$108	\$297	\$261	\$286	+\$24
Other Expenses	\$0	\$0	\$0	\$0	+\$0
Treasury Receipt account:					
Downward Reestimates	\$658	\$0	\$5,297	\$0	-\$5,297
Interest on Downward Reestimates	\$614	\$0	\$604	\$0	-\$604
Total obligations	\$13,599	\$19,097	\$25,050	\$17,277	-\$7,773
Unobligated Balance:					
Start of year	\$14,648	\$14,648	\$14,874	\$14,874	+\$0
End of year	\$14,874	\$14,648	\$14,874	\$14,874	+\$0
Obligated Balance:					
Start of year	\$3,188	\$1,661	\$1,413	\$1,067	-\$346
End of year	\$1,413	\$1,809	\$1,067	\$1,270	+\$203
Change in uncollected customer payments	-\$138	\$0	\$0	\$0	+\$0
Offsetting Collections:					
Program account payments	\$4,135	\$0	\$2,135	\$0	-\$2,135
Interest on Uninvested funds	\$625	\$0	\$0	\$0	+\$0
Loan repayments	\$7,206	\$5,173	\$5,807	\$6,145	+\$339
Interest received on loans	\$2,240	\$3,673	\$2,839	\$3,168	+\$330
Fees	\$31	\$61	\$56	\$63	+\$7
Other	\$0	\$56	\$48	\$55	+\$8
Total offsetting collections	\$14,237	\$8,962	\$10,885	\$9,432	-\$1,453
Financing:					
Financing authority, net	\$1,909	\$10,135	\$14,165	\$7,845	-\$6,320
Financing disbursements, net	\$999	\$9,988	\$14,511	\$7,642	-\$6,869

Summary of Off-Budget Financing Account

The total obligations are estimated to be \$17.3 million in 2025. In addition to \$13.5 million in borrowing to support loan level disbursements, obligations also reflect interest on the U.S. Treasury borrowing of \$3.5 million and negative subsidy of \$80,927. The interest on the U.S. Treasury borrowing is computed based on average financing authority net of offsetting collections and the interest rate calculator provided by the Office of Management and Budget.

Total offsetting collections in 2025 are estimated to be \$9.4 million, a decrease of \$1.5 million from the 2024 current estimate. The main drivers are a decrease of \$2.1 million in program account

payments and an offsetting increase of \$669,000 in combined repayments and interest payments.

Changes from Original 2024 Budget Estimate

The current estimate for 2024 obligations has increased by \$6.0 million from the original 2024 budget estimate. The increase is primarily attributed to \$5.9 million in downward reestimates and interest.

Native American Direct Loan Financing Account		
Analysis of Increases and Decreases – Financial Disbursements		
(\$ in thousands)		
	2024 Estimate	2025 Request
Prior Year Financing Disbursements (net)	\$999	\$14,511
Increases (+) and Decreases (-)		
Obligations:		
Direct loans	\$4,790	\$290
Negative Subsidy	\$1,447	-\$2,586
Interest on Treasury borrowing	\$432	\$401
Property Expenses	\$153	\$24
Other Expenses	\$0	\$0
Payments to Treasury Receipt account:		
Downward Reestimates	\$4,640	-\$5,297
Int. on Downward Reestimates	-\$10	-\$604
Subtotal Obligations	\$11,451	-\$7,773
Offsetting collections:		
Program account payments	1,999	\$2,135
Interest on Uninvested funds	\$625	\$0
Loan repayments	\$1,399	-\$339
Interest received on loans	-\$598	-\$330
Fees	-\$25	-\$7
Other	-\$48	-\$8
Change in obligated balances	\$138	\$0
Subtotal Offsetting Collections and Other	\$3,490	\$1,453
Net Change	+\$13,512	-\$6,869
Estimated Outlays (net)	\$14,511	\$7,642

The 2024 net financing disbursements are estimated to be \$14.5 million, an increase of \$13.5 million from the 2023 level. The net financing change primarily is due to increases in obligations of \$11.5 million and changes in offsetting collections and obligated balances of \$3.5 million.

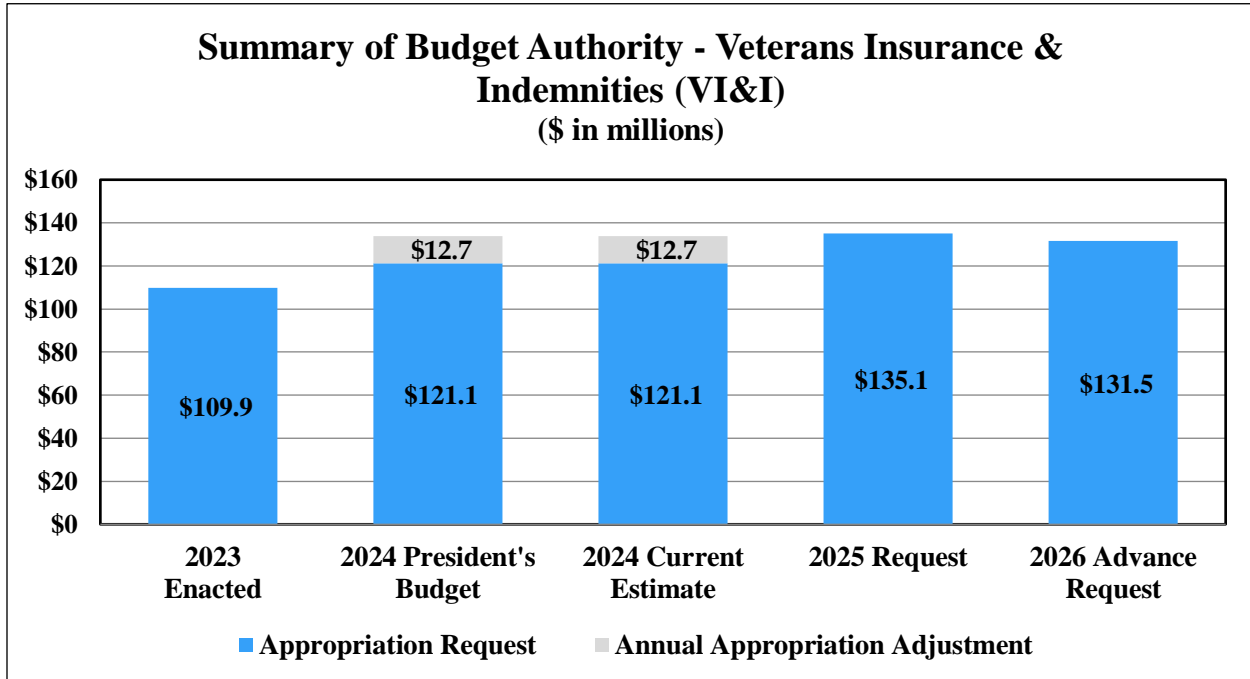
The 2025 net financing disbursements are estimated to be \$7.6 million, which is a decrease of \$6.9 million from the 2024 level. The net outlay change is due to a decrease in net obligations of \$7.8 million and somewhat offsetting changes in offsetting collections of \$1.5 million. Specifically for

2025, the VA program office makes a decision to cap government lending rates for this program below government borrowing rates. VA is targeting a lending rate of 2.5% through March 2025.

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Insurance Benefits



Note: The 2025 Request is comprised of \$135.1 million.

Appropriation Language

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled Veterans insurance, and Veterans mortgage life insurance as authorized by chapters 19 and 21, of title 38, United States Code, \$131,518,000, which shall become available on October 1, 2025, to remain available until expended.

Program Description

The Department of Veterans Affairs (VA) Insurance business line administers seven life insurance programs, two trust funds, two public enterprise revolving funds, a trust revolving fund, and mortgage protection insurance fund. A new revolving fund for the self-supporting Veterans Affairs Life Insurance (VA Life)¹⁷ program, established under the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), opened to enrollment on January 1, 2023. Additionally, the Insurance business line oversees the Service members' Group Life Insurance (SGLI) portfolio of four programs, which is administered by a private insurance carrier, that is, Primary Insurer, pursuant to a group insurance policy, for the benefit of Veterans, Service members, and their families.

¹⁷ This program was referred to as the acronym VALI in previous President's Budget requests.

Budget authority (permanent and indefinite) is made available automatically to the United States Government Life Insurance (USGLI) and the National Service Life Insurance (NSLI) funds each year by virtue of standing legislation. All obligations of the Veterans Special Life Insurance (VSLI) and Veterans' Reopened Insurance (VRI) funds are paid from offsetting collections and redemption of investments in U.S. Treasury securities. All obligations of the Service-Disabled Veterans Insurance (S-DVI) fund are paid by transfers from the Veterans Insurance & Indemnities (VI&I) fund and other offsetting collections. No action by Congress is required for the transfers. Obligations of the SGLI program are financed from premium collections, interest on investments, and extra hazard payments from service branches. All programs are outlined in greater detail under the Program Overview section.

Veterans Insurance and Indemnities Appropriation

The Veterans Insurance and Indemnities (VI&I) appropriation is the funding mechanism for several government life insurance activities. Payments made from this fund include transfers to the S-DVI and NSLI funds to support these programs. Also included under the VI&I appropriation is the Veterans Mortgage Life Insurance (VMLI) program.

The largest category of obligations is the transfer of appropriation funds from VI&I to support the S-DVI program. The S-DVI program is designed to operate using government subsidies as it provides coverage for Veterans with service-connected disabilities. In addition, the smallest portion of the subsidy is transferred to the NSLI fund account for the premiums that were waived when the Veterans' disability was caused by the extra hazards of military service. By law, these extra hazard costs are borne by the government in the NSLI program.

The other category of VI&I obligations is the subsidy provided to support the VMLI program. The VMLI program requires a subsidy by design and provides up to \$200,000 of mortgage protection life insurance to Veterans who have received a grant for specially adapted housing.

Summary of Budget Request

In 2025, the requested advance appropriation of \$135.1 million will enable VA to transfer \$101.6 million to the S-DVI program and \$33.5 million to the VMLI program. The request, along with collections of \$5.2 million, will fund total obligations of \$140.3 million.

In 2026, VA requests \$131.5 million in advance appropriation for VI&I to finance its operation, which will allow VA to transfer \$99.3 million to the S-DVI program and \$32.2 million to the VMLI program. The request, along with collections of \$4.4 million, will fund total obligations of \$135.9 million.

Insurance Summary of Appropriation Highlights

(\$ in thousands)

	2024				2026 Request
	2023 Actual	Budget Estimate	Current Estimate	2025 Request	
Mandatory					
Lives Insured:					
Veterans (Administered Programs)	355,855	313,662	342,474	326,118	310,533
Veterans (VGLI)	451,409	444,600	452,100	455,600	459,200
Servicemembers (SGLI)	2,206,500	2,239,500	2,205,500	2,205,500	2,205,500
Spouses and Children (FSGLI)	2,541,000	2,637,000	2,581,000	2,581,000	2,581,000
Total Lives Insured (#)	5,554,764	5,634,762	5,581,074	5,568,218	5,556,233
Face Amount In Force (\$)	\$1,486,575,992	\$1,458,600,740	\$1,442,336,510	\$1,447,099,240	\$1,452,020,410
Obligations:					
Death Claims	\$422,552	\$440,560	\$420,860	\$383,020	\$345,093
Dividends	12,372	12,053	10,865	10,833	9,660
Premiums Paid to Primary Insurer	693,069	826,239	816,908	816,820	816,733
Transfers to Insurance Funds	75,519	106,635	113,950	101,579	99,328
Payments for Administrative Expenses	56,730	55,369	54,943	56,653	57,307
Capital Investments	28,628	31,210	33,545	31,580	29,630
All Other Obligations	138,167	109,614	116,552	95,036	76,960
Total Mandatory Obligations	\$1,427,038	\$1,581,679	\$1,567,621	\$1,495,521	\$1,434,711
Funding:					
Offsetting Collections					
Premiums	\$98,487	\$122,500	\$142,030	\$161,960	\$170,650
SGLI Premiums	695,147	829,450	820,130	820,130	820,130
Interest on U.S. Securities	139,911	182,960	186,700	213,610	202,010
Payments for S-DVI	75,000	106,625	113,950	101,579	99,328
Extra Hazard Payments	515	0	0	0	0
Cash Transfers from Primary Insurer	511,818	300,000	375,000	0	0
All Other Collections	35,486	56,060	51,466	46,983	44,337
Total Collections	\$1,556,363	\$1,597,595	\$1,689,275	\$1,344,262	\$1,336,455
Unobligated balance (SOY)	-\$4,629,994	-\$4,920,178	-\$4,812,486	-\$5,219,615	-\$5,232,365
Unobligated balance (EOY)	\$4,922,351	\$5,111,236	\$5,219,615	\$5,232,365	\$5,283,077
Budget Authority, net:					
Advance Appropriation (VI&I)	\$109,865	\$121,126	\$121,126	\$135,119	\$131,518
Appropriation (VI&I)	\$0	\$12,701	\$12,701	\$0	\$0
Transfer From C&P	\$0	\$0	\$0	\$0	\$0
Trust Funds	\$280,450	\$222,806	\$221,616	\$157,395	\$105,133
Total Mandatory:					
Budget Authority (net)	\$390,315	\$356,633	\$355,443	\$292,514	\$236,651
Outlays (net)	-\$142,860	\$86,834	\$81,955	\$237,125	\$168,016

¹ Dollars may not add due to rounding in this and subsequent charts.

² The Insurance program depicts lives insured rather than showing the number of policies. This more accurately reflects the population Insurance serves and the true scope of the insurance programs, because some Veterans in our administered programs have more than one policy, and because our supervised programs (SGLI, FSGLI, and VGLI) are in fact only one “group policy.”

Changes from Original 2024 Budget Estimate

The 2024 current estimate for total obligations decreased by \$14.1 million from the original 2024 budget estimate. The decrease in total obligations is mainly attributed to technical re-estimates of death claims. Offsetting collections in 2024 are projected to increase by \$91.7 million from the original 2024 budget estimate, due to re-estimates of cash transfers from the primary insurer for the SGLI Program, and technical re-estimates of premium collections for the VA Life program due to higher policies in force projections.

Insurance		
Analysis of Increases and Decreases - Outlays		
(\$ in thousands)		
Mandatory	2024 Current Estimate	2025 Request
Prior Year Outlays	-\$142,860	\$81,955
Increases (+) and decreases (-)		
Death Claims	-1,692	-37,840
Dividends	-1,507	-32
Premiums Paid to Primary Insurer	+123,838	-88
Transfers to Insurance Funds	+38,430	-12,371
Payments for Administrative Expenses	-1,787	+1,710
Capital Investments	+4,917	-1,965
All Other Obligations	-21,615	-21,516
Premiums	-43,543	-19,930
SGLI Premiums	-124,983	+0
Interest on U.S. Securities	-46,789	-26,910
Payments From VI&I	-38,950	+12,371
Extra Hazard Payments	+515	+0
Cash Transfers from Primary Insurer	+136,818	+375,000
Prior Year Recoveries	-15,980	+4,482
All Other Collections	+560	+0
Change in Obligated Balance	+216,584	-117,744
Net Change	\$224,815	\$155,169
Estimated Outlays (net)	\$81,955	\$237,124

In 2024, net outlays increase from the prior year by \$224.8 million. The increase is mainly a result of changes in obligated balances and a decline in the scheduled collections of cash transfers from the primary insurer. The increases in outlays are partly offset by higher premium collections in the VA Life program.

In 2025, net outlays increase from the prior year by \$155.2 million. The increase is mainly attributed to a decline in cash transfers from the primary insurer and is offset by decreases in death claims, matured endowments included in all other obligations, and changes in obligated balances.

Cash transfers from the primary insurer are for the Veterans' Group Life Insurance (VGLI) Reserve. In 2019, VA determined that \$3.4 billion, representing the entirety of funds contained in the VGLI Reserve fund held by the primary insurer, warrants transfer to VA's Revolving Fund (38 U.S.C. § 1971(e) and § 1977(f)). The scheduled transfers began in 2019 and are projected to

decrease each year from 2020 until 2024, until the full \$3.4 billion has been transferred. The transfer is scheduled over six fiscal years (on a quarterly basis) to mitigate risk.

SUMMARY OF INSURANCE PROGRAMS 2025											
(\$ in millions unless otherwise noted)											
	VI&I (VMI)	USGLI (WWI)	NSLI (WWII)	SDVI (Open thru December 31, 2022)	VALife (Open)	VRI (WWI- Korean)	VSLI (Korean)	SGLI (Open)	Family SGLI (Open)	VGLI (Open)	TOTAL
Beginning date	08/11/1971	01/01/1919	10/08/1940	04/25/1951	01/01/23	05/01/1965	04/25/1951	09/29/1965	11/01/2001	08/01/1974	
Closing date	Open to New Iss.	04/24/1951	04/24/1951	12/31/22	Open to New Iss.	05/01/1966	12/31/1956	Open to New Iss.	Open to New Iss.	Open to New Iss.	
Number of lives insured	2,180	0	16,461	218,325	61,103	980	27,069	2,205,500	2,581,000	455,600	5,568,218
Number of Policies Inforce											
5-year term	2,180	n/a	4,420	40,790	0	n/a	1,490	n/a	n/a	n/a	48,880
Permanent plans	n/a	0	12,945	199,367	61,103	1,090	26,041	n/a	n/a	n/a	300,546
Total number of policies inforce	2,180	0	17,365	240,157	61,103	1,090	27,531	2,205,500	2,581,000	455,600	5,591,526
Total value inforce (1)	\$359	\$0	\$214	\$2,454	\$1,829	\$11	\$395	\$1,219,633	\$106,186	\$116,019	1,447,099
Average amount per policy (2)	\$164,679	\$0	\$12,324	\$10,218	\$29,933	\$10,089	\$14,348	\$552,996	\$41,141	\$254,651	
Average age	58.8	0	94.4	64.3	-	94.2	92.6	29.9	34.1 (3)	55.2	
Annual death rate per 1,000	86.0	0.0	311.8	48.1	-	300.3	186.0	0.7	0.7 (4)	9.7	

- (1) The total value of inforce includes paid-up additional insurance; USGLI total value inforce is projected to be zero due to policies endowment; SGLI includes Traumatic Injury Protection Coverage.
- (2) The average amount of insurance is represented in whole numbers.
- (3) Average age for spouses only.
- (4) Average annual death rate for spouses only.

Program Funds Overview

Five administered insurance programs operate in a manner similar to one another, though created at separate times. These five programs are USGLI, NSLI, S-DVI, VRI, and VSLI. The maximum amount of basic coverage available under any of these programs is \$10,000. However, under the NSLI, VRI, and VSLI programs, policyholders can purchase additional protection by electing to use their dividends to buy paid-up additional insurance. Also, under the S-DVI program, supplemental coverage was available to policyholders who were eligible for waiver of premiums due to total disability. Additionally, a sixth administered program, VA Life opened to enrollment January 1, 2023.

Insurance Service also supervises the SGLI Program, which offers group term insurance coverage for Veterans, Service members, and military families. The SGLI Program is administered by a private insurer under a group insurance policy purchased by the Secretary of Veterans Affairs.

United States Government Life Insurance – Trust Non-Revolving Fund

USGLI was established in 1919 as a successor to the War Risk Insurance program. The program was closed to new policy issuance on October 8, 1940, except for World War I Veterans who could apply for coverage until April 25, 1951. All USGLI program policies have reached the maturity age. However, the program will continue to disburse insurance annuity benefits to beneficiaries.

National Service Life Insurance – Trust Non-Revolving Fund

NSLI was created on October 8, 1940, to handle the insurance needs of World War II service personnel. Policies were issued from 1940 until April 25, 1951, except for the cost of claims traceable to the extra hazards of service in the armed forces.

Service-Disabled Veterans Insurance - Public Enterprise Revolving Fund

S-DVI was established on April 25, 1951, and closed to new policy issuances after December 31, 2022. S-DVI was open to Veterans separated from service, under other than dishonorable conditions on or after April 25, 1951, who were approved for service-connected disability ratings of zero percent or greater. Veterans insured under S-DVI have the opportunity to convert to the new VA Life program any time between January 1, 2023, and December 31, 2025 (a three-year period).

Veterans Affairs Life Insurance (VA Life) - Public Enterprise Revolving Fund

Public Law 116-315 established a new insurance program of guaranteed issue whole life coverage, VA Life, that became effective on January 1, 2023. VA Life provides Veterans with service-connected disabilities coverage ranging from \$10,000 to \$40,000. The new program is open to all service-disabled Veterans age 80 and under without medical underwriting or a time limit to apply. Service-disabled Veterans age 81 and older may still be eligible for coverage, but time limits apply. This program is designed to be self-supporting.

Veterans Reopened Insurance – Public Enterprise Revolving Fund

Policies in the VRI program were issued during a re-opening of the NSLI program from May 1, 1965, through May 2, 1966. This program made life insurance available to certain World War II and Korean Conflict Veterans who met the eligibility requirements.

Veterans Special Life Insurance - Trust Revolving Fund

VSLI was established in 1951 to meet the insurance needs of Veterans who served during the Korean War and the post-Korean War period. Individuals separating from service between April 25, 1951, and January 1, 1957, had 120 days to apply for VSLI.

Service members' Group Life Insurance - Public Enterprise Revolving Fund - Includes Service members' Group Life Insurance (SGLI), Veterans' Group Life Insurance (VGLI), Family Service members' Group Life Insurance (FSGLI), and Service members' Group Life Insurance Traumatic Injury Protection (TSGLI).

The SGLI program provides low-cost group term life insurance protection to persons on active duty in the uniformed service, ready reservists, members of the Coast Guard, the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service, cadets and midshipmen of the four service academies, members of the Reserve Officer Training Corps, and members who volunteer for assignment to a mobilization category in the Individual Ready Reserve. The maximum amount of SGLI coverage for all Service members is \$500,000 effective March 1, 2023. SGLI premiums are set at a single premium rate, regardless of age. Service personnel separated from active duty and the reserves have the right to convert their SGLI coverage to renewable group term insurance coverage offered through the VGLI program or to an individual permanent plan of insurance with a commercial life insurance company. VGLI insureds may convert their coverage to an individual permanent plan of insurance with a commercial company at any time.

FSGLI coverage protects the spouse and children of SGLI covered Service members on active duty or in the Ready Reserves. Maximum coverage for spouses is \$100,000 or the amount of the Service member's SGLI, whichever is less. Unlike SGLI, spouses' premiums are age-based. All dependent children are insured for \$10,000 at no cost to the Service member. Spouses may convert their FSGLI coverage to an individual permanent plan with a commercial insurance company within 120 days of certain "termination of FSGLI coverage" events. The conversion option is not available to children.

The SGLI program is supervised by VA and administered, pursuant to a group insurance policy, by a private insurance carrier. The uniformed services collect premiums from their members and forward the funds to VA. VA transfers those funds to the primary insurer for the payment of claims and administrative expenses. SGLI premiums also fund VA's discretionary expenses associated with supervision activities. The SGLI program is self-supporting, except for any costs resulting from excess mortality traceable to the extra hazard of duty in the uniformed services. The SGLI premium rate is currently \$0.06 per \$1,000 of insurance coverage. VA periodically reviews

premium rates across all programs to retain Veterans and Service members' trust and provide benefits that honor their service.

TSGLI is a traumatic injury protection rider under SGLI that provides for payment between \$25,000 and \$100,000 (depending on the type of injury) to any member of the uniformed services covered by SGLI who sustains a traumatic injury that results in certain severe losses. The premium charged for this coverage is \$1 per month from each Service member insured under SGLI. TSGLI also contains a retroactive provision that provides TSGLI coverage to Service members who suffered a qualifying loss on or after October 7, 2001, through and including November 30, 2005. A Year-Ten Review of the TSGLI program was conducted to evaluate program definitions, expand eligibility criteria, and provide recommendations. VA published the changes in a final rule in the Federal Register on March 15, 2023, with an effective date of April 14, 2023.

Highlights by Account

(\$ in thousands)

	2023 Actual	2024 Current Estimate	2025 Request	2026 Request
Obligations				
USGLI	\$104	\$111	\$99	\$89
NSLI	284,131	233,886	165,166	110,580
SDVI	174,835	213,190	208,530	205,613
VRI	7,581	6,835	5,347	3,981
VSLI	153,288	128,820	117,030	97,290
VALife	5,437	11,060	38,940	61,090
SGLI	695,662	820,130	820,130	820,130
VI&I	105,999	153,590	140,279	135,938
Total obligations	\$1,427,038	\$1,567,621	\$1,495,521	\$1,434,711
Budget authority (gross)				
USGLI	\$104	\$59	\$80	\$80
NSLI	283,856	233,886	165,166	110,580
SDVI	162,709	213,740	196,439	189,498
VRI	1,358	1,137	922	720
VSLI	42,460	33,880	26,080	20,410
VALife	21,812	65,490	95,610	113,160
SGLI	1,318,485	1,356,610	1,012,200	1,002,720
VI&I	115,843	139,917	140,279	135,938
Total budget authority (gross)	\$1,946,626	\$2,044,718	\$1,636,776	\$1,573,106
Outlays (gross)				
USGLI	\$75	\$180	\$140	\$130
NSLI	308,577	303,305	217,230	149,628
SDVI	135,531	251,118	208,650	205,723
VRI	7,801	7,058	5,608	4,289
VSLI	149,694	213,685	153,720	130,940
VALife	210	16,287	38,940	61,090
SGLI	706,116	816,908	816,820	816,733
VI&I	105,499	162,689	140,279	135,938
Total outlays (gross)	\$1,413,503	\$1,771,230	\$1,581,387	\$1,504,471
Offsetting collections				
USGLI	\$0	\$0	\$0	\$0
NSLI	3,510	12,329	7,851	5,528
SDVI	162,709	213,740	196,439	189,498
VRI	1,410	1,137	922	720
VSLI	42,460	33,880	26,080	20,410
VALife	21,812	65,490	95,610	113,160
SGLI	1,318,485	1,356,610	1,012,200	1,002,720
VI&I	5,978	6,090	5,160	4,420
Total offsetting collections	\$1,556,363	\$1,689,275	\$1,344,262	\$1,336,455

Highlights by Account				
(\$ in thousands)				
	2023	2024	2025	2026
	Actual	Current Estimate	Request	Request
Budget authority (net)				
USGLI	\$104	\$59	\$80	\$80
NSLI	280,347	221,557	157,315	105,053
SDVI	0	0	0	0
VRI	0	0	0	0
VSLI	0	0	0	0
VALife	0	0	0	0
SGLI	0	0	0	0
VI&I	109,865	133,827	135,119	131,518
Total budget authority (net)	\$390,315	\$355,443	\$292,514	\$236,651
Outlays (net)				
USGLI	\$75	\$180	\$140	\$130
NSLI	305,067	290,976	209,379	144,100
SDVI	(27,178)	37,379	12,211	16,225
VRI	6,392	5,922	4,686	3,569
VSLI	107,234	179,805	127,640	110,530
VALife	(21,601)	(49,203)	(56,670)	(52,070)
SGLI	(612,370)	(539,702)	(195,380)	(185,987)
VI&I	99,522	156,599	135,119	131,518
Total outlays (net)	(\$142,860)	\$81,955	\$237,125	\$168,016
Number of lives insured				
USGLI	0	0	0	0
NSLI	41,952	27,061	16,461	9,992
SDVI	244,616	231,304	218,325	205,654
VRI	1,847	1,368	980	688
VSLI	40,794	33,635	27,069	21,361
VALife	24,420	46,986	61,103	70,588
SGLI	2,206,500	2,205,500	2,205,500	2,205,500
FSGLI	2,541,000	2,581,000	2,581,000	2,581,000
VGLI	451,409	452,100	455,600	459,200
VI&I	2,226	2,120	2,180	2,250
Total number of lives insured	5,554,764	5,581,074	5,568,218	5,556,233
Dividends				
USGLI	\$0	\$0	\$0	\$0
NSLI	7,658	10,385	10,353	9,240
VRI	391	480	480	420
VSLI	4,323	0	0	0
Total Dividends	\$12,372	\$10,865	\$10,833	\$9,660

Note: The table totals may differ from President's Budget Appendix totals due to rounding.



Filipino Veterans Equity Compensation Fund

Program Description

The Filipino Veterans Equity Compensation (FVEC) Fund was established under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 (P.L. 110-329) to make payments to eligible persons who served in the Philippines during World War II. The release of a one-time, lump-sum payment to eligible World War II Filipino Veterans was subsequently authorized and appropriated by Congress in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). These payments are made from the FVEC Fund, originally resourced with a \$198 million appropriation (available until expended) established for this purpose. The FVEC Fund currently has a remaining available balance of \$55.6 million.

In 2009, \$82.4 million was obligated, and, by the third quarter of 2010, it was evident that obligations would exceed the original appropriation. VA concluded that an additional \$67 million would be sufficient to meet the most likely final financial obligation needs of the fund. Congress provided authority to transfer up to \$67 million in unobligated balances from bid savings from the Major Construction account for 2010 or prior years as authorized in the Supplemental Appropriations Act, 2010 (P.L. 111-212) § 901. The Consolidated Appropriations Act, 2023 (P.L. 117-328), Division J, Title II, § 239 prohibits VA from transferring any amount from the FVEC Fund to any other account in the Treasury of the United States.

To consider a claim for this one-time, lump-sum payment, VBA had to receive an application from an eligible Filipino Veteran for this benefit no later than February 16, 2010. Claims had to be made by the Veteran; no other parties were eligible to file a claim for this benefit. In the event an eligible Veteran dies after applying for the benefit, but before receiving the payment, the payment may be made to the surviving spouse. No other family members may receive this payment.

Eligibility

Those eligible for the program include the following:

- Persons who served before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces of the United States; and
- Members of the organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States; and
- Persons who served in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945. All persons must have been discharged or released from service under conditions other than dishonorable.

Payments

Eligible Veterans who are *not* United States citizens receive a one-time payment of \$9,000 irrespective of where they reside.

Eligible Veterans who *are* United States citizens receive a one-time payment of \$15,000 irrespective of where they reside.

Filipino Veterans Equity Compensation - Status of Funds (\$ in thousands)					
Fiscal Year	Appropriation	Transfer	Obligations	EOY Balance	Outlays
2009	\$198,000	\$0	\$82,438	\$115,562	\$82,438
2010	\$0	\$67,000	\$113,131	\$69,431	\$113,131
2011	\$0	\$0	\$10,099	\$59,332	\$10,099
2012	\$0	\$0	\$1,659	\$57,673	\$1,659
2013	\$0	\$0	\$1,080	\$56,593	\$1,080
2014	\$0	\$0	\$558	\$56,035	\$558
2015	\$0	\$0	\$177	\$55,858	\$177
2016	\$0	\$0	\$51	\$55,807	\$51
2017	\$0	\$0	\$84	\$55,723	\$84
2018	\$0	\$0	\$102	\$55,621	\$102
2019	\$0	\$0	\$9	\$55,627	\$9
2020	\$0	\$0	\$0	\$55,633	-\$6
2021	\$0	\$0	\$9	\$55,624	\$9
2022	\$0	\$0	\$15	\$55,609	\$15
2023	\$0	\$0	\$0	\$55,609	\$0
2024 Estimate	\$0	\$0	\$15	\$55,594	\$15
2025 Estimate	\$0	\$0	\$0	\$55,594	\$0

All original claims were adjudicated by the end of September 2011. However, as of October 2023, VA continues to process one remaining appeal and can continue to accept and grant reopened claims if the original claim was timely filed, and VA receives new and material evidence. For budget purposes, VA expects to pay \$15,000 in 2024 for the final granted FVEC appeal. All appeals are expected to be finalized by the end of 2024.

Administration of the Fund

P.L. 111-5 § 1002, also required the submission of specific information in the annual budget submission of the Department:

(k) Reports- The Secretary shall include, in documents submitted to Congress by the Secretary in support of the President's budget for each fiscal year, detailed information on the operation of the compensation fund, including the number of applicants, the number of eligible persons receiving benefits, the amounts paid out of the compensation fund, and the administration of the compensation fund for the most recent fiscal year for which such data is available.

Administration of Filipino Veterans Equity Compensation Fund*					
Claim Type	Payment	Claims Processed	Claims Paid	Claims Denied	Obligations (\$ in millions) *
Total			18,990		\$227**
Filipino Citizen	\$9,000	42,755	9,671	23,765	\$87
U.S. Citizen	\$15,000		9,319		\$140

* From 2009 through September 2023.

** Obligations include \$17 million in returned checks and other financial accounting adjustments.

All FVEC appeals processing for VBA is centralized at the Manila Regional Office (RO) in the Philippines. As of September 29, 2011, all initial claims had been adjudicated. Since inception of the program, 42,755 claims have been processed. Of this total, 18,990 claims have been granted, and 23,765 have been denied. Just over half (51%) of the claims awarded were to Filipino citizens at the one-time payment amount of \$9,000. The remaining 49% of the claims were awarded to the Veterans who are United States citizens at the one-time payment amount of \$15,000 in recognition of their service during World War II.

To address concerns of improper denials, the White House Initiative on Asian Americans and Pacific Islanders, in collaboration with the Office of Management and Budget and the Domestic Policy Council, created the FVEC Fund Interagency Working Group (IWG) in October 2012. The IWG was comprised of VA, the Department of Defense (DoD), and the National Archives and Record Administration (NARA) and was tasked with analyzing the process faced by Filipino Veterans in demonstrating eligibility for compensation to ensure that all applications receive thorough and fair review. This effort culminated in July 2013 with a report from each participating agency member of the IWG, which resulted in increased transparency and accelerated the processing of appeals within the existing framework.

Based on the IWG report, VA created a special team to expedite the processing of FVEC appeals. In addition, VA created a standard notification letter for appellants requesting submission of all available service records and information. VA personnel also obtain copies of the Affidavit for Philippine Army Personnel (AGO Form 23) for appeals that are submitted without a Form 23 from the Adjutant General. These steps expedited the processing of appeals for the appellants with advanced age by minimizing the turnaround time for service verification requests and hearing requests.

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Board of Veterans' Appeals

Part 4

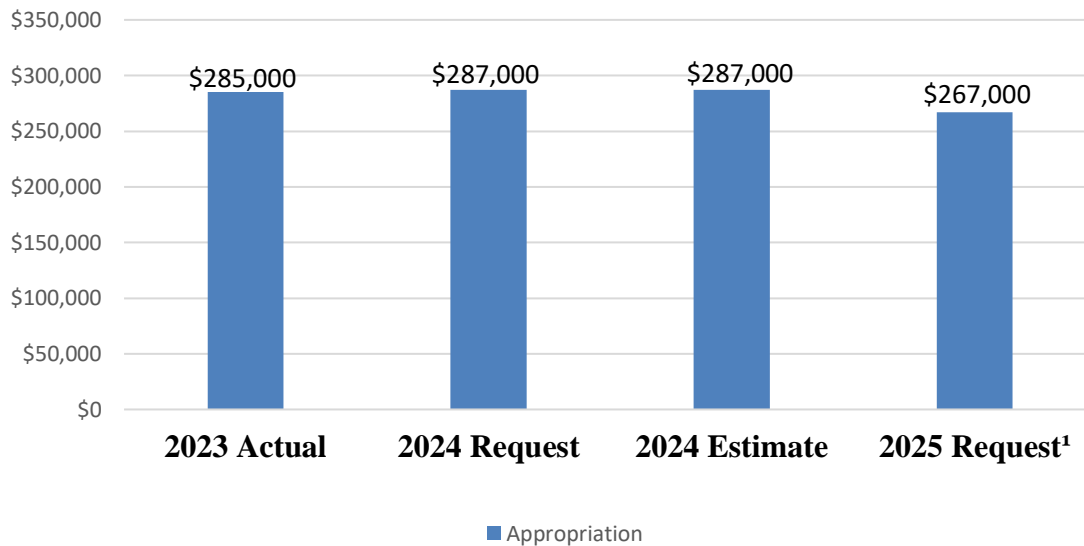
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Board of Veterans' Appeals

Budget Authority (\$ in thousands)



Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

2025 Appropriation Language

For necessary operating expenses of the Board of Veterans' Appeals, \$267,000,000, of which not to exceed 10% shall remain available until September 30, 2026.

Mission, Vision, and Values

The Board of Veterans' Appeals (Board) is the Secretary's designee to decide appeals from the Veterans Benefits Administration (VBA), Veterans Health Administration (VHA), National Cemetery Administration (NCA), and the Office of General Counsel (OGC). The Board's mission is to conduct hearings and decide appeals in a timely manner. The Board's jurisdiction extends to all questions in any matters involving a decision by the Secretary under a law that affects a provision of benefits (i.e., disability compensation and pension, education, and training) and access

¹⁸ \$28.7 million in unobligated balances from 2024 is projected to be available in 2025, and when combined with the request of \$267.0 million, results in total budgetary resources of \$295.7 million.

to services (i.e., health) to Veterans, their dependents, or their survivors. The Board remains committed to VA's Core Values: Integrity, Commitment, Advocacy, Respect, and Excellence.

Summary of Budget Request

The Board's 2025 request of \$267.0 million, when coupled with \$28.7 million in unobligated balances from 2024, will fund total obligations of \$295.7 million to support program operations. The vast majority of the Board's budget (91%) funds personnel costs to support 1,445 full time equivalent employees (FTE). The 2025 funding request coupled with the planned unobligated balance will fund a projected pay raise of 2.0%, while also positioning the Board to continue to hire, recruit, and train Veterans Law Judges (VLJ), decision writing attorneys, and administrative staff vital to achieving its mission-critical goal of adjudicating 118,000 appeals. The budget request supports continued resolution of legacy appeals and adjudication of the appeals associated with the Veterans Appeals Improvement and Modernization Act of 2017 (AMA), P.L. 115-55. In 2025, the Board will adjudicate an increased percentage of AMA appeals and will decide a majority of its appeals under the AMA (compared to legacy appeals), to include new appeals received as a result of P.L. 117-168, the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act). With this request, the Board also projects to reduce pending appeals inventory from the 2024 level.

The remaining \$26.4 million (9%) of non-pay costs includes \$8.4 million in lease expenses associated with the Board's office in Washington, D.C. Another \$2.3 million of the request is for planning and preparing for a potential relocation, with the current lease expiring in June 2026. The Board also maintains several contracts (~\$5.7 million) to provide services to Veterans including research tools, books, periodicals, and transcription services. Non-pay costs also include interagency agreements (~\$8.3 million), which support functions such as human resources and labor relations, building security, and financial service center support.

This budget request will help VA meet Veterans' expectations, maintain the quality assurance goals for appeal decisions, and improve trust scores administered and collected through the Veterans Experience Office (VEO) VSignals customer experience surveys. The Board is focused on increasing the number of appeals adjudicated to support the Department's prioritization to draw down the pending inventory of Legacy appeals while simultaneously adjudicating appeals under the AMA.

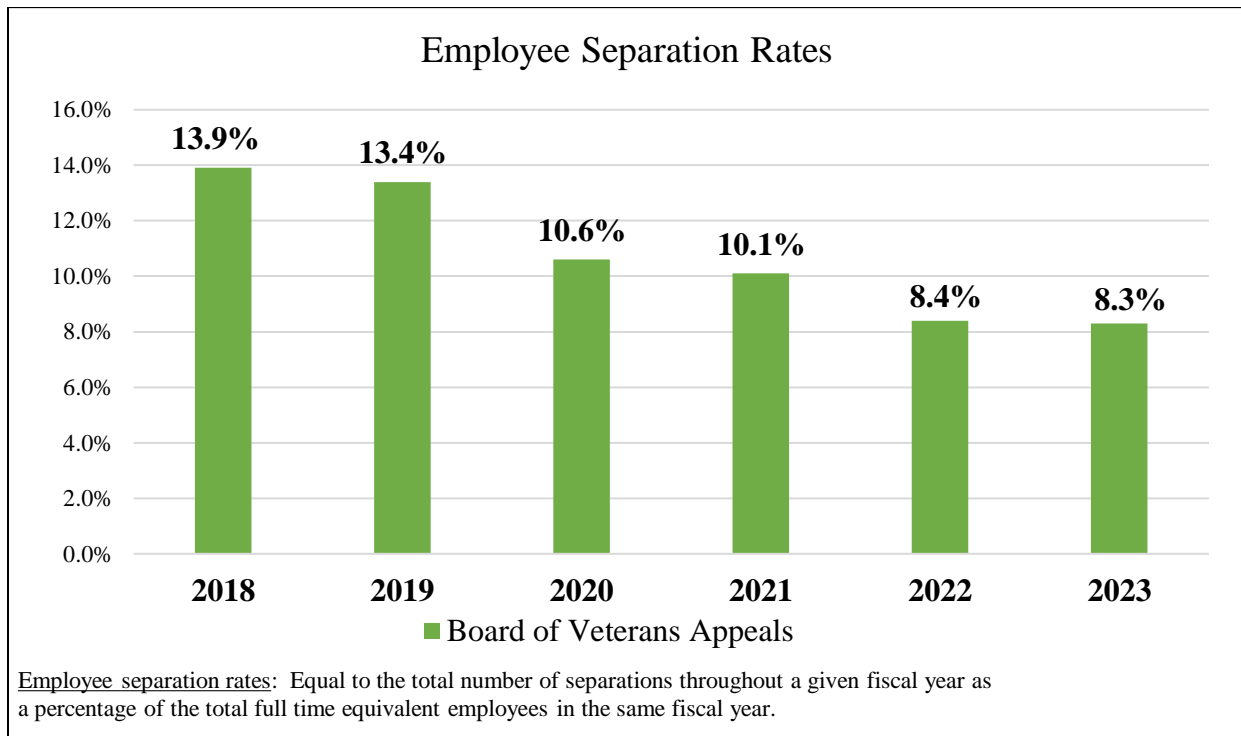
Hiring and Attrition

The 2025 request will support 1,445 base funded FTE, enabling the Board to continue to build capacity and reduce the number of appeals pending. The Board finished 2023 with 1,245 cumulative FTE and 1,340 FTE on-board, a 5% increase over the 2022 cumulative FTE of 1,182. Including backfills due to attrition, the Board hired and trained 208 staff in 2023, 54% more than the 135 staff hired in 2022. To maintain this momentum, the Board plans to continue hiring and achieve a cumulative FTE of 1,396 in 2024 and 1,445 in 2025.

The Board continues to monitor employee attrition rate trends for effective workload management. The Board's annual attrition rate has decreased from 13.9% in 2018 to 8.3% in 2023, as depicted

in the graph below. The declining attrition rate can be attributed in part to the Board’s commitment to continuously improving its organizational culture and work climate.

In partnership with VEO’s Employee Experience (EX) team, the Board launched the New Employee Buddy (NEB) Pilot Program in 2023. The pilot paired current employees (Buddies) with new employees to guide them through the first three months of employment at the VA. Program participants identified flexibility, compatible matches, and consistent check-ins between Buddies and new employees as successes of the pilot. Compared to new employees who did not participant in the program, new employees who completed the NEB were, among other positive outcomes, 57% more likely to recommend working at VA to a friend or family member, 51% more likely to feel acclimated to and integrated in the workplace, and 38% more likely to report knowing who to seek assistance from. Additionally, 100% of NEB program-participating new employees cited they would recommend working at VA to a friend or family member. Given the pilot success, in September 2023, the Board launched the New Employee Sponsor (NES) program, which is an independent, Board-focused version of the pilot. In NES, participating current employees are referred to as “Sponsor” rather than “Buddy.” This mirrors military terminology when a member moves to a new duty station and is provided a “Sponsor” to help them acclimate. In the first few months, the Board has matched 28 new employees with Sponsors.



2023 Program Successes

Veteran Choice with AMA

AMA affords Veterans greater choice if they disagree with a VA claim for benefits (i.e., disability compensation and pension, education, and training) and access to services (i.e., health) decision. Since AMA implementation in February 2019 through the end of 2023, approximately 25% of

Veterans have requested review of their initial claim decisions, of which 85% have chosen to file a supplemental claim or request for higher-level review (HLR) at VBA for a quicker resolution, and 15% have filed an appeal to the Board. This excludes VBA supplemental filings received more than one year after the original rating decision date, as these do not have the effective date for service connection protected and have a different evidentiary standard than those received within one year.

Veterans are choosing to appeal first to VBA in increasing numbers, which suggests that VBA's additional review options under AMA are attractive alternatives for Veterans. While the number of VBA's AMA decision reviews in HLR and supplemental claims increased in 2023, the average number of AMA appeals received at the Board has remained relatively stable. In 2021, the Board received 72,526 AMA appeals, followed by 65,328 in 2022, and 69,847 in 2023.

Another intended goal of AMA legislation was to reduce the Board's remand rate, and that strategy appears to be working. In 2023, 58.9% of the Board's Legacy system appeal decisions contained at least one remanded issue compared to only 38.8% of AMA appeals, a difference of 20.1 percentage points.

Veteran-Requested Hearings

Significant progress has been made to help reduce the number of pending legacy hearing requests as the Board continues to prioritize completion of all Legacy appeals. In 2023, the Board reduced the number of pending Legacy hearing requests by 85%, from 7,150 at the start of the year to 1,054 at the end of the year. Due to previously remanded decisions being recertified to the Board by VBA and Court of Appeals for Veterans Claims (Court) remands containing hearing requests, the Board will likely have a residual number of Legacy hearing requests pending in future years.

Progress has also been made in reducing the percentage of appeals pending that required a hearing to be held with the Veteran and a VLJ at the Board. At the start of 2022, more than 44% of the appeals pending required a hearing to be held, which has steadily decreased to just under 35% at the end of 2023.

Legacy Appeals Resolution

Department-wide progress continues to be made to resolve the remaining Legacy system appeals. At the end of 2023, there were slightly more than 59,000 pending Legacy appeals, of which less than 25,000 were pending a decision by the Board. Legacy appeals have been reduced from a high of 472,066 pending throughout the Department in November 2017 to 59,364 at the end of 2023, an 87% reduction. Constraints placed on docket order including Advance on Docket (AOD) cases (e.g., age, financial hardship, serious health conditions), remands from the Court, and post-remanded appeals with earlier Form 9 dates have caused adjudication of the remaining original Legacy system appeals to take longer than anticipated. As a result, approximately 72% of Legacy system appeals adjudicated in 2023 were either AOD, Court remanded, or post-remand appeals recertified to the Board from VBA; the remaining 28% were original appeals. The Board reduced the number of original Legacy appeals pending from 41,567 at the start of 2023 to 15,618 at the end of 2023, a 62% reduction. During the first quarter of 2024, the Board reduced that number by another 38% to 9,639.

Improved Customer Experience & Outreach

Outreach and partnership with Veteran Service Organizations (VSO) and the private bar remained critical to the Board's mission in 2023. The Board's Chairman continues to promote, educate, train, and inform Veterans and stakeholders about the AMA, focusing on choice, control, and clarity for the Veteran. In April 2023, the Chairman hosted a VSO outreach call, updating participants on the Board metrics and best practices. The Chairman, the Vice Chairman, and VLJs have attended and spoken in person at VSO conferences, educating hundreds of representatives on best practices to advise Veterans about their choices under the AMA.

The Board also uses the VSignals customer experience survey. Based on responses received from the Board's VSignals survey, Veteran trust rose from 46.0% in December 2022 to a 51.0% average during the last quarter of 2023. This increase coincides with completing an increasing percentage of AMA appeals. Overall Veteran trust levels under AMA continue to climb during their appeals experience at the Board, while trust scores remain consistently lower among Veterans with a Legacy appeal at the Board.

Ongoing improvements to the Board's external website, www.bva.va.gov, provide Veterans, family members, and representatives access to clear, concise, and useful information including updated monthly metrics and information about both the Legacy system and AMA process and timelines. The rebranding of the Board's website ensures Veterans and stakeholders can easily find important appeals-related information in an intuitive and easy-to-follow user interface.

Employee Bar Due Reimbursements

In partnership with the American Federation of Government Employees (AFGE) Local 17, the Union representing a majority of Board staff, and as an investment in its employees, the Board made a commitment to reimburse up to \$300 to employees in positions that require active state bar memberships in 2022. At the suggestion of Congress, to maximize all tools at the Board's discretion to improve recruitment and retention, the Board lifted the cap on reimbursements for bar dues in 2023 and will continue to pursue this strategy in 2025. The average reimbursement per attorney increased from \$252 in 2022, to \$287 in 2023.

Employee Engagement

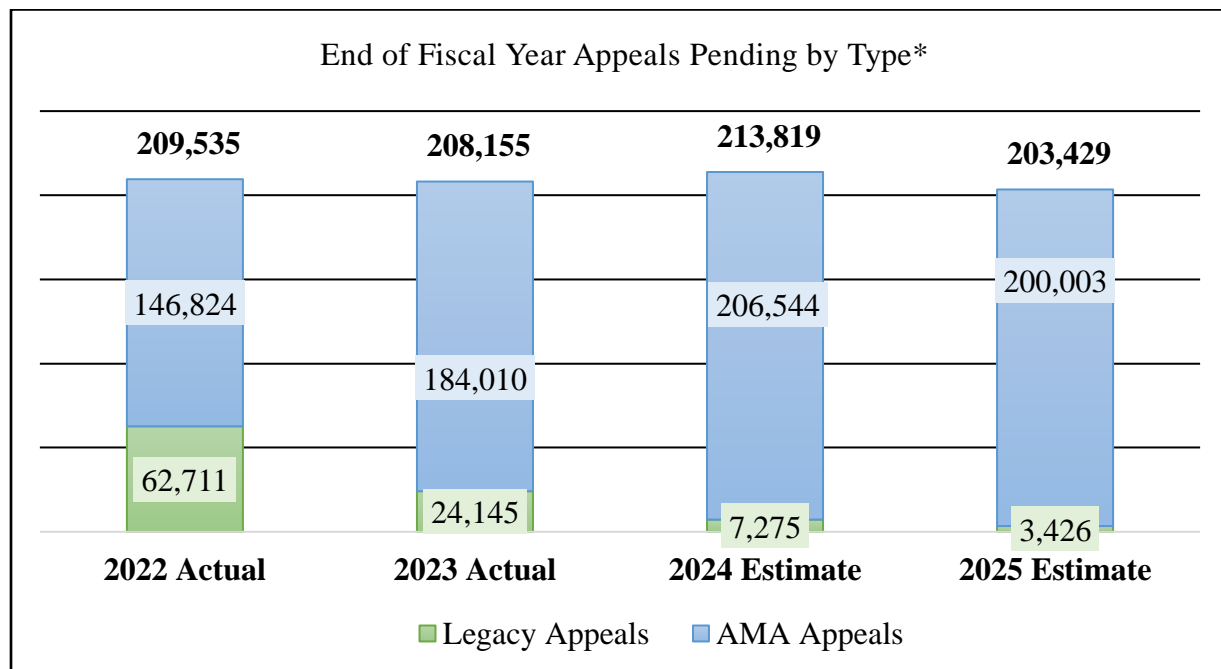
The Board is committed to continuously improving its organizational culture and work climate. This past year, the Board strengthened employee engagement through encouraging employee driven activities and connections. Currently the Board has ten active Employee Associations, three of which were stood up in the past year. These groups seek to connect employees with similar interests. The newest groups include the Foodie Forum, Mindfulness and Meditation, and a Historically Black Colleges and Universities alumni and friends' group. In 2023, the Board reached a milestone of 90 years since its establishment on July 28, 1933. To honor and celebrate this anniversary, a committee of employees has been working diligently to help connect and celebrate the mission of serving our Veterans through a variety of activities. Finally, the Board leadership, in coordination with the Union, developed a more robust employee recognition program that is designed to recognize and reward employees for going above and beyond the call of regular duty to help serve Veterans and their families. Categories available to recognize employees include writing, Chairman's innovation, legal support excellence, accomplished team, exceptional customer service, the helping hand, newcomers 'Rising Star,' and unsung hero awards.

Workload Estimates

The Board issued a record 103,45 decisions in 2023, an 8.3% increase to the 95,284 decisions in 2022. The Board also received 101,865 appeals in 2023, 13,296 less than originally projected, which resulted in 1,260 more appeals being decided (103,245) than were received (101,865), and finished the year with 208,155 appeals pending adjudication., of which 24,145 were Legacy appeals and 184,010 were AMA appeals. This marked the first time in four years that the total number of pending appeals decreased. In 2025, the Board estimates 118,000 decisions and almost 108,000 appeal receipts, resulting in under 204,000 appeals pending by year-end.

VA remains committed to resolving the inventory of Legacy appeals as quickly as possible while also processing AMA appeals. As depicted in the graph below, the Board plans to reduce the number of pending Legacy appeals to under 8,000 by the end of 2024 and have fewer than 4,000 pending at the end of 2025. Due to previously remanded decisions and Court decisions returning to the Board for adjudication, the Board will have a continued number of residual legacy appeals that are certified to the Board through 2025. The reduced number of Legacy appeals will result in an anticipated shift in 2024 to significantly more decisions coming from AMA dockets.

Decision output is anticipated to increase by 6.3%, with 118,000 total decisions, 7,000 more than the 2024 goal of 111,000, which is necessary to address the growing pending workload. These resources will enable the Board to continue its commitment to reducing the inventory of Legacy appeals by deciding approximately 24,600 Legacy appeals, deciding a record number of AMA decisions (93,400), and continuing to docket and process PACT Act appeals, all of which will result in fewer pending appeals since 2022.



*The Board continues close collaboration with the VBA and VHA to receive claims forecasts to develop and refine subsequent appeals projections.

Legacy Appeals

As noted earlier, Legacy system appeals have been significantly reduced from a Department-wide high of 472,066 in November 2017 to approximately 59,000 at the conclusion of 2023, of which less than 25,000 were in the Board's inventory. The Board continued to prioritize budgetary resources to address the pending Legacy appeals inventory and issued 103,245 decisions in 2023, with 70,584 (68%) of those decisions being Legacy appeals. With 59,364 Legacy appeals pending Department-wide at the end of 2023, the Board estimates 45% of its resources will be allocated to adjudication of Legacy appeals in 2024. The Board reduced the number of original Legacy appeals pending from 41,567 at the beginning of 2023 to 9,639 at the end of calendar year (CY) 2023. The Board will continue to focus on decreasing the pending original Legacy appeals and expects to provide an initial adjudication on all of them by the end of CY 2024. Initial goals are to issue 111,000 decisions, with almost 50,000 of those being Legacy appeals, and end 2024 with 7,275 appeals pending, which will allow the Board to focus even more resources on meeting its aspirational goals for more timely resolution of the pending AMA appeals.

Continued high levels (approximately 60%) of decisions requiring the Board to remand to the agency of original jurisdiction, combined with appeal remands received from the Court, will likely result in another 20,750 previously adjudicated Legacy appeals returning in 2025 for a new decision. As such, approximately 21% of the workload is estimated to be Legacy appeals in 2025 with a potential of finishing the year with less than 4,000 pending, depending on the rate of recertification of remanded appeals pending from VBA to the Board and the number of Court remands received.

Appeals Modernization Act Appeals

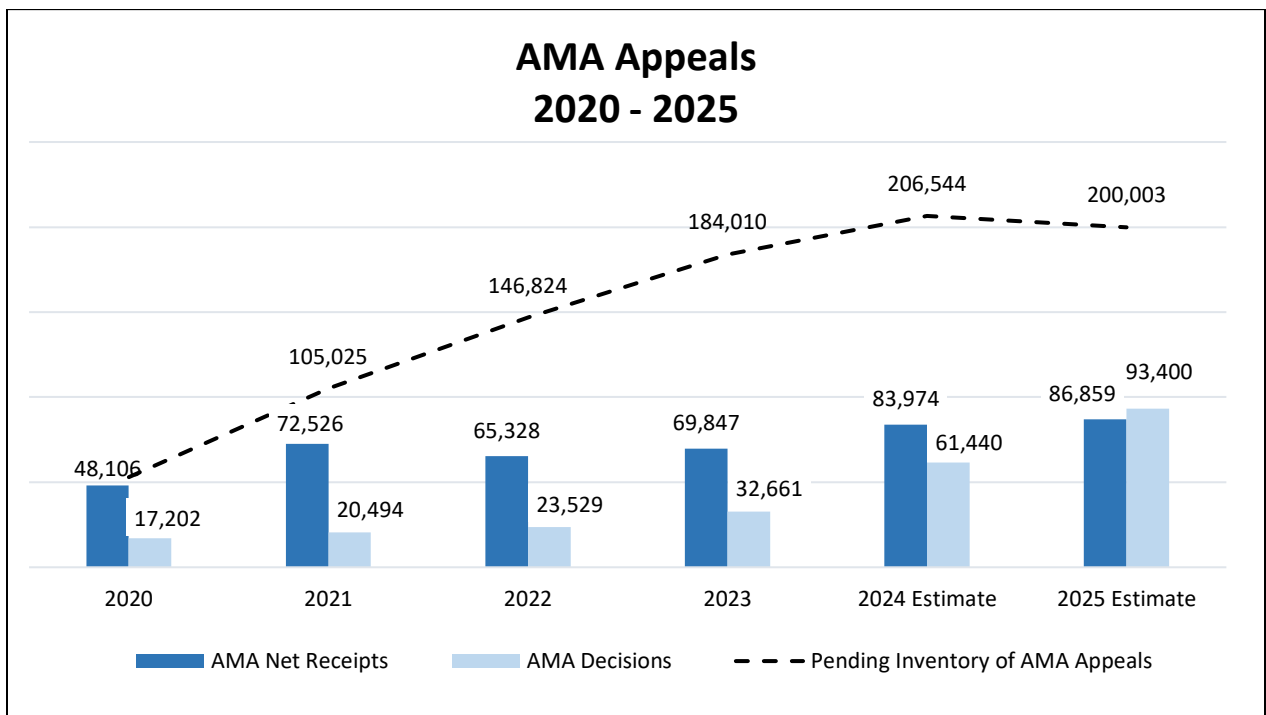
The vast majority of Veterans continue to choose VBA lanes for a second review after their initial VBA decision. Since AMA implementation in February 2019 through the end of 2023, the Board has received approximately 279,000 (15%) appeals, compared to 1,527,000 (85%) AMA claims filed by Veterans choosing to file at VBA with either a HLR, or Supplemental Claim within one year of original rating decision date. Although the number of VBA's AMA claims received have increased during the past four years, the average number of AMA appeals received at the Board have remained fairly consistent during this same period. Recent projections since passage of the PACT Act and anticipated increases in VBA rating decisions show the Board could receive as many as 84,000 AMA appeals in 2024 and almost 87,000 in 2025.

As the Board continues resolution of Department-wide Legacy appeals, a gradual increase in resources available to adjudicate AMA appeals is expected. As resources continue to be shifted from Legacy system to AMA appeals, 61,440 AMA decisions are anticipated in 2024, followed by another 93,400 AMA decisions in 2025. The Board anticipates 2024 to be the first year in which the number of AMA decisions is greater than Legacy decisions.

As the Board adjudicates a higher proportion and number of AMA appeals, AMA appeals that have been pending the longest will be completed first. Therefore, the Board expects the average days to complete AMA appeals will rise before cresting and then settling back to within published goals. The Board is building capacity that provides a projected 6.3% increase in appeals decisions, resulting in more decisions than appeals received, marking an important step in reducing the

number of pending appeals and providing timely services and benefits that Veterans have earned and deserve.

The Board is working with the VA Office of Information and Technology (OIT) to identify funding for solutions and enhancements to the appeals Caseflow management system. Caseflow is a suite of web-based applications designed to improve VA’s management, tracking, and adjudication of all appeals. Internal and external stakeholders continue to report system challenges and user interface shortfalls that result in latency and system usability issues, resulting in user experiences that are inadequate and unacceptable. Necessary system enhancements designed to improve the user experience, such as automated transfer of appeals filed online through VA.gov into a pre-docket queue and better search capabilities for document review by judges and attorneys, continue to be advocated for with the Board’s partners in OIT. However, new information technology initiatives, including system enhancements, must be funded through the OIT appropriation.



Note: Estimates include PACT Act appeal receipts projections.

Table 1 Board of Veterans' Appeals Appeals Workload Estimates			
	2023	2024	2025
	Actual	Estimate	Request
Board Full Time Equivalent (Cumulative FTE – Base Funded)	1,245	1,396	1,445
Legacy Appeals Workload			
Start of Year Appeals Pending (From date of certification (Form 8) in field)	62,711	24,145	7,275
Appeals Received (Net Appeals Receipts)	32,018	32,690	20,751
Appeals Decided (-)	70,584	49,560	24,600
End of Year Appeals Pending	24,145	7,275	3,426
Appeals Modernization Act Workload			
Start of Year Appeals Pending	146,824	184,010	206,544
Appeals Received	69,847	83,974	86,859
Appeals Decided (-)	32,661	61,440	93,400
End of Year Appeals Pending	184,010	206,544	200,003
Total Appeals Workload			
Start of Year Appeals Pending	209,535	208,155	213,819
Appeals Received	101,865	116,664	107,610
Appeals Decided (-)	103,245	111,000	118,000
End of Year Appeals Pending	208,155	213,819	203,429
*AMA workload includes projected appeals as a result of the enacted PACT Act and PCAFC.			

Table 2 Board of Veterans' Appeals Other Performance Metrics			
	2023	2024	2025
	Actual	Goals	
Hearings Held	19,434	n/a	n/a
AMA Average Days to Complete*			
Direct Docket	314 days*	365 days	365 days
Evidence Docket:	695 days*	550 days	550 days
Hearing Docket:	927 days*	730 days	730 days
*Average days from Notice of Disagreement to issuance of Board decision			

PACT Act Funding & Workload Estimates

Since the enactment of the PACT Act, Veterans and survivors can appeal a VBA-issued decision for claims related to a veteran with a toxic exposure. Based on the Board's methodology, a projected 4% of prior year VBA Compensation PACT-related decisions (both grants and denials) is anticipated to appeal directly to the Board, followed by another 9% filing a subsequent appeal of a prior year AMA decision (re-filers). The Board anticipates a potential 29,000 PACT-related appeals in 2024 and over 345,000 appeals over a 10-year period generating nearly 121,000 additional hearings. With the exception of appellants that qualify to be advanced on docket (AOD) due to age, financial hardship, and health, the majority of appeals will be adjudicated in regular docket order with all other Board appeals that are pending or received. Based on current docket selections, it is estimated that 35% of PACT appeals will elect to have a hearing with a VLJ. These cases typically take the longest to resolve because of the extra procedural step, and the judge time and availability. Estimated PACT workload is included in the Table 1 above.

Board of Veterans' Appeals
FTE, Obligations & Budgetary Resources
(\$ in thousands)

Budgetary Resources	2023 Enacted	2024 Request	2024 Estimate 1/	2025 Request	2025 Request vs 2024 Estimate	
					\$/FTE	%
Average Employment:	1,212	1,465	1,396	1,445	49	3.5%
Obligations:						
Personnel Compensation	163,122	191,400	188,393	197,257	8,864	4.7%
Personnel Benefits	57,167	68,973	67,562	72,040	4,478	6.6%
Rent, Comm. & Utilities	8,808	8,765	8,766	8,814	48	0.6%
Other Services	9,574	15,957	20,024	13,510	-6,514	-32.5%
Travel	262	300	350	330	-20	-5.7%
Transportation Of Things	32	15	15	15	-	0.0%
Printing	115	10	110	110	-	0.0%
Supplies & Materials	83	364	364	206	-158	-43.5%
Equipment & Furniture	35	216	216	2,418	2,202	1019.4%
Insurance & Indemnities	290	1,000	1,000	1,000	-	0.0%
Subtotal, Obligations	239,488	287,000	286,800	295,700	8,900	3.1%
Budgetary resources						
Unobligated balance:						
Unobligated balance						
brought forward, Oct 1	15,000	-	28,500	28,700	200	0.7%
Subtotal, unobligated balance	15,000	-	28,500	28,700	200	0.7%
Budget authority:						
Appropriations	285,000	287,000	287,000	267,000	-20,000	-7.0%
Transfer to other appropriations	-19,500	-	-	-	-	0.0%
Subtotal, budget authority	265,500	287,000	287,000	267,000	-20,000	-7.0%
Total budgetary resources 2/	280,500	287,000	315,500	295,700	-19,800	-6.3%
Unobligated Balance Expiring	-12,512	-	-	-	-	-
Unexpired Unobligated						
Balance, End of Year	28,500	-	28,700	-	28,700	-

Notes:

1/ A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

2/ Budgetary resources (average employment and funding) do not include American Rescue Plan (ARP) or Toxic Exposures Fund (TEF) resources.

Budget Highlights

While the Board made significant progress with hiring in 2023 with the on-boarding of more than 200 new hires, total cumulative FTE was more than 100 FTE below the goal, resulting in significant under execution of funds. To mitigate an excessive lapse of funding, the Board brought the full 10% of allowable unobligated balance forward from 2023 to 2024 and transferred \$19.5 million in 2023 appropriations to VBA. The lower-than-anticipated FTE in 2023 has resulted in a decrease in estimated FTE and payroll needs in 2024 from the 2024 President’s Budget. The Board will use 10% of 2024 funding to support 2025 operations. This request positions the Board to increase Veteran appeals decisions and continue to build capacity to prepare for increased appeals resulting in the pending inventory of appeals being reduced by the end of 2025.

In 2025, an increase of \$2.2 million in equipment and furniture is budgeted in anticipation of the Board’s lease agreement ending in June of 2026 and potential relocation costs.

Board of Veterans' Appeals							
Summary of Employment, Obligations, and Budgetary Resources - American Rescue Plan							
(\$ in thousands)							
Budgetary Resources	2023 Actual	2024 Request	2024 Current Estimate	2025 Request	2025 Request vs 2024 CE		
					\$/FTE	%	
Average Employment	33	-	-	-	-	-	
Obligations							
Direct obligations	3,252	-	-	-	-	-	
Total obligations	3,252	-	-	-	-	-	
Budgetary resources							
Unobligated balance:							
Unobligated balance brought forward, Oct 1	5,019	-	-	-	-	-	
Total budgetary resources	5,019	-	-	-	-	-	
Unobligated balance expiring	1,767	-	-	-	-	-	

The Board executed just over \$1.5 million of ARP funding in 2021 for detailees, term employees, and targeted overtime to increase decisions while supporting the intake, dispatch, and hearing branches. In 2022, \$3.4 million in ARP funds were obligated to support 39 not-to-exceed 2-year employees currently assisting in intake, mail processing and hearing management. Of the final \$5.0 million in ARP obligations available in 2023, obligations totaled more than \$3.2 million to support the payroll for 33 FTE and overtime.

Board of Veterans' Appeals Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126 (\$ in thousands, FTE)						
	2023 Actual	2024 Request	2024 Current Estimate	2025 Request	2025 Request vs 2024 CE	
					\$/FTE	%
Obligations		15,028	11,028	23,000	11,972	109%
Budgetary resources						
Unobligated balance brought forward, Oct 1	10,328	11,028	11,028	4,000	(7,028)	-64%
Budget authority:						
Appropriations, mandatory	700	4,000	4,000	19,000	15,000	375%
Total, budgetary resources	11,028	15,028	15,028	23,000	7,972	53%
Unexpired unobligated balance, end of year	11,028	-	4,000	-		

The request of \$19.0 million in TEF reflects a \$15.0 million increase relative to the 2024 request to support the adjudication of new appeals received as a result of the PACT Act. Prior to execution of any TEF-related funds, the Board will work with internal and external stakeholders to ensure expenditures comply with the intent of the law and are consistent with policy and guidance. VA will update the TEF spend plans in spring of 2024 and will formally share the updated plans with Congress at that time.

Net Change Board of Veterans' Appeals 2025 Summary of Resource Requirements (Dollars in thousands)	
2024 President's Budget	\$287,000
SOY Unobligated Balance	\$28,500
Total Resources	\$315,500
2024 Total Obligations Estimate	\$286,800
2025 Current Services Adjustments:	
Pay Raise Increase (2.0%)	\$2,856
Benefits Increases (2.4%)	\$1,728
Other Payroll Expenses	\$3,074
Additional FTE (Pay and Benefits)	\$5,684
Relocation/Furniture	\$2,300
Non-Pay/Contract Adjustments	(\$6,742)
Subtotal	\$8,900
Total Obligations	\$295,700
Unobligated Balance Available	\$28,700
2025 Total Appropriation Request	\$267,000

Explanation of Changes

The \$8.9 million increase in obligations from 2024 to 2025 reflects anticipated shifts within the baseline that partially offset the pay raise, benefits and workforce growth, and the potential relocation preparations associated with the current lease expiration in June 2026. Potential savings in non-pay are primarily associated with investments in automated transcription services that are less costly while offering faster returns on hearing transcriptions, coupled with printer savings as fewer machines are necessary with the reduced footprint.

# of FTE	2023 Actuals	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate
EX	1	1	1	0
SES	7	10	12	+2
SL	0	0	0	0
AL	133	133	138	+5
GS -15	31	34	35	+1
GS -14	544	601	620	+19
GS -13	211	204	211	+7
GS -12	77	137	142	+5
GS -11	151	191	198	+7
GS -10	0	0	0	0
GS -9	58	59	61	+2
GS -8	6	6	6	0
GS -7	21	16	17	+1
GS -6	2	2	2	0
GS -5	0	0	0	0
GS -4	3	2	2	0
GS -3	0	0	0	0
GS -2	0	0	0	0
GS -1	0	0	0	0
Base Funded FTE	1,212	1,396	1,445	+49
ARP Funded FTE	33	0	0	0
Total Funded FTE	1,245	1,396	1,445	+49

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General Administration

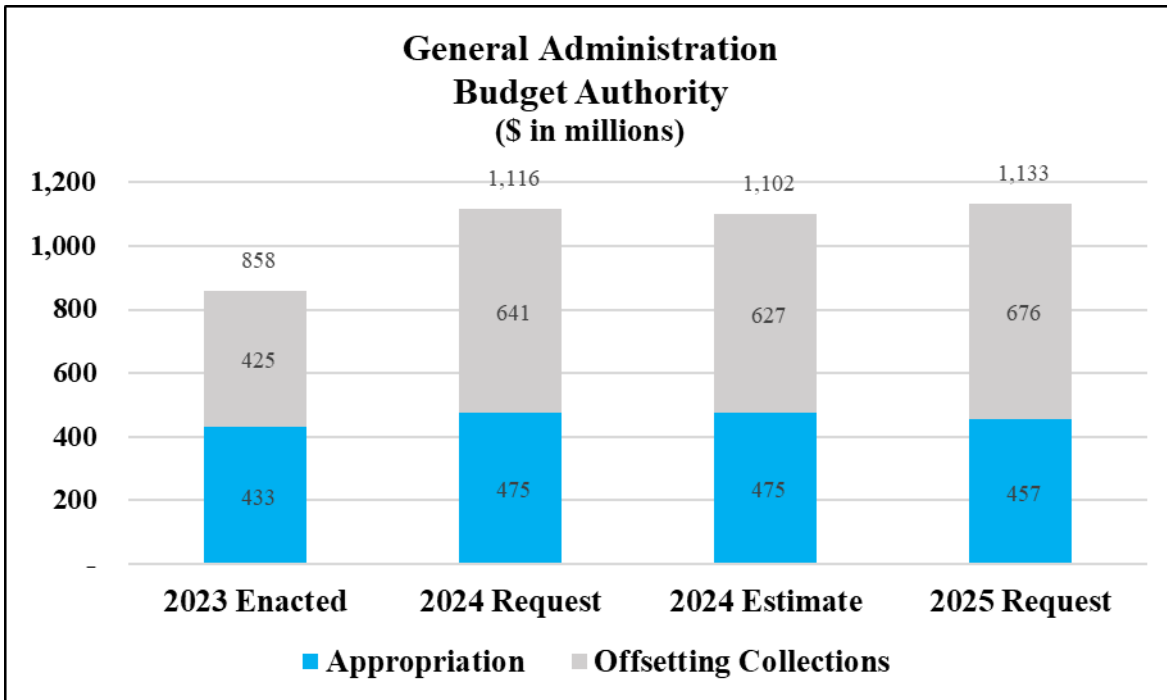
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Departmental General Administration



Note:

1/ A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Appropriation Language

General Administration

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-wide capital planning, management and policy activities, uniforms, or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, \$457,000,000, of which not to exceed 10 percent shall remain available until September 30, 2026: Provided, That funds provided under this heading may be transferred to "General Operating Expenses, Veterans Benefits Administration".

Program Description

The General Administration (GenAd) account provides funding for the Office of the Secretary (OSVA), six Assistant Secretaries and three VA-level Staff Offices, all of which report directly to the Deputy Secretary.

The Office of General Counsel (OGC) serves as the Department's legal advisor and ensures that the Department faithfully executes all laws, regulations, and policies that the Secretary is responsible to administer.

The Assistant Secretary for Management (OM) provides executive leadership for the Department's budget, long range investment planning, financial management, business oversight, and capital asset management. Offices that report directly to the Assistant Secretary are: Office of the Assistant Secretary, Office of Actuarial Services, Office of Asset Enterprise Management, Office of Budget, Office of Business Oversight, Office of Finance, Office of Financial Management Business Transformation, and the Reimbursement Team within the Office of Revolving Funds.

The Assistant Secretary for Human Resources and Administration/Operations, Security, and Preparedness (HRA/OSP) leads the development and implementation of human capital management strategies, policies, and capabilities that result in an accountable, skilled and engaged workforce that provides excellent customer service to Veterans and their families. The OSP side of the organization promotes VA continuity of operations in the event of an emergency ensuring minimal disruption of services to Veterans and their families. OSP leads the Department's law enforcement efforts and oversees the protection of its infrastructure. OSP also evaluates preparedness and develops training programs and exercises to enhance VA readiness in the event of an emergency as a federal partner.

The Assistant Secretary for Enterprise Integration (OEI) leads enterprise transformation and continuous improvement of Veterans' and employee experience through effective integration of people, processes, technology, innovations, and maturing organizational management capabilities. OEI supports the Secretary, Deputy Secretary, and Under Secretaries in the areas of strategic planning; policy management and analysis; business integration; transformation and innovation; program management; performance management; data analytics, and data governance.

The Assistant Secretary for Public and Intergovernmental Affairs (OPIA) builds and maintains public confidence in the VA by positively enforcing its commitment and readiness to serve America's Veterans of all generations.

The Assistant Secretary for Congressional and Legislative Affairs (OCLA) executes the Department's congressional affairs program and has overall responsibility for the plans, policies, goals, and direction of the Department's legislative agenda and governmental affairs.

The Office of Acquisition, Logistics and Construction (OALC) oversees and manages the resources, services and projects in the VA's capital facilities portfolio and directs the Department's acquisition and logistics activities.

The Veterans Experience Office (VEO) brings industry best practices to government to transform VA into a premiere customer service organization for Veterans, their families, caregivers, and survivors. VEO takes an enterprise-wide approach to improving customer experience through design and deployment of service delivery improvements in partnership with the Administrations and Staff Offices based on the voice of Veterans.

The Assistant Secretary for Accountability and Whistleblower Protection (OAWP) is responsible for advising the Secretary on all matters related to accountability within VA. To improve accountability, the office investigates allegations of senior leader misconduct and poor performance and allegations of whistleblower retaliation; tracks and confirms the implementation of recommendation from audits and investigations; and identifies trends to address concerns proactively.

General Administration Budgetary Resources (\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate 1/	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct obligations 2/	426,057	475,000	485,000	457,000	-28,000	-5.8%
Reimbursable obligations	431,802	640,808	626,676	676,309	49,633	7.9%
Total obligations	857,859	1,115,808	1,111,676	1,133,309	21,633	1.9%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	5,370	-	10,000	-	-10,000	
Transfers between expired\unexpired accts	6,600					
Subtotal, unobligated balance	11,970	-	10,000	-	-10,000	
Budget authority:						
Appropriations, discretionary						
Appropriation	433,000	475,000	475,000	457,000	-18,000	-3.8%
Subtotal, appropriations	433,000	475,000	475,000	457,000	-18,000	-3.8%
Offsetting collections	431,802	640,808	626,676	676,309	49,633	7.9%
Subtotal, budget authority	864,802	1,115,808	1,101,676	1,133,309	31,633	2.9%
Total budgetary resources	876,772	1,115,808	1,111,676	1,133,309	21,633	1.9%
Unobligated balance expiring	-8,913	-	-	-	-	-
Unexpired unobligated balance	10,000	-	-	-	-	-

Notes:

1/ A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

2/ Direct obligations in 2023 Actual include \$12 million in 2022/2023 Carryover. Direct obligations in 2024 Estimate include \$10 million in 2023/2024 Carryover.

General Administration
Appropriations by Office
(\$ in thousands)

Office	2023 Actual	2024 Request	2024 Estimate 1/	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Appropriation						
Office of the Secretary	17,324	19,165	19,165	18,159	-1,006	-5.2%
Office of General Counsel	136,347	149,283	149,283	142,310	-6,973	-4.7%
Office of Management	78,064	88,424	88,424	81,232	-7,192	-8.1%
Office of Human Resources & Administration/ Operations, Security & Preparedness	111,394	120,900	120,900	121,727	827	0.7%
Office of Enterprise Integration	36,229	38,941	38,941	37,818	-1,123	-2.9%
Office of Public & Intergovernmental Affairs	15,764	17,985	17,985	16,298	-1,687	-9.4%
Office of Congressional & Legislative Affairs	9,545	9,975	9,975	9,895	-80	-0.8%
Office of Accountability & Whistleblower Protection	28,333	30,327	30,327	29,561	-766	-2.5%
Total appropriation	433,000	475,000	475,000	457,000	-18,000	-3.8%
Net appropriation	433,000	475,000	475,000	457,000	-18,000	-3.8%

Note:

1/ A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

General Administration
Obligations by Office
(\$ in thousands)

Office	2023 Actual	2024 Request	2024 Estimate 1/	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Office of the Secretary	16,041	19,165	19,165	18,159	-1,006	-5.2%
Office of the General Counsel	132,194	149,283	149,283	142,310	-6,973	-4.7%
Office of Management	74,699	88,424	98,424	81,232	-17,192	-17.5%
Office of Human Resources & Administration/ Operations, Security & Preparedness	115,682	120,900	120,900	121,727	827	0.7%
Office of Enterprise Integration	32,852	38,941	38,941	37,818	-1,123	-2.9%
Office of Public & Intergovernmental Affairs	15,744	17,985	17,985	16,298	-1,687	-9.4%
Office of Congressional & Legislative Affairs	8,770	9,975	9,975	9,895	-80	-0.8%
Office of Acquisition, Logistics & Construction	27	-	-	-	-	
Veterans Experience Office	-	-	-	-	-	
Office of Accountability & Whistleblower Protection	25,871	30,327	30,327	29,561	-766	-2.5%
Unallocated 2/	4,177					
Subtotal, direct 3/	426,057	475,000	485,000	457,000	-28,000	-5.8%
Reimbursable						
Office of the Secretary	6,549	7,075	6,960	9,607	2,647	38%
Office of the General Counsel	26,698	34,388	33,921	37,706	3,785	11%
Office of Management	40	904	840	1,159	319	38%
Office of Human Resources & Administration/ Operations, Security & Preparedness	128,914	267,716	267,716	247,345	-20,371	-8%
Office of Enterprise Integration	83	4,080	4,080	4,166	86	2%
Office of Public & Intergovernmental Affairs	18,364	18,187	20,304	21,079	775	4%
Office of Congressional & Legislative Affairs	-	-	-	-	-	
Office of Acquisition, Logistics & Construction	129,401	179,523	163,922	220,401	56,479	34%
Veterans Experience Office	114,607	128,935	128,933	134,846	5,913	5%
Office of Accountability & Whistleblower Protection	-	-	-	-	-	
Unallocated 2/	7,146					
Subtotal, reimbursable	431,802	640,808	626,676	676,309	49,633	7.9%
Total	857,859	1,115,808	1,111,676	1,133,309	21,633	1.9%

Notes:

1/ A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

2/ Adjustments made by the Financial Service Center at the end of 2023. These adjustments were required to fulfill general ledger reporting and were not attributed to any office.

3/ Direct obligations in 2023 Actual include \$12 million in 2022/2023 Carryover. Direct obligations in 2024 Estimate include \$10 million in 2023/2024 Carryover.

General Administration FTE by Office						
Office	2023 Actual	2024 Request	2024 Estimate 1/	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of the Secretary	75	83	83	78	-5	-6.0%
Office of General Counsel	666	757	737	686	-51	-6.9%
Office of Management	262	334	334	284	-50	-15.0%
Office of Human Resources & Administration/ Operations, Security & Preparedness	332	377	357	397	40	11.2%
Office of Enterprise Integration	70	109	109	109	-	0.0%
Office of Public & Intergovernmental Affairs	73	81	81	73	-8	-9.9%
Office of Congressional & Legislative Affairs	44	51	46	45	-1	-2.2%
Office of Accountability & Whistleblower Protection	125	146	141	139	-2	-1.4%
Subtotal. direct	1,647	1,938	1,888	1,811	-77	-4.1%
Reimbursable						
Office of the Secretary	29	36	36	33	-3	-8.3%
Office of General Counsel	147	169	168	183	15	8.9%
Office of Management	3	5	5	6	1	20.0%
Office of Human Resources & Administration/ Operations, Security & Preparedness 2	412	1,054	1,054	919	-135	-12.8%
Office of Public & Intergovernmental Affairs	1	5	5	5	-	0.0%
Office of Acquisition, Logistics & Construction 3	457	618	498	613	115	23.1%
Veterans Experience Office	271	445	355	367	12	3.4%
Subtotal. reimbursable	1,320	2,332	2,121	2,126	5	0.2%
Total	2,967	4,270	4,009	3,937	-72	-1.8%

Note:

1/ A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

2/ The Office of Human Resources & Administration/Operations, Security, & Preparedness made additional adjustments to its 2025 plans for reimbursable activities after the deadline for changes in Budget Appendix and VA summary material which reduced the total reimbursable FTEs by 135 from 1,054 to 919. The total number of reimbursable FTEs shown here, 2,126 includes the revised FTE HRA/OSP estimate. All other summary material includes the total reimbursable FTE estimate of 2,356 which matches the Budget Appendix.

3/ The Office of Acquisition, Logistics and Construction made additional adjustments to its 2025 plans for reimbursable activities after the deadline for changes in Budget Appendix and VA summary material which reduced the total reimbursable FTEs by 95 from 708 to 613. The total number of reimbursable FTEs shown here, 2,126, includes the revised FTE OALC estimate. All other summary material includes the total reimbursable FTE estimate of 2,356 which matches the Budget Appendix.

Summary of Budget Request

For 2025, VA requests \$457 million and 3,937 FTE for the GenAd account. This FTE request includes 1,811 direct funded FTE and 2,126 reimbursable FTE. The appropriation request is 3.8% percent (-\$18 million) below the 2024 Current Estimate which is realized through a net decrease of 77 FTE in various Staff Offices. The 2025 request will continue to provide leadership, program

management, budgetary oversight, accountability, and process improvements throughout the Department.

Highlights of the GenAd Staff Office requests for 2025 are:

- \$18.2 million in budget authority and 111 total FTE, of which 78 FTE are funded by direct appropriations to OSVA to provide executive direction for all VA programs ensuring that VA continues to be a high performing customer experience organization that delivers care and benefits to Veterans, their families, caregivers and survivors. The request includes reimbursable funds to support 33 FTE in the Office of Employment Discrimination Complaint Adjudication that report directly to the Secretary.
- \$142.3 million in budget authority and 869 total FTE (686 direct FTEs and 183 reimbursable FTEs) for OGC. The request will support continued efforts to address expanding legal workloads. These include an increasing number of cases before the United States Court of Appeals for Veterans Claims, and legal and litigation support for VA Intellectual Property
- \$81.2 million in budget authority and 290 total FTE (284 direct FTEs and 6 reimbursable FTEs) for OM. The request will establish a centralized grant management office, support audit tasks relating to the new financial system, improve Strategic Capital Investment Planning, expand the Enhanced Use Lease program, and increase staff to support actuarial analysis and modeling.
 - \$121.7 million in budget authority and 1,316 total FTE (397 direct FTEs and 919 reimbursable FTEs) for HRA/OSP. The request includes a \$4.2 million and 27 FTE increase for the Human Resources Service Center; this funding is being realigned from Staff Offices and has a net zero effect on GenAd's total budget. HRA/OSP's increase is offset by a \$5.2 million decrease from decreases to facilities operations management and furniture contracts. The request also supports inspections of 144 Police units across the nation and criminal investigations of serious incidents.
 - \$37.8 million in budget authority and 109 total FTE (all direct) for OEI. The request will allow OEI to invest in its employees to continue to provide analysis, advice, and recommendations to senior leaders on VA plans, programs, resource estimates, and alternative solutions to complex problems.
- \$16.3 million in budget authority and 78 total FTE (73 direct FTEs and 5 reimbursable FTEs) for OPIA. The request continues to fund outreach activities, Tribal government conferences, and Public Affairs Training Academy. Outreach activities enable VA to communicate effectively with Veterans and the public and local governments by positively enforcing its commitment and readiness to serve America's Veterans of all generations.
- \$9.9 million in budget authority and 45 FTE (all direct) for OCLA. The budget request maintains existing core workloads that improve relationships and communications with associations representing state and local governments and with elected officials.

- \$220.4 million in reimbursable authority to support 613 FTE (all reimbursable) for the OALC. Funding will be provided from VA’s Major Construction appropriation and will support planning, designing, constructing, and acquiring facilities and real property, and setting design and construction standards.
- \$134.8 million in reimbursable authority and 367 in reimbursable FTE for the VEO. Funding will provide continued support to VEO efforts to improve the experience of Veterans, their families, caregivers and survivors across all parts of VA. The office has been designated as Lead Agency Partner for the President’s Management Agenda Cross Agency Priority Goal on Improving Customer Experience with Federal Services.
- \$29.6 million in budget authority to support 139 FTE (all direct) for the operation of OAWP. The request continues to implement the oversight and compliance requirements of the VA Accountability and Whistleblower Protection Act of 2017.

**Net Change
General Administration
2025 Summary of Resources Requirements
(\$ in thousands)**

	Request	FTE
2024 Current Estimate	\$475,000	1,888
2025 Current Service Adjustments	\$9,807	0
Payraise (2%), Nonpay Inflation (2.1%)	\$14,967	
Transition to Human Resources Service Center (Staff Office Decreases)	-\$4,159	
IAA and Other Services adjustments	-\$1,001	
Programmatic Adjustments	-\$32,816	-104
104 FTE net decrease across GenAd Staff Offices	-\$24,600	-104
Contracts for special studies (OEI)	-\$3,016	
Multi-year furniture purchase (HRA/OSP)	-\$2,000	
Facilities management operations (HRA/OSP)	-\$3,200	
Initiatives:	\$5,009	27
Transition to Human Resources Service Center (HRA/OSP)	\$4,159	27
Provide legal and litigation support for the VA intellectual property (OGC)	\$700	
Additional space to accommodate growing workloads (OGC)	\$150	
2025 President's Budget	\$457,000	1,811

Employment Summary - FTE by Grade				
General Administration Grade	2023 Actual	2024 Estimate	2025 Request	Increase (+) Decrease (-)
SES	107	145	142	-3
GS-15	381	515	506	-9
GS-14	1,175	1,589	1,561	-28
GS-13	612	827	812	-15
GS-12	249	336	330	-6
GS-11	202	273	268	-5
GS-10	5	7	6	-1
GS-9	56	76	75	-1
GS-8	16	21	21	0
GS-7	95	128	125	-3
GS-6	45	61	60	-1
GS-5	10	13	13	0
GS-4	10	13	13	0
GS-3	0	0	0	0
GS-2	3	4	4	0
GS-1	1	1	1	0
Total Number of FTE	2,967	4,009	3,937	-72

Analysis of FTE Distribution - Headquarters/Field		
General Administration Grade	2023 HQ - Actual	2023 Field - Actual
SES	54	53
GS-15	192	189
GS-14	588	587
GS-13	308	304
GS-12	125	124
GS-11	102	100
GS-10	3	2
GS-9	28	28
GS-8	8	8
GS-7	48	47
GS-6	23	22
GS-5	5	5
GS-4	5	5
GS-3	0	0
GS-2	2	1
GS-1	1	0
Total Number of FTE	1,492	1,475

Toxic Exposures Fund Summary

The Budget requests \$61.7 million for GenAd Staff Offices via the Toxic Exposures Fund (TEF) in 2025, which is \$28.1 million less than the 2024 Estimate.

Highlights of the GenAd Staff Office TEF requests for 2025 are:

- \$190,000 in budget authority and 1 FTE for the Office of the Secretary. The request is to: support one limited-term Senior Executive Service (SES) FTE who leads the PMO; and ensure deliverables are implemented.
- \$9.6 million in budget authority and 239 FTE for the Office of General Counsel. Funding is to meet growing workload in the Court of Appeals Litigation group as anticipated increases in PACT Act appeals output drives a corresponding growth in OGC workload. The increase also funds expanding workload in preventative and personnel law as VA hires additional employees. Benefits Law and Health Care Law are also affected as OGC assists in developing regulations, interpreting novel provisions of the PACT Act, and assessing process changes and policy proposals.
- \$37.3 million in budget authority and 122 FTE for HRA/OSP. Funding is to support development or revision of policies stemming from the PACT Act, workload increases in response to VA's HR community increases, modeling within manpower management office, and oversight of VA police in response to increases in security requirements.
- \$3.3 million in budget authority and 4 FTE for OEI. OEI projects an increase in integration, coordination, monitoring, and reporting due to the PACT Act. It will need contract support in program management and administration, policy and strategic analysis, enterprise synchronization, data engineering, and qualitative data analysis.
- \$7.8 million in budget authority and 9 FTE for the PACT Act Project Management Office (PMO). The office is currently housed under OEI with leadership direction from the OSVA. The office will centralize strategic functions to integrate and support all PACT Act activities:
 - Ensures legislative objectives to expand benefits and enhance access to care are met.
 - Tracks risk, scope, schedule, requirements, and cost.
 - Provides traceability and transparency for senior leaders on implementation progress, including timely identification of implementation roadblocks.
- \$3.5 million in budget authority for OPIA. With existing FTE, OPIA will coordinate, plan, implement and assess several complex communication actions, including advertisements to inform Veterans of the specifics of the PACT Act and the benefits they may be entitled to.

Additional information on the Staff Offices' TEF requests is at the end of the individual Staff Office chapters.

Toxic Exposures Fund
Summary of Employment, Obligations and Budgetary Resources

(\$ in thousands, FTE)	2023 Actuals	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate		
					\$	%	
Employment							
Office of the Secretary	0	1	1	1	-	0.0%	
Office of General Council	30	124	124	239	115	92.7%	
Human Resources, Administration, Operations, Security and Preparedness	13	100	92	122	31	33.3%	
Office of Enterprise Integration	-	3	4	4	-	0.0%	
PACT Act Program Office	2	9	9	9	-	0.0%	
Office of Public and Intergovernmental Affairs	-	-	-	-	-	-	
Office of Congressional and Legislative Affairs	-	1	-	-	-	-	
Total Employment	45	238	229	375	146	63.8%	
Obligations							
Office of the Secretary	25	334	587	330	(257)	-43.8%	
Office of General Council	2,468	37,733	15,339	45,612	30,273	197.4%	
Human Resources, Administration, Operations, Security and Preparedness	5,848	37,347	42,506	38,449	(4,057)	-9.5%	
Office of Enterprise Integration	3,340	4,142	5,002	2,398	(2,604)	-52.1%	
PACT Act Program Office	8,617	13,315	7,626	9,723	2,097	27.5%	
Office of Public and Intergovernmental Affairs	2,258	3,692	4,546	4,000	(546)	-12.0%	
Office of Congressional and Legislative Affairs	-	201	-	-	-	-	
Total Obligations	22,556	96,764	75,606	100,512	24,906	32.9%	
Budgetary Resources							
Unobligated Balance brought forward, Oct 1	-	-	-	-	-	-	
Office of the Secretary	224	144	537	140	(397)	-38.5%	
Office of General Council	4,374	-	13,614	36,008	22,394	112.6%	
Human Resources, Administration, Operations, Security and Preparedness	11,551	-	16,973	11,814	(5,159)	2.9%	
Office of Enterprise Integration	3,378	888	2,548	800	(1,748)	-39.3%	
PACT Act Program Office	6,030	5,540	7,626	7,775	149	7.8%	
Office of Public and Intergovernmental Affairs	4,270	192	2,704	1,658	(1,046)	-10.8%	
Office of Congressional and Legislative Affairs	-	-	-	-	-	-	
Subtotal, unobligated balances	29,827	6,764	44,002	58,195	14,193	32.4%	
Budget Authority							
Appropriations, Mandatory	-	-	-	-	-	-	
Office of the Secretary	338	190	190	190	-	-	
Office of General Council	11,708	37,733	37,733	9,604	(28,129)	-74.5%	
Human Resources, Administration, Operations, Security and Preparedness	11,270	37,347	37,347	37,347	-	-	
Office of Enterprise Integration	2,510	3,254	3,254	3,254	-	-	
PACT Act Program Office	10,213	7,775	7,775	7,775	-	-	
Office of Public and Intergovernmental Affairs	692	3,500	3,500	3,500	-	-	
Office of Congressional and Legislative Affairs	-	201	-	-	-	-	
Subtotal, mandatory appropriations	36,731	90,000	89,799	61,670	(28,129)	-31.3%	
Total Budgetary Resources	66,558	96,764	133,801	119,865	(13,936)	-10.4%	
Unexpired unobligated balance, end of year	44,002	-	58,195	19,353	(38,842)	-66.7%	



Office of the Secretary

Mission Statement

The Office of the Secretary provides executive leadership and strategic direction for all VA programs, including VA’s efforts to transform the Department into a continuously improving world-class organization, ensuring that the Department cares for Veterans over a lifetime, from the day the oath is taken until the day they are laid to rest.

Summary of Budget Request

In 2025, OSVA is requesting budget authority of \$18.2 million for 78 FTE to support its mission. OSVA is requesting reimbursement authority of \$9.6 million to support the Office of Employment, Discrimination, Complaint Adjudication (OEDCA) with a staff of 33 FTE.

Office of the Secretary Summary of Obligations and Budgetary Resources (\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	16,041	19,165	19,165	18,159	-1,006	-5.2%
Reimbursable Obligations	6,549	7,075	6,960	9,607	2,647	38.0%
Total obligations	22,590	26,240	26,125	27,766	1,641	6.3%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	-	-	800	-	-800	-100.0%
Transferred to other accounts	-	-	-800	-	800	-
Subtotal, unobligated balance:	-	-	-	-	-	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	17,324	19,165	19,165	18,159	-1,006	-5.2%
Appropriations transferred to other accounts	-483	-	-	-	-	-
Subtotal, appropriations	16,841	19,165	19,165	18,159	-1,006	-5.2%
Offsetting collections	6,549	7,075	6,960	9,607	2,647	38.0%
Subtotal, budget authority	23,390	26,240	26,125	27,766	1,641	6.3%
Total budgetary resources	23,390	26,240	26,125	27,766	1,641	6.3%
Unexpired unobligated balance, end of year	800	-	-	-	-	0.0%

Note: A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 estimate reflects the 2024 President's Budget request for discretionary appropriations with updates to balances, recoveries, and collections.

Office of the Secretary Appropriations and Collections by Sub-Office (\$ in thousands)						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Immediate Office of the Secretary	13,711	14,642	14,642	13,801	-841	-5.7%
Center for Minority Veterans	2,046	2,618	2,618	2,542	-76	-2.9%
Center for Women Veterans	1,567	1,905	1,905	1,816	-89	-4.7%
Appropriations transferred to other accounts	-483	-	-	-	-	-
Subtotal, direct	16,841	19,165	19,165	18,159	-1,006	-5.2%
Reimbursable						
Office of Employment, Discrimination, Complaint Adjudication	6,549	7,075	6,960	9,607	2,647	38.0%
Subtotal, reimbursable	6,549	7,075	6,960	9,607	2,647	38.0%
Total	23,390	26,240	26,125	27,766	1,641	6.3%

Office of the Secretary Summary of FTE Request						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Immediate Office of the Secretary	59	65	65	60	-5	-7.7%
Center for Minority Veterans	9	10	10	10	-	0.0%
Center for Women Veterans	7	8	8	8	-	0.0%
Subtotal, direct	75	83	83	78	-5	-6.0%
Reimbursable						
Office of Employment, Discrimination, Complaint Adjudication	29	36	36	33	-3	-8.3%
Subtotal, reimbursable	29	36	36	33	-3	-8.3%
Total	104	119	119	111	-8	-6.7%

Program Description

The Office of the Secretary (OSVA) provides executive leadership and strategic direction for all VA programs. Its organization includes the immediate Office of the Secretary, the Special Staff Offices, the Center for Minority Veterans and the Center for Women Veterans, and Support Offices, the Office of Employment Discrimination Complaint Adjudication and Office of Small and Disadvantage Utilization.

OSVA is headed by the Secretary (SECVA) and includes the Deputy Secretary for Veterans Affairs (DEPSECVA), the Chief of Staff (COSVA), the Executive Secretariat, senior advisors and several special focus centers and offices. Legal authority is vested, by 38 U.S.C., in the SECVA, who generally may delegate it to other VA officials to carry out the Department's missions. The DEPSECVA serves as the second in command and Chief Operating Officer for the Department. The COSVA synchronizes and coordinates SECVA policy guidance and direction with VA's Administrations, Staff Offices, and key officials.

The **Office of Administrative Operations** carries out OSVA executive administrative support with full responsibility for human resources, budget, financial management, personnel records management, acquisitions, correspondence, information technology, emergency preparedness and space and property management.

The **Office of Missions Operations** is responsible for travel, strategic and events planning and special projects for the Office of the Secretary and others as required.

The **Office of Protocol** provides protocol and executive services to the Office of the Secretary. Those services included directing and organizing special ceremonies and events that involve the executive leadership and providing advice and guidance to VACO and field facilities on protocol matters as they relate to visitors, both foreign and domestic, ceremonies, and other special events.

The **Veterans Affairs Office of Partnerships** (VAOP) oversees and facilitates non-monetary public-private partnership (P3) with non-governmental organizations (NGO) that complement VA's mission, goals, strategies, objectives, priorities, and services.

The **Executive Secretariat** is VA's central coordinating point for all staff actions addressed to, and emanating from, the Office of the Secretary. The Executive Secretariat provides correspondence policy and procedures for the Department and serves as the principal staff action control point for the Department on internal and external items and directs and assigns all administrative tasks on behalf of the SECVA.

The **Advisory Committee Management Office** (ACMO) Provides oversight guidance and support to the VA's 26 Federal advisory committees. VA's advisory committees solicit advice and recommendations from outside experts and the public concerning programs for which the Department is responsible for by law.

Special Staff Offices

The **Center for Minority Veterans (CMV)** promotes increased access to, and use of, VA services and benefits by minority Veterans. CMV champions minority Veterans by ensuring awareness of, and equal access to, the benefits and services they have earned by serving our Nation, with the goal of enhancing the well-being of Veterans, their families, and survivors. CMV identifies barriers to benefits and health care access, promotes awareness of minority Veteran-related issues, develops strategies for improving minority Veterans' participation in existing VA programs, conducts outreach activities with minority Veteran stakeholders, and coordinates outreach activities conducted by 276 Minority Veterans Program Coordinators (MVPC) assigned to the three VA Administrations. Additionally, the CMV manages the activities of the Advisory Committee on Minority Veterans, including site visits and Veterans Town Hall Meetings and works with the Center for Women Veterans to coordinate outreach, engagement, and enrollment programs to women Veterans.

The **Center for Women Veterans (CWV)** monitors and coordinates VA's health care, benefits, services, programs, and opportunities for women Veterans. CWV advocates a cultural transformation within VA and the public to recognize the service and contributions of women Veterans and women in the military and raises awareness of the responsibility to treat women Veterans with dignity and respect. The CWV Director serves as the primary advisor to the SECVA on all matters related to policy, legislation, programs, issues, and initiatives affecting women Veterans. CWV promotes awareness of women Veteran-related issues; conducts external outreach activities throughout the nation and OCONUS for women Veterans in support and collaboration with women Veteran stakeholders, organizations, and institutions. Additionally, CWV develops strategic partnerships with public, private, and nonprofit organizations to amplify awareness of VA programs and services provided for women Veterans, educate their audiences about issues related to women Veterans, and explore ways for organizations to support women Veterans in their communities.

Support Offices

The **Office of Employment Discrimination Complaint Adjudication (OEDCA)** is an independent adjudicatory authority created by Congress in 1998 and is responsible for issuing timely and legally sufficient final agency decisions and orders on the substantive merits of employment discrimination complaints filed by employees and applicants for employment. OEDCA also refers findings of discrimination and retaliation to the SECVA, DEPSECVA, Office of Resolution Management, Diversity and Inclusion to implement compliance with the Order of Relief, and to the Assistant Secretary, Office of Accountability and Whistleblower Protection to request follow-up regarding consideration of disciplinary action, as appropriate.

Funding for OEDCA is provided through statutory authority to collect reimbursements from the customers it serves.

The **Office of Small and Disadvantaged Business Utilization (OSDBU)** is the Department's principal liaison to the Small Business Administration (SBA), and other Federal agencies for matters dealing with small and disadvantaged business activities. OSDBU's mission is to enable

Veterans to gain access to economic opportunities by developing policies and programs, informed by customer feedback, that improve market research, increase direct access, and maximize the participation of procurement-ready Veteran-Owned Small Businesses (VOSB) and Service-Disabled Veteran-Owned Small Businesses (SDVOSB) in Federal contracting, including Women Veteran entrepreneurs through the Women Veteran-Owned Small Business Initiative. OSDDBU ensures eligible businesses that meet SBA and VA requirements receive designation as VA verified SDVOSB and VOSB. Businesses meeting the eligibility requirements are maintained in the Vendor Information Pages database of verified SDVOSBs and VOSBs. Additionally, OSDDBU manages the Veteran Business web portal (VetBiz) to provide quick and easy online access to information, resources and applications to assist SDVOSBs, VOSBs, other small and large businesses, and acquisition professionals.

Funding for OSDDBU is provided through VA Supply Revolving Fund. For more information, see Budget Request Volume III, Part 5, Section 14, Acquisition and Material Management: Supply Fund.

Recent Accomplishments

Advanced high profile strategic initiatives that enhanced Veteran care and services:

- Interagency COMPACT Act Section 203 created a Task Force with the Department of the Interior, successfully completing every milestone on time. Effectively demonstrated VA's potential of virtual reality to bring the outdoors to those unable to traverse the terrain whether due to physical or mental barriers for future policy consideration.
- Revised VA Mission Statement, including the development of a survey with over 10,000 respondents to determine it was the most inclusive statement possible. This resulted in a successful launch and publication, garnering minimal negative media attention and backlash.
- Developed the Veteran and Scam and Fraud Evasion (VSAFE) program, resulting in better prevention and education to Veterans and their Family Members, Caregivers, and Survivors about fraud, scams, and predatory practices. Successfully collaborated with the White House and established interagency partnerships of over 13 federal agencies in this VSAFE initiative.
- PACT Act Enterprise Program Management Office (EPMO) facilitated historic outreach resulting in more than 1 million Veterans and Survivors filing PACT claims, of which VA completed 590,000 claims with a 77.6% approval rate and led Department-wide efforts to synchronize policy around the Toxic Exposure Risk Activity (TERA), the Individual Longitudinal Exposure Record (ILER), section 103 accelerating healthcare for Veterans, and many other efforts. These long-term policy adjustments will continue VA's move to joint operations as a norm, providing a better OneVA experience for Veterans, Survivors, Family Members and Care Providers.

- The Minority Veteran Program, through its network of MVPCs throughout the country, increased outreach, engagement, case management, and resolutions during the past two fiscal years; the percent of minority Veterans reached increased from 13.37% to 35.28%. The Minority Veteran Program also executed a Memorandum of Agreement with the NAACP, the first for VA, in July 2023, emphasizing a commitment to address practices of racism and discrimination and to work towards ensuring diversity and inclusion for all Veterans.
- Oversaw the management and execution of the CWV and Library of Congress (LOC) Veterans History Project (VHP) by collecting, preserving, and making accessible the oral histories of women Veterans' stories in their own voices so that the public, universities, museums and others can learn from them for generations to come. This led to the enhancing the LOC VHP partnership by redesigning it to include the Library of Congress Veterans History Project in the execution of the Trailblazers program.
- In partnership with VA Enhanced Use Lease partners, VA contributed to the opening of nearly 180 new units of permanent supportive housing, on the West LA VA campus.

Budget Highlights

The 2025 budget request of \$18,159,000 in budget authority to support 78 FTE and \$9,607,000 in reimbursable authority for 33 reimbursable FTE. Because the 2025 request reflects a \$1,006,000 decrease in appropriated funds relative to 2024, OSVA will reduce direct staffing levels from 83 FTE to 78 FTE.

OSVA requests funding for OEDCA to fund a new database to replace the existing one, which is from the 1990s, unstable, and lacks the functionality required for optimal case processing. Additionally, this existing database has no IT support, which causes delays in reporting, lowered productivity, and loss of functionality. There will also be a reduction of 3 FTE, required to support this budget number.

Office of the Secretary Employment and Obligation Classification (\$s thousands)						
	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	118	119	119	111	-8	-6.7%
Field	-	-	-	-	-	-
Total FTE	118	119	119	111	-8	-6.7%
Direct obligations						
Personnel compensation	11,374	12,979	12,956	12,280	-676	-5.2%
Personnel benefits	3,785	4,344	4,391	4,019	-372	-8.5%
Travel	367	565	401	428	27	6.7%
Transportation of things	3	-	4	5	1	25.0%
Rents, communications and utilities	38	-	40	50	10	25.0%
Printing	26	5	32	32	-	0.0%
Other services	387	1,165	1,248	1,251	3	0.2%
Supplies and materials	55	84	90	91	1	1.1%
Equipment	1	23	3	3	-	0.0%
Grants, judgements, interest and insurance	5	-	-	-	-	-
Subtotal, direct obligations	16,041	19,165	19,165	18,159	-1,006	-5.2%
Reimbursable obligations						
Personnel compensation	4,254	4,894	4,543	5,180	637	14.0%
Personnel benefits	1,473	1,609	1,572	1,722	150	9.5%
Travel	8	38	12	15	3	25.0%
Rents, communications and utilities	13	-	15	20	5	33.3%
Other services	800	500	816	2,665	1,849	226.6%
Supplies and materials	1	34	2	5	3	150.0%
Subtotal, reimbursable obligations	6,549	7,075	6,960	9,607	2,647	38.0%
Total obligations	22,590	26,240	26,125	27,766	1,641	6.3%

Adjustments (Increases and Decreases)

The 2025 budget request reflects a net decrease of \$1,006,000 in direct obligations relative to 2024 estimate.

- \$1,048,000 decrease in personnel compensation and benefits, which is net of a \$1,537,840 decrease for FTE decreases and a \$489,840 increase for a 2% pay raise.
- \$42,000 increase in travel, transportation of things, rents, communications, and utilities, which represents 2.1% for inflation.

The 2025 budget request reflects a net increase of \$2,647,000 in reimbursable obligations relative to 2024 estimate.

- \$787,000 increase in personnel compensation and benefits, of which \$122,300 is for a 2% pay raise.
- \$1,857,003 increase in travel, rents, communications and utilities, other services, and supplies and materials. Of this amount, \$146,160 is for 2.1% inflation.

Cost of War Toxic Exposures Fund (TEF)

OSVA will continue to support one limited-term Senior Executive Service (SES) FTE using the indirect cost methodology to determine costs attributable to the TEF. This position leads the enterprise PACT Act EPMO and ensures deliverables are implemented, including:

- Beginning a 1-year period of eligibility to enroll for Veterans who were discharged or released between September 11, 2001, and October 1, 2013;
- Coordinating department-wide implementation of functions authorized under P.L. 117-168, Title I (“Expansion of Health Care Eligibility”), Title II (“Toxic Exposure Presumption Process”), Title III (“Improving the Establishment of Service Connection Process for Toxic-exposed Veterans”), Title IV (“Presumptions of Service Connection”), Title V (“Research Matters”), Title VI (“Improvement of Resources and Training Regarding Toxic-exposed Veterans”), and Title VIII (“Records and Other Matters
- Coordinating department-wide implementation of functions authorized under P.L. 117-168, Title VII (“Resourcing”) relating to the modernization of resources such as information technology systems or the production of data and analytics that are directly connected to improving the delivery of care and benefits to toxic-exposed Veterans (Title VII)



Office of General Counsel

Mission Statement

The Office of General Counsel (OGC) provides legal advice and services to the Secretary of Veterans Affairs (SECVA) and all organizational components of the Department of Veterans Affairs (VA). The General Counsel is, by statute (38 U.S.C. §311), the Department's Chief Legal Officer. As the Department's in-house law office, OGC is a full business partner to senior VA leaders, plays a pivotal role in supporting the SECVA's priorities, and ensures the just and faithful execution of the laws, regulations, and policies that SECVA is responsible for administering.

OGC's clients include the SECVA and other senior leaders, the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), the National Cemetery Administration (NCA), and other components of the Department with the exception of the Office of Inspector General (OIG). Additional stakeholders include Congress, Federal courts, Federal agencies, Veterans Service Organizations, and the Veterans that the Department serves.

Summary of Budget Request

All legal support to the Department and all attorneys who represent the Department reside in OGC. In 2025, to fulfill its statutory and regulatory requirements, OGC requests \$142.3 million in direct appropriations to support 686 FTE, and \$37.7 million in reimbursable authority to support 183 reimbursable FTE, to provide legal support and representation to the SECVA and the Department. This request excludes the use of the Toxic Exposures Fund.

Office of General Counsel
 Summary of Obligations and Budgetary Resources
 (\$ in thousands)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	132,194	149,283	149,283	142,310	-6,973	-4.67%
Reimbursable Obligations	26,698	34,388	33,921	37,706	3,785	11.16%
Total obligations	158,892	183,671	183,204	180,016	-3,188	-1.74%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	-	-	800	-	-800	-100.0%
Transferred to other accounts	-	-	-800	-	800	-
Subtotal, unobligated balance:	-	-	-	-	-	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	136,347	149,283	149,283	142,310	-6,973	-4.67%
Subtotal, appropriations	136,347	149,283	149,283	142,310	-6,973	-4.67%
Offsetting collections	26,698	34,388	33,921	37,706	3,785	11.16%
Subtotal, budget authority	163,045	183,671	183,204	180,016	-3,188	-1.74%
Total budgetary resources	163,045	183,671	183,204	180,016	-3,188	-1.74%
Unobligated balance expiring	-3,353	-	-	-	-	0.0%
Unexpired unobligated balance, end of year	800	-	-	-	-	0.0%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Office of General Counsel Summary of FTE Request						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of General Counsel	666	757	737	686	-51	-6.9%
Subtotal, direct	666	757	737	686	-51	-6.9%
Reimbursable						
Procurement Law Group	43	47	47	48	1	2.1%
District Contracting National Practice Group	25	26	26	26	-	0.0%
Medical Support Compliance Act	58	70	71	80	9	12.7%
Debt Management Center	2	2	2	2	-	0.0%
Credit Reform	19	24	22	27	5	22.7%
Subtotal, reimbursable	147	169	168	183	15	8.9%
Total	813	926	905	869	-36	-4.0%

Office of General Counsel Appropriations and Collections by Sub-Office (\$ thousands)						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Office of General Counsel	136,347	149,283	149,283	142,310	-6,973	-4.7%
Appropriations transferred to other accounts	-3,353	-	-	-	-	-
Subtotal, direct	132,994	149,283	149,283	142,310	-6,973	-4.7%
Reimbursable						
Procurement Law Group	9,096	10,514	10,515	11,047	532	5.1%
District Contracting National Practice Group	5,127	5,901	5,901	6,075	174	2.9%
Medical Support Compliance Act	7,769	11,160	11,567	12,877	1,310	11.3%
Debt Management Center	308	382	382	393	11	2.9%
Credit Reform	3,998	6,146	5,272	7,024	1,752	33.2%
Other Reimbursements	400	284	284	290	6	2.1%
Subtotal, reimbursable	26,698	34,388	33,921	37,706	3,785	11.2%
Total	159,692	183,671	183,204	180,016	-3,188	-1.7%

Distribution of Resource Requirements over OGC Areas of Practice

Office of General Counsel						
Practice Areas						
(\$ in thousands)						
Practice Areas:	2023		2024		2025	
	Actual \$	FTE	CE \$	FTE	Request \$	FTE
Budget Authority						
Health Law	\$ 6,610	33	\$ 7,464	38	\$ 7,116	34
Benefits Law	\$ 5,288	27	\$ 5,971	29	\$ 5,692	27
Employment Law	\$ 58,165	293	\$ 65,685	324	\$ 62,616	302
CAVC	\$ 27,761	140	\$ 31,349	155	\$ 29,885	144
Contract Law	\$ 5,288	27	\$ 5,971	29	\$ 5,692	27
Tort Claim Adjudication	\$ 11,897	60	\$ 13,435	66	\$ 12,808	62
Information & Administrative Law	\$ 6,610	33	\$ 7,464	37	\$ 7,116	34
Ethics	\$ 3,966	20	\$ 4,478	22	\$ 4,269	21
Management & Operational Support	\$ 6,610	33	\$ 7,464	37	\$ 7,116	34
Subtotal, Budget Authority	\$ 132,194	666	\$ 149,283	737	\$ 142,310	686
Reimbursable Authority						
Contract Law (Supply Fund)	\$ 14,223	68	\$ 16,416	72	\$ 17,122	74
Loan Guaranty (Credit Reform)	\$ 3,998	20	\$ 5,272	24	\$ 7,024	27
Revenue	\$ 8,077	59	\$ 11,949	72	\$ 13,270	82
Other Reimbursements ^{1/}	\$ 400	0	\$ 284	0	\$290	0
Subtotal, Reimbursable Authority	\$ 26,698	147	\$ 33,921	168	\$ 37,706	183
Total Resource Requirements	\$ 158,892	813	\$ 183,204	905	\$ 180,016	869

^{1/} Includes funding OGC anticipated reimbursement Financial Disclosure Management services and use of OGC's Lexis Nexis contract.

Program Description

OGC serves as VA's in-house counsel. OGC is committed to ensuring every member of its staff is focused on how OGC's work impacts Veterans and has an understanding and commitment to the business priorities of our VA clients, many of whom directly serve Veterans. OGC provides a full range of legal and litigation services, as well as support for legislative and regulatory activities through our Chief Counsels. The Chief Counsels lead eight law groups, five district offices, two National Practice Groups, the Court of Appeals for Veterans Claims Litigation Group, and Ethics Standards Team. All groups ensure compliance with laws and that VA programs, regulations, and directives fulfill the intended purpose of serving Veterans while protecting VA from costly litigation. OGC's internal administrative functions are handled by the Management, Planning and Analysis directorate.

Health Care Law - OGC provides advice to VHA regarding health care administration and operations, including eligibility for care, homeless programs, Veterans Canteen Service, patents, medical research, non-profit research corporations, and VA regulations. This includes interpreting

and clarifying statutory requirements, facilitating timely and efficient provision of care in VA facilities and in the community, and improving the Veterans' experience, and access to health care. Additionally, OGC supports the Department of Justice's (DOJ) defense of litigation involving benefits and programs administered by VHA.

Benefits Law - OGC provides legal advice and assistance regarding benefits administered by VBA and NCA, including compensation, pension, education, insurance, fiduciary, vocational rehabilitation, and burial benefits. Also, with the assistance of the DOJ, the Benefits Law Group represents SECVA in litigation at the U.S. Court of Appeals for the Federal Circuit. The Benefits Law Group administers VA's accreditation, discipline, and fees program to oversee individuals who represent Veterans in their benefit claims.

Employment Law - OGC provides advice to VA managers regarding human resources (Titles 5 and 38), labor relations, Equal Employment Opportunity, Merit Systems Protection Board, Office of Special Counsel (e.g., whistleblower retaliation), and immigration matters. This includes representing VA in issues before the Federal Labor Relations Authority and Equal Employment Opportunity Commission and supporting DOJ on employment cases and class action cases filed in Federal court.

Court of Appeals for Veterans Claims Litigation Group – OGC represents the Department in all litigation before the U.S. Court of Appeals for Veterans Claims, which provides Veterans or other claimants an impartial judicial forum for review of adverse administrative decisions issued by the Board of Veterans' Appeals regarding entitlement to service-connected disability compensation, survivor benefits, and other benefits such as education payments and health care benefits.

Contract Law (includes Reimbursable) - OGC serves as the VA's contract litigation counsel, representing the VA before the Government Accountability Office, Civilian Board of Contract Appeals, and Federal Courts. In addition, OGC provides litigation assistance to DOJ on matters before the Court of Federal Claims on more than 500 protests and claims filed per year related to VA contracting activities.

Tort Claims Adjudication - OGC manages VA's program to investigate and adjudicate actions filed against the Department under the Federal Tort Claims Act, including medical malpractice and non-healthcare claims. This includes providing litigation assistance when DOJ represents VA in litigation.

Information and Administrative Law - OGC provides advice regarding the Freedom of Information Act (FOIA), Privacy Act, Health Insurance Portability and Accountability Act, information security and technology, records and information management, data governance, copyright and trademarks, communications with Congress, appropriations law, law enforcement, and public-private partnerships.

Ethics - OGC manages VA's government ethics program and provides guidance on government ethics questions from VA employees and former employees on topics such as conflicts of interest, gift acceptance, travel expense reimbursement, attendance at widely attended gatherings,

endorsements, political activities, post-government employment restrictions, seeking employment recusals, and outside activities. This includes management of the Agency Integrated Ethics Program to include mandatory ethics training and coordination with the Office of Government Ethics, the Office of Special Counsel, and VA's OIG. In addition, OGC certifies more than 14,000 public and confidential financial disclosure reports and provides over 8,000 written ethics opinions to employees on a broad range of ethics issues, including conflicts of interest, outside activities, post-government employment, gifts, legislative initiatives, and avoiding endorsements.

Management, Planning, and Analysis - OGC's internal administrative functions are led by the Executive Director for Management, Planning, and Analysis. This includes managing budget formulation and execution, human capital, logistics, minor construction, and lease administration and providing informatics, planning, and analysis services.

Loan Guaranty (Reimbursable) - OGC advises on issues related to the efficient, legally compliant delivery of housing benefits to Veterans and service members. This includes providing litigation assistance when DOJ represents VA in litigation, appeals or enforcement actions related to VA's home loan programs.

Revenue (Reimbursable) - OGC recovers funds owed to the United States by using various legal-collection remedies, including litigation in Federal and state courts. This includes revenue owed to VA from health insurance carriers, claims to recover the cost of treatment for non-VA workers' compensation and personal injury claims and support for VA's centralized debt collection program.

Recent Accomplishments

Labor Relations: OGC provided extensive legal advice and bargaining support concerning contract language, bargaining disputes, and settlement discussions to the Department related to contract language, the sidebar negotiations, bargaining disputes, and settlement discussions. Following years of bargaining and litigation disputes, negotiations resulted in signed new national collective bargaining agreements between the VA and the American Federation of Government Employees, and VA and the National Nurses Union. In addition, OGC participates in quarterly National Partnership Council meetings during which collaborative approaches to challenges in labor management relations are discussed between VA offices and all five national unions. OGC's efforts significantly furthered the Secretary's and the Administration's goal to reset labor relations.

VA Accountability and Whistleblower Protection Act (VAAWPA): OGC continues to advise and litigate issues involving VAAWPA. OGC successfully negotiated a settlement agreement with AFGE that resolved a Federal Labor Relations Authority finding the VA failed to bargain with AFGE regarding the impact and implementation of VAAWPA. While the total cost of this settlement is expected to be in the hundreds of millions of dollars, with the exact figure being determined over the coming years by how many former employees elect to return to VA, it is well below the \$1 billion the VA would have had to pay in the absence of a settlement.

Confidential Financial Disclosure Program: OGC certified more than 14,000 public and confidential financial disclosure reports and provided 8,881 written ethics opinions to employees

on a broad range of ethics issues, including conflicts of interest, outside activities, post-government employment, gifts, legislative initiatives, and avoiding endorsements.

Support to VA Advisory Committees: OGC advised approximately 30 VA advisory committees, 54 Designated Federal officials, and hundreds of Federal Advisory Committee Act Special Government employees. OGC also advised VA researchers on avoiding conflicts of interest in VA research and worked with VA's Office of Academic Affiliations. This will significantly reduce the potential for conflicts of interest in the administration of VA's healthcare education mission.

VA Home Loan Program: OGC assisted in administering temporary home retention programs that provided more than \$1 billion dollars in direct mortgage assistance to Veterans, which helped Veterans avoid foreclosures, helped stabilize market liquidity, and contributed to lower-than-market interest rates for Veterans. OGC worked with VBA and DOJ to hold lenders and servicers accountable for predatory lending and noncompliance with VA requirements, resulting in the recovery of \$8.1 million to the Treasury. OGC's assistance in the Native American Direct Loan program resulted in updated Memorandums of Understanding in American Samoa and the Northern Mariana Islands. OGC's participation in the President's Interagency Task Force on property appraisals and valuation equity led to unprecedented levels of cooperation with other Government agencies to promote fairness in the valuation process with additional data-sharing agreements expected in 2024.

Freedom of Information Act: OGC successfully defended the agency in a FOIA litigation for a strategic plan protected by the Exemption 5, deliberative process privilege and Presidential Communication Privilege, in *Plaintiff America First Legal Foundation v. VA*. In an opinion dated July 18, 2023, the U.S. District Court granted the defendant's motion for summary judgment. In the opinion, the court affirmed that: 1) the Presidential communications privilege applies to strategic plans in full; and 2) the defendants met their burden of establishing foreseeable harm to the interests protected by the Presidential communications privilege would ensue if the strategic plans were disclosed.

Prescription Drug Monitoring Program (PDMP): OGC identified a need for legislative relief for VHA to obtain the information required for patient care for the Department's PDMP. OGC drafted clarifying language in existing regulations and provided technical assistance in writing VA's proposed amendments, which were included in a draft Congressional bill. In the interim, OGC actively participated in negotiations with various States' Attorney General offices to obtain compliance with 38 U.S.C. §1730, which requires states to allow VA access to their PDMPs despite any conflicting state laws. As a result, 48 states have granted VA access and the final two are in the process of doing so; this will improve VA's ability to provide safe and effective healthcare to Veterans.

Legislative Services: OGC provided extensive legislative services to VA in 2023. Specifically, OGC provided technical assistance with more than 150 pieces of legislation in the 118th Congress, provided legal counsel to prepare VA witnesses for more than 30 Congressional hearings, and provided legal advice and drafts on more than 120 Departmental legislative proposals. In addition, OGC provided legal advice regarding the implementation of several major new laws, including the PACT Act, the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits

and Health Care Improvement Act of 2022, the STRONG Veterans Act of 2022, the COMPACT Act and others. OGC also provided guidance to VA regarding the legal consequences of the end of the COVID public health emergency authority. In addition, OGC facilitated the publication of over 40 regulatory actions of significance to Veterans in 2023, and three rules implementing part of the Honoring our Promise to Address Comprehensive Toxics Act (PACT Act). The PACT Act required several extensive and complex Federal Register notices and sub-regulatory guidance documents to be coordinated and ultimately published. OGC further supported VA with the publication and management of comments on an additional 182 notices in the Federal Register.

Budget Highlights

Office of General Counsel Employment and Obligation Classification (\$ in thousands)						
	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	293	333	326	300	-26	-8.0%
Field	520	592	579	569	-10	-1.7%
Total FTE	813	925	905	869	-36	-4.0%
Direct obligations						
Personnel compensation	89,004	101,424	101,331	94,487	-6,844	-6.8%
Personnel benefits	32,214	37,149	37,350	37,150	-200	-0.5%
Travel	1,128	717	603	717	114	18.9%
Transportation of things	47	10	10	10	-	0.0%
Rents, communications and utilities	1,579	2,588	1,938	2,589	651	33.6%
Printing	-	12	12	12	-	0.0%
Other services	7,288	5,637	7,633	6,902	-731	-9.6%
Supplies and materials	805	1,413	111	112	1	0.9%
Equipment	13	306	285	306	21	7.4%
Grants, judgements, interest and insurance	116	25	10	25	15	152.0%
Subtotal, direct obligations	132,194	149,283	149,283	142,310	-6,973	-4.7%
Reimbursable obligations						
Personnel compensation	18,461	22,201	21,548	23,671	2,123	9.9%
Personnel benefits	6,838	8,712	9,040	9,896	856	9.5%
Travel	261	608	370	414	44	11.9%
Transportation of things		4				-
Rents, communications and utilities	15	1	30	35	5	16.7%
Other services	1,006	2,737	2,887	3,639	752	26.0%
Supplies and materials	117	104	31	35	4	12.9%
Equipment	-	22	15	16	1	6.7%
Subtotal, reimbursable obligations	26,698	34,388	33,921	37,706	3,785	11.2%
Total obligations	158,892	183,671	183,204	180,016	-3,188	-1.7%

Note: FTE above is shown by geographic location. A breakout of direct and reimbursable FTE is shown in a previous table, the Summary of FTE Request.

Adjustments (Increases and Decreases)

In 2025, OGC requests \$142.3 million in direct appropriations for 686 FTE and \$37.7 million in reimbursable authority for 183 reimbursable FTE, to provide critical legal support and representation necessary for the Department to meet SECVA's priorities. Because the 2025 request reflects a \$7 million decrease in requested funds relative to the 2024 estimate, OGC will reduce direct staffing levels from 737 FTE to 686 FTE in kind. OGC plans to achieve this reduction of 51 direct FTE through a combination of normal attrition and a rolling hiring freeze implemented

during the course of the fiscal year. An outline of the incremental cost increases and offsets (net change) between the 2024 Estimate and the 2025 Request are outlined below.

2024 Estimate: \$149.3 million

Increases: +\$4.5 million

- \$2.6 million increase for a 2% pay raise.
- \$238,000 increase for non-pay inflation.
- \$791,000 increase for interagency agreements and contracts.
- \$700,000 for VA intellectual property contract support.
- \$150,000 for additional office space.

Decreases: -\$11.5 million

- -\$9.9 million payroll offset due to 51 fewer FTE.
- -\$1.6 million savings realized from consolidation of HR services.

2025 Request: \$142.3 million

New Initiatives Justification

- **VA intellectual property contract support:** \$700,000; pursuant to 38 U.S.C. §311, the General Counsel is responsible for providing legal guidance to the Secretary concerning the programs of the Department. Historically, VHA has maintained a contract with outside law firms for purposes of providing patent prosecution and other related services. Beginning in 2025, OGC will become the lead organization to manage and fund this contract requirement.
- **Office Space:** \$150,000; Existing OGC office space is inadequate, because some has been reclaimed for clinical space, or has become available only in exchange for cost reimbursement by OGC. In the last two fiscal years, OGC has increased staffing by 17%. OGC successfully transitioned off of maximum telework status, and office space is required for providing in-person legal services to clients, on the job training for new staff and receipt, processing, storage, and mailing of paper records.

Summary of Workload Indicators (Number of Cases)

Product Lines:	FY23 (Actuals)		FY24 (Projected)		FY25 (Projected)	
	Pending FY23	Open FY23	Pending FY24	Open FY24	Pending FY25	Open FY25
Employment Law	6,909	13,612	7,600	14,973	8,360	16,471
Court of Appeals (Appeal of BVA Decisions)	10,056	14,080	11,062	15,488	12,168	17,037
Contract Law (includes DCNPG, RPLG, & PRLG)	9,990	6,840	10,989	7,524	12,088	8,276
Tort Claim Adjudication	2,332	2,300	2,565	2,530	2,822	2,783
Information Law	2,807	4,110	3,088	4,521	3,396	4,973
Health Law	1,218	1,084	1,340	1,192	1,474	1,312
Benefits Law	5,465	4,344	6,012	4,778	6,613	5,256
Ethics	528	8,762	581	9,638	639	10,602
Revenue	20,177	17,816	22,195	19,598	24,414	21,557
Loan Guaranty	460	14,517	506	15,969	557	17,566
Column Totals	59,942	87,465	65,936	96,212	72,530	105,833
Overall Totals	FY23 Total:	147,407	FY24 Total:	162,148	FY25 Total:	178,362
* Data provided by OGC MPA Informatics.						
** Data pulled 1/2/2024						

Cost of War Toxic Exposures Fund Summary

OGC requests FTE to provide increased legal support to various provisions of the PACT Act. Additionally, OGC plans to dramatically increase interaction with the OIG on the front end to engineer oversight controls and processes that will improve effectiveness in execution and reduce the potential for waste and abuse. OGC also anticipates substantial additional oversight from OIG, GAO, members of Congress as well as other interested parties. Additional resources in OGC will assist in prompt and effective planning for, and response to, oversight engagements.

Court of Appeals Law Group: (CALG)

The Board output of 20,000 appeals in FY 2024 and 54,000 in FY 2025 drives a commensurate increase in workload for CALG, which typically receives 8-10% of the Board's output. Based on the sweeping scope of the PACT Act legislation, OGC currently assumes a 10% appeal rate for planning purposes. To support the expected number of appeals, OGC accelerated hiring by initially hiring additional FTE in 2023 and will increase the FTE in 2025.

Benefits Law Group:

OGC assistance on benefits law matters is needed to assist in developing regulations, interpreting novel provisions of the PACT Act, developing, and assessing process changes and policy proposals to address increased workload, and meeting other legal needs regarding implementation. To support the expected number of cases, OGC accelerated hiring by initially hiring FTE in 2023 and will increase the FTE in 2025.



Office of Management

Mission Statement

The Office of Management (OM) provides Departmental leadership, stewardship, and oversight, with a vision for being a trusted advisor and partner in the goal of achieving budgetary, financial, long range investment planning and analysis, and capital asset management excellence. To support OM's primary customers including the Department's three Administrations, the Board of Veterans' Appeals, the Office of Information Technology, Staff Offices, Congress, and the Office of Management and Budget, OM will initiate actions that continue to improve VA's ability to provide timely, reliable, accurate, quality, and cost-effective services. OM strives to increase business efficiencies through standardized processes, maintain effective stewardship of Veterans Affairs (VA) resources, increase accountability and transparency, and provide oversight of the Department's financial and business functions.

Summary of Budget Request

For 2025, OM requests \$82.4 million to support its mission of providing oversight, leadership, and stewardship of the Department's financial, budgetary, and capital asset management functions. Of this, \$81.2 million is in direct appropriations for 284 FTE and \$1.2 million is in reimbursable authority to support 6 FTE.

OM uses a multitude of funding types to execute its mission successfully every year. OM provides staff to oversee and manage the Financial Management Business Transformation (FMBT) programs, as well as funding for service level agreements with other VA offices. OM also funds a contract to provide Digital Accountability and Transparency Act (DATA) support. Office of Information and Technology (OIT) funding is used for Information Technology (IT) sustainment modernization and steady-state costs (system integration, interfaces, hosting, configuration, licenses, etc.). Franchise Fund dollars are used for non-IT program costs, which are billed to VA Administrations and Staff Offices. Supply Fund resources are used for implementation of acquisitions functionality. The increases in the Franchise Fund and Supply Fund requests are due to changes to FMBT contracts related to the implementation roadmap and the associated change in billing to customers.

(Refer to the Franchise Fund and Supply Fund chapters for additional information about these revolving funds.)

Funding for OM also includes \$840,000 from estimated Enhanced-Use Lease (EUL) receipts and \$319,000 for the Office of Actuarial Services for Veterans Health Administration (VHA) Medical

Medical Malpractice (MedMal) and Veterans Benefits Administration (VBA) Loan Guaranty (LGY) work. Details on these receipts can be found in the Budget Highlights section of this chapter.

Office of Management Summary of Obligations and Budgetary Resources (\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	74,699	88,424	98,424	81,232	-17,192	-17.5%
Reimbursable Obligations	40	904	840	1,159	319	38.0%
Total obligations	74,739	89,328	99,264	82,391	-16,873	-17.0%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	948	-	5,113	-	-5,113	-100.0%
Transferred from other accounts	-	-	4,887	-	-4,887	-100.0%
Transfers between expired/unexpired accts	3,610	-	-	-	-	-
Subtotal, unobligated balance:	4,558	-	10,000	-	-10,000	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	78,064	88,424	88,424	81,232	-7,192	-8.1%
Appropriations transferred to other accounts	-2,810	-	-	-	-	-
Subtotal, appropriations	75,254	88,424	88,424	81,232	-7,192	-8.1%
Offsetting collections	40	904	840	1,159	319	38.0%
Subtotal, budget authority	75,294	89,328	89,264	82,391	-6,873	-7.7%
Total budgetary resources	79,852	89,328	99,264	82,391	-16,873	-17.0%
Unexpired unobligated balance, end of year	5,113	-	-	-	-	0.0%

Note:

A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

\$10 million is GenAd carryover from 2023 and is held in OM's account.

Office of Management
Appropriations and Collections by Sub-Office
(\$ in thousands)

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Office of the Assistant Secretary	7,808	9,830	9,830	8,125	-1,705	-17.3%
Office of Actuarial Services	767	975	975	1,887	912	93.5%
Office of Asset Enterprise Management	10,364	11,509	11,509	10,785	-724	-6.3%
Office of Budget	9,075	9,991	9,991	6,715	-3,276	-32.8%
Office of Business Oversight	14,791	17,208	17,208	16,206	-1,002	-5.8%
Office of Finance	16,479	19,079	19,079	17,972	-1,107	-5.8%
Office of Financial Management and Business Transformation	17,600	18,338	18,338	18,314	-24	-0.1%
Office of Revolving Funds - Reimbursement Team	1,180	1,494	1,494	1,228	-266	-17.8%
Appropriations transferred to other accounts	-2,810	-	-	-	-	-
Subtotal, direct	75,254	88,424	88,424	81,232	-7,192	-8.1%
Reimbursable						
Office of Actuarial Services	-	-	-	319	319	-
Office of Asset Enterprise Management	40	720	840	840	-	0.0%
Office of Budget	-	184	-	-	-	-
Subtotal, reimbursable	40	904	840	1,159	319	38.0%
Total	75,294	89,328	89,264	82,391	-6,873	-7.7%

Note:

A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

**Office of Management
Summary of FTE Request**

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of the Assistant Secretary	7	12	12	6	-6	-50.0%
Office of Actuarial Services	3	4	4	9	5	125.0%
Office of Asset Enterprise Management	52	57	57	53	-4	-7.0%
Office of Budget	39	42	42	36	-6	-14.3%
Office of Business Oversight	54	73	73	65	-8	-11.0%
Office of Finance	62	71	71	66	-5	-7.0%
Office of Financial Management and Business Transformation	41	68	68	43	-25	-36.8%
Office of Revolving Funds - Reimbursement Team	4	7	7	6	-1	-14.3%
Subtotal, direct	262	334	334	284	-50	-15.0%
Reimbursable						
Office of Actuarial Services				1	1	-
Office of Asset Enterprise Management	3	5	5	5	-	0.0%
Subtotal, reimbursable	3	5	5	6	1	20.0%
Total	265	339	339	290	-49	-14.5%

Note:

A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Program Description

OM, under the leadership of the Office of the Assistant Secretary, is a multifunctional organization responsible for directing VA's business activity compliance, budgeting, financial management, long range data-driven program analysis, and capital asset management functions. OM comprises eight organizational elements: the offices of the Assistant Secretary, Actuarial Services, Asset Enterprise Management, Budget, Business Oversight, Finance, Financial Management Business Transformation Service, and Revolving funds–Reimbursement team.

Office of the Assistant Secretary

The Assistant Secretary for Management is the Chief Financial Officer. The functions of the Senior Real Property Officer and Chief Sustainability Officer reside within OM.

The Assistant Secretary advises the VA Secretary on financial stewardship of Department

resources and oversees Departmental budgetary and financial management functions. This oversight includes financial management for VA appropriations, revolving funds, and key programs and operations.

Office of Actuarial Services

The Office of Actuarial Services (OAS), under the direction of the Executive Director of Actuarial Services (VA's Chief Actuary), manages the development of actuarial estimates, policies, and services for the Department. OAS is responsible for developing and monitoring actuarial models to support the mission of ensuring maximum transparency and accountability with respect to actuarial benefit liabilities reported in VA's financial statements. OAS assists the Office of Budget, Office of Finance, VBA, and VHA with their cost projections, trend analyses, and cost estimates for proposed legislation.

Office of Asset Enterprise Management

The Office of Asset Enterprise Management (OAEM) serves as VA's lead for the corporate-level capital asset management function for VA's real property infrastructure. This function includes serving as the principal policy office and business advisor regarding capital investment selection, via the Strategic Capital Investment Planning process, portfolio management and capital asset disposition. OAEM ensures compliance with all Federal real property and capital asset reporting and statutory requirements.

As part of its asset management activities, OAEM serves as the policy and program office for VA's Energy, Environment, and Fleet Program (EEF), to ensure VA meets performance and reporting mandates in the areas of energy and water management, vehicle fleet management, and environmental management. Additionally, OAEM serves as the policy, program, and application office for VA's EUL program that helps in combating homelessness for Veterans.

Office of Budget

The Office of Budget (OB) provides strategic and operational leadership in the development and execution of the Department's budget. OB provides policy guidance, technical assistance, and Department-level oversight of all program budgets to ensure accuracy and consistency with policy, law, and regulation. OB also provides the Department with an impartial forum to discuss and resolve budgetary issues to ensure Veterans' programs are carried out in an efficient and effective manner.

Office of Business Oversight

The Office of Business Oversight (OBO) provides oversight of VA's internal control program; ensures compliance with payment integrity legislation; improves prevention and detection of

fraud, waste, and abuse; provides oversight of key financial systems and processes; ensures compliance with Digital Accountability and Transparency Act reporting requirements; prepares the VA's annual statement of assurance and improves grants management enterprise-wide.

In addition, OBO operates the Internal Controls Support Center, funded through the VA's Franchise Fund. The Internal Controls Support Center conducts oversight of external organizations, including grantees, serving Veterans and their families to ensure services are performed in accordance with agency agreements.

Office of Finance

The Office of Finance (OF) establishes financial policy for all VA financial entities, which provides guidance on all aspects of financial management. OF coordinates and prepares the annual Agency Financial Report, which includes VA's audited financial statements. OF provides financial systems support for maintenance and modification of VA's accounting systems by validating standard general ledgers and transactions and managing the consolidation of data and preparation of reports.

OF provides Departmental leadership and assistance to VA Administrations and Staff Offices regarding financial process improvement and audit readiness, as well as remediating audit-related material weaknesses and significant deficiencies. OF also conducts Financial Management Training Initiative events to the Administrations and Staff Offices with a focus on improving financial management efficiencies related to the financial management statement audit, financial management systems and controls.

(Refer to the Franchise Fund Enterprise Centers chapter for budget information on the Debt Management Center and other Franchise Fund operations.)

Office of Financial Management Business Transformation Service

The Financial Management Business Transformation Service (FMBTS) provides strategic and operational leadership over the efforts to replace VA's aging legacy financial and acquisition system infrastructure. FMBTS is responsible for the FMBT program, which is implementing a modern integrated financial and acquisition management solution with transformative business processes. VA is migrating to CGI's Momentum solution, configured for VA as Integrated Financial and Acquisition Management System (iFAMS) and hosted in the VA Enterprise Cloud. Through iFAMS, the FMBT program is increasing the transparency, accuracy, timeliness, and reliability of financial information across VA, resulting in improved fiscal accountability to American taxpayers and increased opportunity to improve services to those who serve Veterans.

Office of Revolving Funds–Reimbursement Office

The Reimbursement Office (RO) provides Department-level support and works directly with the buyers and sellers of services through Intra-Agency Agreements. RO oversees and manages centralized functions for Staff Office agreements as the provider (seller) of services. The RO staff processes agreements for management and staff to analyze purpose, validity, fair cost distribution, and execution of funds via the Government Invoicing (G-Invoicing) system and SharePoint. RO assists to initiate new services for human resources and financial management systems, including the President’s Budget, cost center development, account structure, and system provisioning. RO facilitates and guides the notification process of services allowing trading partners to have a clear understanding of the services being provided to Veterans and costs. RO provides training on the G-Invoicing system to ensure agreements are signed and authority is available in financial system. RO loads reimbursable authority in financial system, process and monitor collections for billing of costs for earned services. Costs of services are reconciled to ensure flow of collections are properly posted to reflected on Summary Agreement Table. RO provides valuable information during various working groups to enforce accurate and timely integration between G-Invoicing and the new financial management system.

Recent Accomplishments

- OAEM led the efforts to partner with the Department of Defense on joint capital projects enabled by the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act and the 2022 National Defense Authorization Act. This includes successfully coordinating the development, JEC approval, and funding of the first three joint capital projects that expand and align Veteran and service member care: a joint capital project between the VA Gulf Coast Health Care System’s Biloxi VA Medical Center (VAMC) and the Naval Hospital Pensacola (NHP) to establish VA inpatient care at NHP, a second project between the Wright-Patterson VAMC and the Dayton VAMC will expand primary care services and provide a permanent space for the VA transition center supporting service members, and a joint project between VA Northern California Healthcare System and Travis Air Force Base that expands an existing joint clinic at McClellan Park.
- Led the budgetary aspects of iFAMS “OM+ go-live” in the ongoing transition from the VA’s legacy financial management system to a modern one. Ensured that all budgetary equities for ten General Administration Staff Offices were properly addressed during the post go-live period, warranting minimal operating disruptions, and ensuring budget solvency.
- Created an enterprise-level grants management office, updating 50% of grants policy chapters improving internal controls and compliance with grant requirements.; established a grants practice guide with templates and best practices improving standardization of grant management documents and processes; and established a grants community of practice forum, holding 12 meetings and 2 office hours to disseminate

important grants information such as regulatory changes, reporting requirements and sharing lessons learned across the VA grants community.

- Published updates to over 80 policies to ensure VA financial practices are compliant with federal laws and regulations.
- Conducted over 15 Financial Management Leadership Training events in various areas of finance and financial management across the department.
- Continued the Veteran-centric approach to debt management by standardizing the hardship suspension process for Veterans experiencing financial hardship who anticipate their financial situation to improve.
- Developed a streamlined and online Financial Status Report, providing Veterans immediate determination of their application for relief for medical copayment debt.
- Collected approximately \$1.66 billion in debts.
- Streamlined the consolidation of agreements for the Staff Offices' General Administration fund. Reduced the number of VA Form 2269 agreements from 75 to 26. Improved efficiency of funding services, reduced paperwork, and slight reduction in workload for intra-fund activities, which led to process improvements.

Financial Management Business Transformation Service:

- Went live with the Consolidated Wave Stack (CWS), which was the largest and most complex system rollout to date. The CWS was also the first simultaneous delivery of the financial and acquisition components of iFAMS, representing a key milestone in the mission to provide VA with a single, integrated financial and acquisition solution. The CWS consists of the Office of Acquisition, Logistics, and Construction; Office of Construction and Facilities Management: Major Construction; Office of Inspector General; and Office of Information and Technology.

Financial Services Center:

- Processed 4.7 million medical claims for \$3.2 billion in disbursements, with 99.52% paid within 30 days and an average turnaround of 10.59 days (a 28% decrease from 2022) across all product lines.

Summary of FMBT Budget Request

FMBT Summary of Budget Request	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
General Administration (Office of Management – FMBT)	15.4	18.3	18.3	18.3	0	0%
Subtotal, Direct	15.4	18.3	18.3	18.3	0	0%
Information and Technology:						
Information and Technology Sustainment – Modernization	109.2	119.6	119.6	30.0	-89.6	-74.9%
Information and Technology Sustainment – Steady State	18.6	20.3	20.3	21.9	1.6	7.9%
Subtotal, Information and Technology	127.8	139.9	139.9	51.9	-88	-62.9%
Other Fund						
Franchise Fund	152.9	159.2	159.2	180.9	21.7	13.6%
Supply Fund	75.3	61.0	61.0	62.2	1.2	1.9%
Subtotal, Other Fund	228.2	220.2	220.2	243.1	22.9	15.5%
Total	371.4	378.4	378.4	313.3	-65.1	-17.2%

Budget Highlights

The 2025 request of \$82.4 million is to support a total of 290 FTE, including 6 supported through the reimbursements.

\$81.2 million in direct budget authority for:

- The Office of the Assistant Secretary with \$8.1 million and six FTE for management oversight and direction of critical Department-wide initiatives underway in OM. The funding will also support pay for the Workers' Compensation and State Unemployment costs for the GenAd Staff Offices.
- OAS with \$1.9 million to support nine FTE to support its mission and budget operations, as well as producing and documenting VHA's and VBA's non-life insurance financial statement liabilities.

- OAEM with \$10.8 million to support 53 FTE to continue providing services as the principal policy office and business advisor for investment selection and execution, portfolio management and disposal of VA capital assets. VA's EUL program has been instrumental in providing housing to Veterans experiencing, and at-risk of, homelessness.
- OB with \$6.7 million and 36 FTE to support its mission and budget operations. OB will continue to develop procedures for formulating and executing the Cost of War Toxic Exposures Fund (TEF), as well as providing spend plans and reports to Congress.
- OBO with \$16.2 million to support 65 FTE to continue providing oversight of VA's internal control program. Also providing oversight to the reduction of hundreds of millions in improper payments.
- OF with \$18 million to support 66 FTE to continue providing financial management services to the Department. This budget authority will also provide resources to enhance financial skills of VA employees through certification and training.
- FMBTS with \$18.3 million to support 43 FTEs to provide leadership and dedicated subject matter experts to manage planning activities, develop systems requirements and configurations, perform data cleansing and data migration, perform testing activities, and deliver training in preparation for modernizing VA's financial and acquisition management systems through deploying the iFAMS solution. The budget will support two simultaneous wave implementations across VA, including VBA Loan Guaranty and the VHA Central Office. Funding also supports hiring additional personnel for future waves, allows for in-person testing, training and collaboration, pre-wave analysis and planning for VBA Insurance, and joint planning with VBA, VHA, and the acquisitions community for future FMBT efforts.
- OR with \$1.2 million and six FTE to oversee and manage the Staff Offices' intra-agency reimbursable agreement program, while continuing the process of communicating requirements and maintaining accountability of the reimbursement process across the Department.

\$1.2 million in reimbursable authority for:

- \$840,000 in receipts from EULs to support five corporate-level capital asset management FTE in OAEM.
- \$319,000 for Actuarial Services for VHA MedMal and VBA LGY work supported by one FTE.

Office of Management
Employment and Obligation Classification
(\$ in thousands)

	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	207	266	266	228	-38	-16.5%
Field	58	73	73	62	-11	-15.1%
Total FTE	265	339	339	290	-49	-16.2%
Direct obligations						
Personnel compensation	38,434	48,536	54,109	46,721	-7,388	-13.7%
Personnel benefits	15,578	18,086	18,036	18,091	55	0.3%
Travel	452	618	618	652	34	5.5%
Transportation of things	1	-	-	-	-	-
Rents, communications and utilities	6	-	-	-	-	-
Printing	29	33	33	33	-	0.0%
Other services	20,148	21,064	25,541	15,652	-9,889	-38.7%
Supplies and materials	51	66	66	78	12	18.2%
Equipment	-	21	21	5	-16	-76.2%
Subtotal, direct obligations	74,699	88,424	98,424*	81,232	-17,192	-17.5%
Reimbursable obligations						
Personnel compensation	29	565	829	1,159	330	39.8%
Personnel benefits	11	155	11	-	-11	-100.0%
Other services	-	184	-	-	-	-
Subtotal, reimbursable obligations	40	904	840	1,159	319	38.0%
Total obligations	74,739	89,328	99,264	82,391	-16,873	-17.0%

Note:

- A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.
- FTE above is shown by geographic location, a breakout of direct and reimbursable FTE is shown in a previous table, the Summary of FTE request.
- *\$10 million is GenAd carryover from 2023 and is held in OM’s account.

Adjustments (Increases and Decreases)

The 2024 Estimate is adjusted to reflect a higher cost per FTE based on current payroll reports. It also includes a \$10 million carryover from 2023. The funding is set aside in other services for unfunded needs in all GenAd offices, not solely in OM. Therefore, the 2025 budget request reflects a net decrease of \$7.192 million (excluding the \$10 million carryover) below the 2024 Estimate. These include:

- \$10,600,000 decrease in payroll associated with 50 direct FTE reduction
 - The reduction in will affect business oversight activities, audit remediation, SCIP workload and financial management training.

- \$1,200,000 increase for 2% pay raise
- \$2,012,000 increase for WIGI and promotions
- \$55,000 increase for benefits
- \$141,000 increase for non-pay inflation

Cost of War Toxic Exposures Fund (TEF)

OM is not seeking any TEF funds for 2025. However, OAEM leads multiple efforts supporting and following enactment of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act). OAEM received \$18 million in no year funding in 2022 for these efforts. The PACT Act fulfills multiple administration priorities allowing the transfer and acceptance of funds between the Departments for the planning, design and leasing of shared medical facilities; VA leasing streamlining and includes an expansion of EUL authority. OAEM is leading VA and DoD efforts identifying candidate joint project opportunities for inclusion in future VA and DoD capital plans for the benefit of Veterans, Service Members and Taxpayers. OAEM was also responsible for creating VA spend plans for both the VA leasing and the new EUL authority funds. OAEM is not seeking resources from the TEF in 2025.



Human Resources & Administration / Operations, Security, & Preparedness

Mission Statement

Human Resources & Administration/Operations, Security, & Preparedness (HRA/OSP) leads the development and oversight of human capital strategies, policies and practices while managing the Department’s preparedness, law enforcement and security capabilities to cultivate an engaged, diversified, skilled, and resilient workforce. HRA/OSP also coordinates VA’s “Fourth Mission” supporting national efforts to prepare for, respond to, and recover from natural disasters, acts of terrorism, and man-made catastrophes.

Summary of Budget Request

For 2025, HRA/OSP requests \$121.7 million in direct appropriations to support 397 Full Time Equivalent (FTE) with \$247.3 million in reimbursements and 919 FTE to support the HRA/OSP mission.

The 2025 direct appropriated request is a net increase of \$827,000 above the 2024 Estimate. This consists of a \$4.2 million increase for the Human Resources Service Center (HRSC) within the Office of the Chief Human Capital Officer (OCHCO), and a \$3.3 million net decrease in other parts of HRA/OSP’s budget.

HRA/OSP remains committed to meeting the Department’s human capital management requirements and providing for a safe workplace environment for our employees and Veterans.

HRA/OSP also provides enterprise-wide services for VA customers and requests a total of \$247.3 million and 919 FTE in reimbursable authority.

Office of Human Resources & Administration/Operations, Security & Preparedness
Summary of Obligations and Budgetary Resources
(\$ in thousands)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	115,682	120,900	120,900	121,727	827	0.7%
Reimbursable Obligations	128,914	267,716	267,716	247,345	-20,371	-7.6%
Total obligations	244,596	388,616	388,616	369,072	-19,544	-5.0%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	3,990	-	-	-	-	0.0%
Transfers between expired\unexpired accts	2,990	-	-	-	-	-
Subtotal, unobligated balance:	6,980	-	-	-	-	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	111,394	120,900	120,900	121,727	827	0.7%
Appropriations transferred to other accounts	-2,692	-	-	-	-	-
Subtotal, appropriations	108,702	120,900	120,900	121,727	827	0.7%
Offsetting collections	128,914	267,716	267,716	247,345	-20,371	-7.6%
Subtotal, budget authority	237,616	388,616	388,616	369,072	-19,544	-5.0%
Total budgetary resources	244,596	388,616	388,616	369,072	-19,544	-5.0%

A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Office of Human Resources & Administration/Operations, Security & Preparedness
Appropriations and Collections by Sub-Office
(\$ in thousands)

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Office of Assistant Secretary	9,927	6,188	9,347	7,488	-1,859	-19.9%
Office of Chief Human Capital Officer	17,654	16,532	15,693	21,108	5,415	34.5%
Office of Labor-Management Relations	5,182	4,529	4,611	4,856	245	5.3%
Office of Management, Planning, and Analysis	15,559	14,859	14,854	15,146	292	2.0%
Office of Administration	29,994	39,857	38,721	33,507	-5,214	-13.5%
Office of Corporate Senior Executive Management Office	7,751	8,415	7,815	8,114	299	3.8%
Office of Chief Security Officer	1,057	1,362	1,186	1,208	22	1.9%
Office of Chief of Police	521	328	387	394	7	1.8%
Office of Security and Law Enforcement	11,979	13,474	13,858	14,657	799	5.8%
Office of Identity, Credential, & Access Management	3,250	3,665	3,741	3,905	164	4.4%
Office of Emergency Management & Resilience	8,520	11,691	10,687	11,344	657	6.1%
Appropriations transferred to other accounts	-2,692	-	-	-	-	-
Subtotal, direct	108,702	120,900	120,900	121,727	827	0.7%
Reimbursable						
Office of Chief Human Capital Officer	4,463	38,600	38,600	20,373	-18,227	-47.2%
Office of Labor-Management Relations	244					-
Office of Management, Planning, and Analysis	6,487	8,412	8,412	12,277	3,865	45.9%
Office of Administration	6,277	6,584	6,584	8,337	1,753	26.6%
Office of Administration - Parking	359					-
Office of Resolution Management, Diversity, and Inclusion	71,941	144,267	144,267	143,363	-904	-0.6%
Office of Chief of Police	9					-
Office of Identity, Credential, & Access Management	38,090	68,244	68,244	61,648	-6,596	-9.7%
Office of Emergency Management & Resilience	1,044	1,609	1,609	1,347	-262	-16.3%
Subtotal, reimbursable	128,914	267,716	267,716	247,345	-20,371	-7.6%
Total	237,616	388,616	388,616	369,072	-19,544	-5.0%

**Office of Human Resources & Administration/Operations, Security, & Preparedness
Summary of FTE Request**

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of Assistant Secretary	26	19	26	26	-	0.0%
Office of Chief Human Capital Officer	77	82	75	104	29	38.7%
Office of Labor-Management Relations	19	21	20	21	1	5.0%
Office of Management, Planning, and Analysis	36	38	38	38	-	0.0%
Office of Administration	46	59	50	53	3	6.0%
Office of Corporate Senior Executive Management Office	28	35	32	33	1	3.1%
Office of Chief Security Officer	4	3	3	3	-	0.0%
Office of Chief of Police	1	1	2	2	-	0.0%
Office of Security and Law Enforcement	43	49	46	49	3	6.5%
Office of Identity, Credential, & Access Management	15	20	19	20	1	5.3%
Office of Emergency Management & Resilience	37	50	46	48	2	4.3%
Subtotal, direct	332	377	357	397	40	11.2%
Reimbursable						
Office of Chief Human Capital Officer	42	230	230	101	-129	-56.1%
Office of Labor-Management Relations	2					-
Office of Management, Planning, and Analysis	9	13	13	15	2	15.4%
Office of Administration	17	18	18	19	1	5.6%
Office of Resolution Management, Diversity, and Inclusion	328	766	766	766	-	0.0%
Office of Identity, Credential, & Access Management	9	19	19	10	-9	-47.4%
Office of Emergency Management & Resilience	5	8	8	8	-	0.0%
Subtotal, reimbursable	412	1,054	1,054	919	-135	-12.8%
Total	744	1,431	1,411	1,316	-95	-6.7%

Program Description

Office of the Assistant Secretary (OAS)

OAS provides oversight and strategic direction for VA's human resources policies, programs, and practices and enables VA's mission by providing a safe environment that always protects people and assets. Additionally, the Assistant Secretary for HRA/OSP serves as the Equal Employment Opportunity (EEO) Director for the Department, the Designated Agency Safety and Health Official, and VA's Dispute Resolution Specialist, including Alternative Dispute Resolution (ADR) policy and oversight.

(Refer to the Revolving Franchise Fund chapter for budget information on the Human Capital Services Center (HCSC) operations, Center for Enterprise Human Resource Information Services (CEHRIS), Personnel Security Adjudication Center (PSAC), and Law Enforcement Training Center (LETC))

Office of the Chief Human Capital Officer

OCHCO's mission is to provide governance, policy, and guidance regarding recruitment, staffing, enterprise-wide HR systems, classification, compensation, leave, performance management, recognition, work-life and benefits, workforce and succession planning, employee, and labor relations, learning and development and alternative dispute resolution.

Human Capital Services Center

HCSC provides a franchise fund capability to support learning and development across the Department. HCSC provides common human capital support services on a fee-for-service basis. These products and services include learning management systems and programs, employee safety and accountability services as well as internship programs and learning content curation.

Center for Enterprise Human Resources Information Services

CEHRIS provides a franchise fund capability to deliver Enterprise Human Capital Management automated capabilities for the Department. CEHRIS provides common human capital support services on a fee-for-service basis. These products and services include Core HR solution, Performance Management solution, Employee Relations/Labor Relations System, and self-service capabilities for all VA Employees, Managers and HR Specialists.

Management, Planning, and Analysis (MPA)

MPA provides budget formulation, integrated business services and mission support. MPA's priorities focus on development of policy, practices, standard reporting procedures, job aids, training, program management, strategic planning, organizational performance, internal controls and HR management and logistical support required to ensure compliance with statutory

requirements and HRA/OSP mission needs. Additionally, MPA provides acquisition, portfolio, and program management for all HRA/OSP Program Offices and critical support services to its customers, including the enterprise Child Care Subsidy Program (CCSP).

Office of Administration (OA)

OA provides quality services to VA employees both nationally and for VACO. National program responsibilities include VA Occupational Safety and Health and Workers' Compensation (WC) Programs, VA Transit Benefits Program, and Executive Correspondence. VACO responsibilities include management of leases, minor construction projects, transportation services personal property accountability, warehouse operations, building safety and emergency services, health and wellness centers, fitness center operations, and media services. OA serves as the facility site manager for 1.5 million rentable square feet in 8 Washington-area leased locations and manages special projects in support of the VACO community.

Corporate Senior Executive Management Office (CSEMO)

CSEMO is the human resources servicing office for all senior leaders across VA. This includes career, noncareer, and limited-term senior executive service (SES), senior level, Title 38 SES Equivalents, political appointees, consultants and experts, and Veterans Law Judges (VLJ). CSEMO services more than 700 employees Department-wide.

Office of Resolution Management, Diversity, and Inclusion (ORMDI)

ORMDI promotes a healthy working environment through the prevention, resolution, and processing of workplace disputes, including complaints of discrimination. ORMDI fosters prevention by ensuring that managers and staff are educated on the elements of a healthy working environment. ORMDI has resolution experts who promote and deliver ADR techniques for all workplace disputes, including alleged EEO discrimination. In cases where resolution can't be reached informally, ORMDI processes complaints of EEO discrimination in a timely and proficient manner. Additionally, ORMDI delivers services such as Harassment Prevention, Knowledge Management/Training, External Civil Rights Complaints Program, Reasonable Accommodation Services, and EEO Complaint Processing.

Office of Operations, Security, and Preparedness

OSP coordinates VA's emergency management, preparedness, personal identity verification, physical security, personnel security and suitability, police services and law enforcement activities to ensure the Department can continue to perform the mission essential functions under all circumstances across the spectrum of threats.

OSP comprises four program offices that coordinates across the VA and represents VA within the interagency national security community. These offices provide oversight for emergency management and resilience, national security, identity credential and access management, resource management, and security, and law enforcement, police governance and accountability. The component offices within OSP serve the larger mission in the following ways:

Office of Chief of Police (OCOP)

OCOP provides accountability and oversight of the VA enterprise police program to: increase safety and security; maintain law and order; and protect the personnel and property of the Department. OCOP partners with Federal law enforcement agencies and Department administrations to maximize information exchange, training, planning, and policy development. A major component of this office is the LETC, funded via the Franchise Fund. The LETC provides basic and sustainment training for more than 4,000 VA Police Officers as well as customized initial entry police academy (LEA) training for the Department of the Air Force.

Office of Security and Law Enforcement (OSLE)

OSLE develops all police policies, procedures and standards governing VA's infrastructure protection, personal security, and law enforcement programs. These programs enable the protection of Veterans, visitors, and staff at VA facilities. OSLE provides accountability and oversight of the VA enterprise police program to increase safety and security, maintain law and order, and protect the personnel and property of the Department. OSLE partners with several Federal law enforcement agencies to maximize information exchange, training, planning and policy development.

Office of Identity, Credential, and Access Management (OICAM)

OICAM contributes to a safe and secure environment by ensuring trust in VA's workforce and its affiliates by providing central coordination and oversight of personnel security and vetting; coordination, oversight, and governance for identity, credential, and access management; and enforcing VA compliance with Federal statutes, regulations, and policies.

OICAM also operates a franchise funded enterprise center known as the PSAC and is responsible for leading the VA's implementation of the Federal Government's Trusted Workforce 2.0 initiative; a government-wide approach to reform the personnel security process to support continuous vetting. It will apply modern information technology solutions and processes to regularly review cleared individual's background to ensure the person continues to meet security clearance requirements.

Office of Emergency Management and Resilience (OEMR)

OEMR oversees and unifies VA's National Security portfolio. This includes coordination, policy oversight, and management of Federal Mission Resilience implementation, National Preparedness and Emergency Management; Continuity of Operations and Government; Classified National Security Information Management; Industrial Security, Insider Threat, Information Sharing and Management; Integrated Common Operating Picture management; Federal Intelligence Coordination; and Defensive Counterintelligence (DCI) programs. In doing this, OEMR provides a resilient operational environment intended to manage risk and support a swift return to normal operations following disruption through effective crisis and consequence management.

OEMR is also the Department lead for VA's Fourth Mission, serving as the command integration layer for leveraging VA capabilities to prepare for and manage emergencies at the Federal, state, local, or tribal levels.

Recent Accomplishments

- Continue to develop an implementation plan for VACO HRSC to standardize HR services and better meet the needs of all central office customers. The transition started in 2024 and will continue in 2025. The VACO HRSC is expected to reduce inconsistencies in the delivery of HR services and improve procedures and processing times.
- Obtained OPM's approval for a VBA Direct Hire Authority (DHA) based on its critical hiring needs. This authority supports VBA surge hiring efforts enabling it to hire up to 15,000 employees during the next 4 years through September 30, 2027, to address backlog and increased toxic exposure claims. Additionally, received OPM approval for a DHA to support PACT Act Section 103, which required VHA to expand health care and benefits to Veterans with service-connected illnesses resulting from exposure to toxic chemicals, environments, and other hazards. As such, this authority empowers VHA to make up to 30,000 hires nationwide at all grade levels in 23 occupations during the next 5 years through December 31, 2028.
- Conducted outreach through the Veteran and Military Spouse Talent Engagement Program (VMSTEP), connecting with 1,500 Veterans, transitioning military personnel, and military spouses through more than 25 in-person and virtual events. During these engagements, VMSTEP worked with HR professionals and hiring managers to connect qualified applicants with career opportunities at VA, which supported approximately 100 new military spouses and 20,000 Veteran hires at the VA in 2023, representing a 10% increase in new hires within VA.
- Provided opportunities for cross-organizational engagement with 7,851 VA employees attending webinars hosted by the Supervisor Community of Practice and delivering more than 9,000 hours of coaching to participants through the VA Coaching Program. Additionally, graduated 96 individuals from the Leadership VA 2023 cohort and completed four cohorts of the Virtual Aspiring Supervisor Program, graduating almost 3,000 participants.
- Completed 92% of the 2022-23 VA Human Capital Operating Plan (HCOP) milestones, aligning with human capital management efforts with VA's Strategic Plan. In addition, finalized development of the 2024-25 HCOP in record time and in coordination with 24 offices across the enterprise.
- As a recruitment and retention initiative, provided childcare subsidy benefits to 6,063 employee participants, an 87% increase after the qualifying level of total family income cap increased to \$149,000, processing applications and more than 143,500 payments in support of providing a better experience for VA employees.
- Modernized the administration of WC claims processing for all VA Administrations and Staff Offices by establishing a new management information system that will improve workers' compensation claims management; it replaces paper records with electronic workers' compensation records. The new system is integrated into an HR portal system, the Safety Workers' Compensation Information Management System.

- Graduated 588 officers from the VA Police Officer Standardized Training (VA-POST) in 2023, an increase of 5.35% relative to 2022's 558 officers. Additionally, DAF-LEA graduated 206 officers, an increase of 26.16% relative to 2022's 162 officers. Academy total student graduations totaled 3,926, an increase of 3.3% relative to 2022's 3,801 students. Lastly, received re-accreditation for VA's Law Enforcement Training Center (LETC) on March 11, 2023, for the Instructor Development Course (IDC) and VA-POST.
- Managed the enterprise-wide implementation of the USAccess General Services Administration shared service system resulting in the issuance of 294,139 USAccess Personal Identity Verification (PIV) cards for the months between September 2022 to August 2023, and ensured 100% of all PIV cards being issued enterprise wide are the most current version V8.1 PIV cards.
- Responded to three national level disasters effecting millions of Veterans, families, and caregivers. Provided subject matter expertise and liaisons to the Federal Emergency Management Agency's National Response Coordination Center in support of 24/7 operations during response.

Budget Highlights

For 2025, HRA/OSP requests \$121.7 million in direct appropriations to support 397 FTE and \$247.3 million in reimbursements and 919 FTE to support the HRA/OSP mission.

Office of Human Resources & Administration/Operations, Security, & Preparedness						
Employment and Obligation Classification						
(\$ in thousands)						
	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	310	551	598	605	7	1.2%
Field	434	880	813	711	-102	-12.5%
Total FTE	744	1,431	1,411	1,316	-95	-6.7%
Direct obligations						
Personnel compensation	52,831	55,610	54,045	60,168	6,123	11.3%
Personnel benefits	17,592	19,712	19,303	21,563	2,260	11.7%
Travel	1,777	1,047	1,047	1,067	20	1.9%
Transportation of things	144	-	-	-	-	-
Rents, communications, and utilities	18,620	22,487	22,487	20,490	-1,997	-8.9%
Printing	36	97	97	99	2	2.1%
Other services	24,077	21,255	23,229	17,634	-5,595	-24.1%
Supplies and materials	235	325	325	331	6	1.8%
Equipment	175	199	199	203	4	2.0%
Grants, judgements, interest, and insurance	195	168	168	172	4	2.4%
Subtotal, direct obligations	115,682	120,900	120,900	121,727	827	0.7%
Reimbursable obligations						
Personnel compensation	43,968	122,066	122,066	110,277	-11,789	-9.7%
Personnel benefits	22,008	49,929	49,929	45,982	-3,947	-7.9%
Travel	391	3,113	3,113	2,917	-196	-6.3%
Rents, communications, and utilities	2,671	3,042	3,042	3,080	38	1.2%
Printing	239	1,033	1,033	1,055	22	2.1%
Other services	61,920	91,632	91,632	87,298	-4,334	-4.7%
Supplies and materials	28	811	811	774	-37	-4.6%
Equipment	140	2,241	2,241	145	-2,096	-93.5%
Grants, judgements, interest, and insurance	156	53	53	54	1	1.9%
Subtotal, reimbursable obligations	131,521	273,920	273,920	251,582	-22,338	-8.2%
Adjusted reimbursable obligations						
Adjustments to expenditures	-2,607	-6,204	-6,204	-4,237	1,967	31.7%
Subtotal, adjusted reimbursable obligations	128,914	267,716	267,716	247,345	-20,371	-7.6%
Total adjusted obligations	244,596	388,616	388,616	369,072	-19,544	-5.0%

FTE above is shown by geo geographic location, a breakout of direct and reimbursable FTE is shown in a previous table, the Summary of FTE request.

Budget Authority

- HRSC will be resourced with \$4.2 million and 27 FTE by realigning funds from staff offices' appropriations to HRA/OSP in Staff Offices to transition their HR services from the Administration's HR service providers to HRA/OSP beginning in 2025.

Reimbursable Authority

- OCHCO is requesting \$20.4 million and 101 FTE in 2025. This includes \$12.7 million and 65 FTE for HRSC to provide customers with HR services in 2025 and support the realignment of these activities from the Administration's HR services providers that began in 2024 and will continue into 2026. When fully transitioned, HRSC expects to provide HR services support to approximately 18,000 VACO employees. OCHCO's budget request also includes \$7.7 million and 36 FTE for ADR; a decrease of \$86,000 relative to 2024. The reduction is due in part to the savings generated in operations and maintenance costs of the updated ADR case management system deployed in 2024.
- MPA requests \$12.3 million and 15 FTE for the department's CCSP. The increase relative to 2024 enables VA's threshold policy adjustment on annual total family income from \$90,000 to \$149,000 for CCSP benefits to qualifying VA employees and serves as a recruitment and retention incentive.
- OA requests \$8.3 million and 19 FTE to fulfill mission requirements in 2025, including management of employee occupational, safety, and health programs; transit benefits, and executive correspondence.
- ORMDI will collect \$143.4 million for a total of 766 FTE and non-pay requirements. These resources will support the realignment of VHA's EEO program managers and assistants (334 FTE) to ORMDI. Additionally, ORMDI will add 26 FTE to support the realignment. Lastly, the responsibility to coordinate VA's Section 504 Compliance Program, which supports data transformation in alternate formats for the visually impaired, will now be realigned to the three Administrations and will require no collections in 2025 for this effort.
- OICAM requests \$61.6 million and 10 FTE to support VA's personnel suitability program as well as continue implementation of the USAccess V8.1 PIV card program. Implementing the USAccess program requires PIV user enrollment to include health professional trainees, workers without compensation, and volunteers as well as monthly PIV maintenance for all users. Additionally, VA is working to provide additional staffing and resources to ensure continuous vetting and performance measure reporting requirements are satisfied with the increased expansion of continuous vetting of VA's large Non-Sensitive Public Trust personnel. HRA/OSP realigned responsibilities and resources from the OICAM's Access & Identity Management directorate to VA's Office of Information & Technology in response to recent Office of Inspector General recommendations.
- OEMR 2025 request decreases by \$262,000 relative to the 2024 request to \$1.3 million and 8 FTE to support VA's DCI program. While this decrease will affect workload, OEMR will continue to provide critical defensive counter-intelligence activities including protection of intellectual property and mitigating insider threats for VHA's ORD.

Adjustments (Increases and Decreases)

The 2025 request reflects a net increase of \$827,000 above the 2024 Estimate. This increase consists of:

2025 Current Service Adjustments

- \$1.5 million increase for a 2.0% pay raise.
- \$1 million increase for 2.1% non-pay inflation.

Office of the Assistant Secretary

- \$673,000 decrease in contracts.

Office of the Chief Human Capital Officer

- \$4.2 million increase for realignment of General Administration Staff Office resources for HR services from the Administrations to HRA/OSP's HR Service Center and for 27 FTE.

Office of Administration

- \$3.2 million decrease and 3 FTE decrease for VACO's 810 Vermont building facilities, operations, and management.
- \$2 million decrease for reduction in purchasing new furniture throughout VACO's 810 Vermont building.

Cost of War Toxic Exposures Fund (TEF)

Please refer to the General Administration Summary chapter for the specific funding request from the TEF.

Implementation of the PACT Act resulted in an increase in the size of VA's workforce, which in turn increased human capital management and security requirements. To meet the increased workload and implementation requirements, HRA/OSP requests funds for supporting implementation requirements to: develop or revise and maintain policies; analyze data and provide reporting; standardize performance standards and metrics for HR Specialists; cover increases in workload as the need to respond to the VA's HR community increases; establish or modify processes for awards and bonuses; develop models to address demand for Veteran services and benefits; improve identity and credential management; recruit Veterans and military spouses; address increases in labor relations requirements; oversee VA police in response to expected increase in security requirements; respond to periodic Departmental or Congressional reporting requirements; and support missions.

PACT Act implementation is expected to increase the size of VA's workforce resulting in a need for additional HR specialists at the transactional level across VA to recruit and sustain increases in FTE, as well as implement new workforce requirements. Funding would support VA workforce PACT Act implementation requirements found in section 104(c) and Title IX sections as follows:

OCHCO estimates a 30% increase in new policy development. As a result of the new requirements to develop, revise, and maintain recency of at least 20 HRA/OSP new policies that provide guidance to VHA and VBA. OCHCO requests additional staff to develop, analyze, track, and report data requests in direct response to the workforce provisions found in the PACT Act. Additional staff would also implement changes prescribed by the PACT Act. They will revise multiple policies; implement VA-wide guidance and resource tools; train staff; lead the coordination of VA's plan for restructuring of processes; and facilitate change management and communications.

The Veteran and Military Spouse Employment Program also requires additional staff to conduct targeted outreach and recruitment leading to employment of Veterans and military spouses. The additional staff would: conduct training on the Federal hiring process; plan and attend job fairs with hiring managers; and promote the use of non-competitive hiring authorities to onboard Veterans and military spouses to support PACT Act implementation in the delivery of health care and benefits to Veterans associated with exposure to environmental hazards.

The Manpower Management Service requests funding to develop new workload-based staffing requirements, implementing standardized organizational structures, and providing leadership with data-based workload requirements to assist with resource allocation decisions. The additional funds would enable VA to incorporate patient outcome metrics such as access and quality of care into the VAMC staffing models. Expanding VAMC staffing models to include outcome metrics could support the workload associated with the expansion of care in the PACT Act. Additionally, the staffing models could provide information to comply with section 104(c) of the PACT Act, which requires reporting on the effects of the provisioning and management of care under section 103 for health care services.

MPA requests additional staff to support HRA/OSP's increased requirements for HR lifecycle support, mission support, and logistics support for PACT Act implementation.

CSEMO requests additional staff to report, track, and improve integration of CSEMO HR services to expand strategic capabilities and staff development and staffing requirements in support of senior executives across the Department, including non-medical center director positions.

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Office of Enterprise Integration

Mission Statement

The Office of Enterprise Integration (OEI) drives unity of effort across the Department in support of Veterans. OEI uses evidence, policy and governance to create an integrated Department where strategy and resources are aligned to improve outcomes for Veterans.

Summary of Budget Request

In 2025, OEI requests \$37.8 million in budget authority to support 109 FTE, and reimbursement authority of \$4.2 million under the General Administration Account to support its mission requirements. OEI's request for resources from the Toxic Exposures Fund (TEF) is described separately at the end of the chapter.

Office of Enterprise Integration
 Summary of Obligations and Budgetary Resources
 (\$ in thousands)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	32,852	38,941	38,941	37,818	-1,123	-2.88%
Reimbursable Obligations	83	4,080	4,080	4,166	86	2.11%
Total obligations	32,935	43,021	43,021	41,984	-1,037	-2.41%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	-	-	400	-	-400	-100.0%
Transferred to other accounts	-	-	-400	-	400	-
Subtotal, unobligated balance:	-	-	-	-	-	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	36,229	38,941	38,941	37,818	-1,123	-2.88%
Appropriations transferred to other accounts	-2,977	-	-	-	-	-
Subtotal, appropriations	33,252	38,941	38,941	37,818	-1,123	-2.88%
Offsetting collections	83	4,080	4,080	4,166	86	2.11%
Subtotal, budget authority	33,335	43,021	43,021	41,984	-1,037	-2.41%
Total budgetary resources	33,335	43,021	43,021	41,984	-1,037	-2.41%
Unexpired unobligated balance, end of year	400	-	-	-	-	0.0%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Office of Enterprise Integration Appropriations and Collections by Sub-Office (\$ thousands)						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Office of the AS/PDAS	3,748	4,875	4,875	3,887	-988	-20.3%
Office of Enterprise Policy and Governance	2,356	2,700	2,700	4,598	1,898	70.3%
Office of Data Governance and Analytics	12,967	13,575	13,575	12,707	-868	-6.4%
Office of Planning and Performance Management	6,215	6,761	6,761	8,486	1,725	25.5%
Office of Enterprise Program Integration	10,943	11,030	11,030	8,140	-2,890	-26.2%
Appropriations transferred to other accounts	-2,977	-	-	-	-	-
Subtotal, direct	33,252	38,941	38,941	37,818	-1,123	-2.9%
Reimbursable						
Office of Planning and Performance Management	83	-	-	-	-	-
Enterprise Data Contracts	-	4,080	4,080	4,166	86	2.1%
Subtotal, reimbursable	83	4,080	4,080	4,166	86	2.1%
Total	33,335	43,021	43,021	41,984	-1,037	-2.4%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Office of Enterprise Integration Summary of FTE Request						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of the AS/PDAS	9	13	13	13	-	0.0%
Office of Enterprise Policy and Governance	8	15	15	15	-	0.0%
Office of Data Governance and Analytics	24	33	33	33	-	0.0%
Office of Planning and Performance Management	20	28	28	28	-	0.0%
Office of Enterprise Program Integration	9	20	20	20	-	0.0%
Subtotal, direct	70	109	109	109	-	0.0%
Total	70	109	109	109	-	0.0%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Program Description

Enterprise Policy and Governance (EPG)

EPG is responsible for leading policy analysis and governance functions within the Department. This includes analyzing strategic drivers to manage enterprise policy and proposed legislation, managing VA's governance framework, and maintaining the Functional Organization Manual which is the authoritative source for functions of each major VA office.

Office of Data Governance and Analytics (DGA)

DGA is responsible for leading efforts across VA to use Veteran and business data to drive informed, evidence-based decisions, and guiding operational and strategic improvements. This includes integrating data assets from across VA as well as external sources to develop data products and projections used for enterprise program evaluation and reporting. DGA is also responsible for managing the VA Data Governance Council and its sub-councils and driving VA's implementation the Joint Data and Analytics Strategy with the Department of Defense (DoD). Finally, DGA ensures VA's data policies are aligned with the latest Federal guidance and industry best practices.

Office of Planning and Performance Management (PPM)

PPM provides leadership, guidance, and consulting services throughout the Department on strategic planning, performance management and evaluation, enterprise risk management, and evidence-based policy making. The office also serves as the VA lead on issues requiring close coordination and collaboration with DoD, including oversight for coordination and implementation of joint VA-DoD programs and policies as they relate to activities of the VA-DoD Joint Executive Committee. The goals of the office are to facilitate alignment between these activities and the Department's strategic plan, performance management framework, and resource allocation process to ensure transparency and accountability at all levels of the organization.

Enterprise Program Integration Office (EPIO)

EPIO enables good stewardship via the effective synchronization of processes, integration of technology, and coordination of resources for VA's priority initiatives. Efforts included implementation of cross-administration legislation (such as the Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxics (PACT) Act; and major transformation efforts such as Electronic Health Record Modernization (EHRM), Caregivers, and Financial Management Business Transformation (FMBT). EPIO uses enterprise integration tools to track strategic initiatives schedules, interdependencies, and transition points as well as novel or at-risk VA benefits and service program delivery.

Recent Accomplishments

- Identified critical actions and cross-cutting dependencies and incorporated them into a PACT Act Integrated Master Schedule and a legislative integration tool to provide implementation status, reporting, and risk management hosted in a centralized portal with an executive dashboard that presents a holistic view to support data-driven decisions.
- Developed the PACT Act Performance Dashboard, Quarterly Demographic Supplement, Congressional Supplement, and Workforce Dashboards which contributed unparalleled transparency into PACT Act implementation.

- Encouraged strategic engagement, collaboration and coordination among VA Administrations and Staff Offices related to the expansion of health care eligibility and benefits created by the PACT Act.
- Collaborated with DoD to address cross-agency data requirements, and interdependencies, and increase servicemember awareness of their PACT Act eligibilities.
- Established and implemented an improved process to develop the VA 2026-2030 Strategic Plan that uses risk to inform development of strategic goals and objective.
- Spearheaded implementation of OMB Memorandum M-23-15 to ensure that agency decisions regarding work environments continue to improve organizational health and organizational performance.

Budget Highlights

The 2025 request includes \$37.8 million in budget authority to support 109 FTE and contracts necessary for OEI to continue providing comprehensive management support to the Secretary and senior leaders and to sustain existing capabilities to provide effective and efficient delivery of benefits and services to our Nation's Veterans and eligible beneficiaries.

The highlights of the budget request include:

- \$570,000 in contract dollars and a total of 13 FTE to support the **Office of Assistant Secretary (AS) and Principal Deputy Assistant Secretary (PDAS)** to fund administrative support including budget, personnel, travel, information technology, office space, security, and other services.
- \$805,000 in contract dollars and a total of 15 FTE to support **EPG** to continue to mature policy analysis, policy management, and governance capabilities.
- \$4.3 million in contract dollars and a total of 33 FTE will support **DGA** to provide Veteran statistics, data analysis, data and information quality policy, data analytics infrastructure oversight and management, statistical policy, statistical analytics, and predictive modeling to inform VA-wide decision making. This includes funding for maintaining and improving an Integrated Enterprise Architecture which supports major systems implementation planning for systems such as FMBT and EHRM.
- \$1.1 million in contract dollars and a total of 28 FTE to support **PPM** to develop business strategies, establish mission requirements, conduct strategic planning, integrate risk management strategies to achieve agency goals, and foster VA/DoD collaboration. PPM resources will also be used to lead and coordinate VA's implementation of the Program Management Improvement Accountability Act and the Foundations for Evidence-Based Policymaking Act, including continued support from two evaluation analysts assisting the Evaluation Officer and other, cross-agency evaluation activities.
- \$3 million in contract dollars and a total of 20 FTE will support **EPIO** to lead and manage transformation initiatives across the Department.

In addition to contracts, other services include \$2.5 million in Service Level Agreements with the Supply Fund, Franchise Fund, and the Office of Human Resources & Administration/Operations, Security & Preparedness.

Total resources in the 2025 request also include \$4.2 million in reimbursable authority for contracts supporting VA-wide data collection, data analytics, enterprise data governance, and data management efforts.

Office of Enterprise Integration Employment and Obligation Classification (\$ thousands)						
	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	70	109	109	109	-	0.0%
Field	-	-	-	-	-	-
Total FTE	70	109	109	109	-	0.0%
Direct obligations						
Personnel compensation	11,173	16,792	16,792	18,625	1,833	9.8%
Personnel benefits	3,805	6,000	6,000	6,450	450	7.0%
Travel	38	40	40	65	25	38.5%
Rents, communications and utilities	42	24	24	24	-	0.0%
Printing	-	10	10	10	-	-
Other services	17,793	16,070	16,070	12,635	-3,435	-27.2%
Supplies and materials	1	5	5	10	5	50.0%
Subtotal, direct obligations	32,852	38,941	38,941	37,818	-1,123	-3.0%
Reimbursable obligations						
Personnel compensation	60	-	-	-	-	-
Personnel benefits	23	-	-	-	-	-
Other services	-	4,080	4,080	4,166	86	2.1%
Subtotal, reimbursable obligations	83	4,080	4,080	4,166	86	2.1%
Total obligations	32,935	43,021	43,021	41,984	-1,037	-2.5%

Office of Enterprise Integration
Employment and Obligation Classification
(\$ thousands)

	2023 Actual	2024 Request	2024 Estimate 1/	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE) 2/						
Central Office	70	109	109	109	-	0.0%
Field	-	-	-	-	-	-
Total FTE	70	109	109	109	-	0.0%
Direct obligations						
Personnel compensation	11,173	16,792	16,792	18,625	1,833	9.8%
Personnel benefits	3,805	6,000	6,000	6,450	450	7.0%
Travel	38	40	40	65	25	38.5%
Rents, communications and utilities	42	24	24	24	-	0.0%
Printing	-	10	10	10	-	-
Other services	17,793	16,070	16,070	12,635	-3,435	-27.2%
Supplies and materials	1	5	5	10	5	50.0%
Subtotal, direct obligations	32,852	38,941	38,941	37,818	-1,123	-3.0%
Reimbursable obligations						
Personnel compensation	60	-	-	-	-	-
Personnel benefits	23	-	-	-	-	-
Other services	-	4,080	4,080	4,166	86	2.1%
Subtotal, reimbursable obligations	83	4,080	4,080	4,166	86	2.1%
Total obligations	32,935	43,021	43,021	41,984	-1,037	-2.5%

Notes:

1/ A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

2/ FTE above is shown by geographic location, a breakout of direct and reimbursable FTE is shown in a previous table, the Summary of FTE request.

Adjustments (Increases and Decreases)

The 2025 Budget request of \$37.8 million is \$1.1 million below the 2024 Budget request. With this request, OEI plans to fund 109 FTE at \$25.1 million, which reflects a higher pay per FTE based on actual payroll in 2023. The payroll increases of \$2.3 million includes:

- \$1.2 million for pay raises
- \$400,000 due to a higher pay per FTE in 2023
- \$233,000 for within-grade increases, promotions, and awards
- \$450,000 for benefits as a result of pay raises

To offset these payroll increases, OEI plans to reduce contract spending for special studies and program management support by \$3.4 million.

The 2025 Budget will continue to support OEI core operational capabilities that include:

- Provide analysis, advice, and recommendations to the Secretary and Deputy Secretary on VA plans, programs, and resource estimates, including alternative solutions.
- Leverage data and evidence to facilitate VA's understanding of major challenges and validate mission needs.
- Support VA Administrations and Staff Offices in developing business cases to address major problems across a broad spectrum of materiel and non-materiel solutions.
- Use risk to prioritize mission needs which may require major financial investments within the constraints of the budget.

Cost of War Toxic Exposures Fund (TEF)

OEI funding from the TEF in 2025 for contract support and four FTE to support PACT Act data engineering and qualitative data analysis requirements.

Additionally, OEI requests funding from the TEF for the PACT Act Enterprise Program Management Office (EPMO). Established in 2023, the EPMO is a temporary, centralized managed office led by a term Senior Executive Service leader (Executive Director) and staffed with nine FTEs to oversee and integrate PACT Act implementation activities across the Department.



Public and Intergovernmental Affairs

Mission Statement

The Office of Public and Intergovernmental Affairs (OPIA) helps build and maintain public confidence in the Department of Veterans Affairs (VA) by positively reinforcing its commitment and readiness to serve America's Veterans of all generations. OPIA accomplishes this by developing, routinely updating, and communicating the Department's key messages to many audiences through media relations, public affairs, intergovernmental affairs, outreach, and Veteran engagement to reach Veterans and their families, other beneficiaries, and other stakeholders. Under VA's modernization effort, OPIA is designated as the enterprise policy and functional coordinator of internal employee and external communications as the unified voice of the Department.

Summary of Budget Request

In 2025, OPIA requests budget authority of \$16.3 million and 73 FTE to support its mission. OPIA requests reimbursement authority of \$21.1 million for enterprise cost-shared contracts and 5 FTE for publication and outreach to rural Veterans.

Office of Public & Intergovernmental Affairs
Summary of Obligations and Budgetary Resources

(\$ in thousands)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	15,744	17,985	17,985	16,298	-1,687	-9.38%
Reimbursable Obligations	18,364	18,187	20,304	21,079	775	3.82%
Total obligations	34,108	36,172	38,289	37,377	-912	-2.38%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	432	-	345	-	-345	-100.0%
Transferred to other accounts	-	-	-345	-	345	-
Subtotal, unobligated balance:	432	-	-	-	-	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	15,764	17,985	17,985	16,298	-1,687	-9.38%
Appropriations transferred to other accounts	-107	-	-	-	-	-
Subtotal, appropriations	15,657	17,985	17,985	16,298	-1,687	-9.38%
Offsetting collections	18,364	18,187	20,304	21,079	775	3.82%
Subtotal, budget authority	34,021	36,172	38,289	37,377	-912	-2.38%
Total budgetary resources	34,453	36,172	38,289	37,377	-912	-2.38%
Unexpired unobligated balance, end of year	345	-	-	-	-	0.0%
Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.						

Office of Public & Intergovernmental Affairs
 Appropriations and Collections by Sub-Office
 (\$ in thousands)

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Office of Assistant Secretary	2,659	3,921	3,921	2,701	-1,220	-31.1%
Office of Public Affairs	7,396	7,659	7,659	7,704	45	0.6%
Office of Intergovernmental Affairs	3,286	3,634	3,634	3,368	-266	-7.3%
Office of Internal Communications	814	791	791	873	82	10.4%
Office of National Veteran Outreach	875	1,059	1,059	889	-170	-16.1%
Office of Executive Speechwriters	734	921	921	763	-158	-17.2%
Appropriations transferred to other accounts	-107	-	-	-	-	-
Subtotal, direct	15,657	17,985	17,985	16,298	-1,687	-9.4%
Reimbursable						
Social Media Scheduling & Transcription Services			1,128	1,409	281	24.9%
Enterprise E-mail Service	4,082	3,696	4,098	4,239	141	3.4%
Media Clips Contract	400	390	410	417	7	1.7%
VA Branding Contract	12,821	13,387	13,387	13,656	269	2.0%
Homeless Veteran Outreach Contract	652	601	601	665	64	10.6%
Publication Support	106	113	116	118	2	1.7%
Rural Desk Office	303		564	575	11	2.0%
Subtotal, reimbursable	18,364	18,187	20,304	21,079	775	3.8%
Total	34,021	36,172	38,289	37,377	-912	-2.4%
Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.						

**Office of Public & Intergovernmental Affairs
Summary of FTE Request**

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of Assistant Secretary	6	6	6	6	-	0.0%
Office of Public Affairs	43	44	44	43	-1	-2.3%
Office of Intergovernmental Affairs	16	19	19	16	-3	-15.8%
Office of Internal Communications	4	4	4	4	-	0.0%
Office of National Veteran Outreach	1	4	4	1	-3	-75.0%
Office of Executive Speechwriters	3	4	4	3	-1	-25.0%
Subtotal, direct	73	81	81	73	-8	-9.9%
Reimbursable						
Publication Support	-	1	1	1	-	0.0%
Rural Desk Office	1	4	4	4	-	0.0%
Subtotal, reimbursable	1	5	5	5	-	0.0%
Total	74	86	86	78	-8	-9.3%

Program Description

The Office of the Assistant Secretary provides executive oversight, management, and direction to OPIA. The Assistant Secretary oversees VA’s communications and outreach programs including media relations, internal communications and media products, social media, and intergovernmental affairs.

Principal Deputy Assistant Secretary, OPIA

The Principal Deputy is the senior-ranking career federal employee within OPIA and serves as the Assistant Secretary’s and Deputy Assistant Secretaries’ senior advisor on matters pertaining to development of Department-wide communications policy, paid advertising, enterprise-level employee engagement and career staff development and training. The Principal Deputy also serves as the responsible executive to lead and manage OPIA’s portion of VA’s Continuity of Operations program, National Level Exercise and emergency response program, and inter-agency coordination for Emergency Support Function 15 functions. The Principal Deputy is responsible for the following offices:

- **Office of Internal Communications**

The Office of Internal Communications is charged with developing and promoting employee communications across the enterprise. The goal of the office is to increase employee awareness of VA and its initiatives, programs, and achievements, and to increase employee engagement and productivity.

- **National Veterans Outreach Office (NVO)**
NVO is responsible for assessing, coordinating, planning, and reporting outreach activities and marketing efforts for VA. In addition, NVO is responsible, by law, for preparing the biennial outreach report to Congress on the outcomes of VA's outreach activities.
- **Office of Executive Speechwriters (OES)**
OES works in direct support of the Secretary of Veterans Affairs, the Deputy Secretary, and the Chief of Staff to deliver high-quality executive speeches, audio-visual presentations, opening statements for congressional testimony, correspondence, and other strategic communications products.

Deputy Assistant Secretary for Intergovernmental Affairs

The Deputy Assistant Secretary for Intergovernmental Affairs is responsible for all relations between VA and international, state, county, municipal, and tribal governments. The primary function of the office is to provide strategic advice, guidance, and information to the Office of the Secretary, Under Secretaries for Health, Benefits, and Memorial Affairs, and all other VA Staff Offices by fostering and enhancing government partnerships and acting as a liaison between VA and the White House, federal, state, county, municipal, tribal, insular, and international governments, and faith-based leaders. The Deputy Assistant Secretary for Intergovernmental Affairs has oversight of the following offices:

- **Senior Advisor for Pacific Strategy**
The Senior Advisor for Pacific Strategy advises the Secretary of V and other leadership and engages intergovernmental and inter-agency stakeholders to build relationships across the Indo-Pacific region where VA has, or plans to expand its, presence to support the needs of Veterans.
- **Office of Tribal Government Relations (OTGR)**
OTGR works to strengthen and build closer relations between VA, tribal governments and other key federal, state, private and non-profit partners to serve Veterans across Indian Country effectively and respectfully. OTGR efforts focus on three important goals: facilitating VA's Tribal Consultation Policy; facilitating increased access to health care; and promoting economic sustainability.
- **Office of State, Local and International Engagement (SL&I)**
SL&I manages VA's collaborative participation in intergovernmental affairs activities and policy initiatives, including White House-sponsored policy and outreach events. SL&I serves as VA's primary liaison for all matters of intergovernmental affairs at the federal, state and local government level. SL&I also manages the VA's International Affairs program.
- **Center for Faith-Based and Neighborhood Partnerships (CFBNP)**

CFBNP's mission is to provide faith-based and community organizations (FBCO) and stakeholders with an opportunity to collaborate to support the needs of Veterans, their families, survivors, and caregivers. CFBNP works with the White House and other federal agency faith and partnership directors to empower faith-based and secular organizations by assisting in the delivery of vital services in neighborhoods across the nation. Additionally, CFBNP promotes awareness among diverse civil society leaders of opportunities to partner, both financially and otherwise, with the federal government to serve people in need and to build institutional capacity.

- **Office of Rural Engagement (ORE)**

ORE works to strengthen and build closer relations between VA and Veterans in rural America. ORE leads the enterprise effort in rural America where it impacts Veterans by building stakeholder and inter-agency relationships across the federal government including with other cabinet-level agencies, the White House, and the Domestic Policy Council.

Deputy Assistant Secretary for Public Affairs

The Deputy Assistant Secretary of Public Affairs is responsible for coordinating and orchestrating the release of external public affairs communication and information for VA. The primary mission of this Office is to coordinate throughout VA to ensure Veterans and their families, other beneficiaries, and stakeholders receive accurate and timely information about VA benefits and programs as well as information on many other topics using all forms of traditional and new media. The Deputy Assistant Secretary for Public Affairs has oversight of the following offices:

- **Office of Media Relations (OMR)**

OMR serves as VA's main channel for interfacing with the news media. OMR staffers help develop issue-driven public affairs campaigns, manage and execute media and public affairs events, distribute and maintain strategic communications products such as news releases, fact sheets, communications plans, talking points, media advisories, etc.

- **Office of Field Operations**

Field Operations Service consists of six district public affairs offices that serve as the public relations conduit between 171 VA Medical Centers, 153 National Cemeteries, 56 Regional Benefits Offices and 300 Vet Centers and the VA Central Office. The Field team coordinates external and internal public affairs information, conducts communications training, provides communications advice and counsel, coordinates media relations and provides support to VA senior leaders during their visits to local facilities.

- **Office of Digital Media Engagement (DME)**

DME engages with Veterans, their dependents, survivors, and caregivers by leveraging web-based technologies to provide important information in a timely manner. Additionally, DME creates and distributes numerous communication products through online media designed to inform external audiences of the many benefits, services, and programs available to Veterans.

Recent Accomplishments

- Reached Veterans, their families, and survivors across the nation, through the ChooseVA campaign to build awareness of benefits and health care; and drive eligible individuals to VA websites. This resulted in more than 4.5 billion impressions and approximately 6,100,000 clicks to VA's campaign landing pages, enabling Veterans to learn more about VA benefits and begin the application process. More than 67,000 completed applications for VA benefits and care were directly attributable to the ChooseVA ad campaign in 2023.
- Successfully secured \$5 million from Congress to set up a VA Center for Asian American, Native Hawaiian and US-Affiliated Pacific Islander Health to collaborate with academic organizations to study and advance the health of the Native Hawaiian-Pacific Islander Veterans.
- Coordinated efforts with the Veterans Benefits Administration/Outreach, Transition, and Economic Development, State Departments of Veterans Affairs and Tribal Governments to conduct 43 claims clinics and PACT Act events throughout Indian Country. These events resulted in more than 6,400 toxic exposure claims granted to Native Veterans and over \$38 million in earned benefits for them and their families. These events directly contributed to nearly 3,500 more American Indian and Alaska Native Veterans enrollment in VA health care.
- Managed *VA Insider*, VA's flagship all-employee blog portal. *VA Insider* page views grew from 2,128,214 in 2022 to 2,363,133 in 2023, an 11% increase. *VA Insider* is essential for fostering a transparent, informed workplace, enabling the real time distribution of VA leadership top-down messaging; promoting agency news, policy and special announcements; spotlighting employee and organizational achievements; fostering and celebrating VA's workplace culture, history, diversity and impact; and cultivating employee collaboration and connection.
- Advised facility directors, senior leaders, and public affairs officers during more than 3,500 individual interactions. Informed Veterans about the PACT Act and its implementation. Trained more than 4,000 individuals during 185 training sessions that produced nearly 8,000 individual training hours for the Department communicators and leaders. This included the National Training Academy, where 300 communicators from across the Department gathered to train on current communications methods and share best practices. Hosted 300 communicators and made 24 separate training sessions available for a total of 36 training hours that produced approximately 1,800 individual training hours for the event. These training sessions improved the readiness of VA employees, who rated the quality of training as 4.66 out of 5 from the more than 1,200 survey responses received.
- In FY23 VA's social media efforts contributed to the Department completing more than 5 million toxic exposure screenings, enrolling more than 250 thousand Veterans into VA health care, receiving more than 1.4 million claims and reaching more than 158 million

people on VA's Department-level Facebook account and had 8.5 million total engagements. Garnered more than 22.2 million impressions on Instagram.

- 103.9 million visits to VA.gov
- 24.8 million total video views
- 21.4 million visits to News.VA.gov
- 15.8 million YouTube video views

Budget Highlights

Adjustments (Increases and Decreases)

In 2025, OPIA requests \$16.3 million in direct appropriations for 73 FTE and \$21.1 million in reimbursable authority for contracts and 5 FTE to enhance its public affairs and outreach capabilities.

The 2025 request is a decrease of \$1,687,000 relative to the 2024 estimate:

- \$2,371,000 decrease
 - \$1,849,000 decrease for 8 FTE decrease
 - \$340,000 decrease for HR Services (from VHA Workforce Management Consulting to HRA/OSP's Human Resources Services Center)
 - \$67,000 decrease in travel
 - \$55,000 decrease in printing
 - \$60,000 decrease in other services
- \$684,000 increase
 - \$332,000 increase for 2% pay raise
 - \$120,000 increase for benefits as a result of pay raise
 - \$211,000 increase for within-grade increases, promotions, and awards
 - \$21,000 increase for 2.1% nonpay inflation

Office of Public & Intergovernmental Affairs						
Employment and Obligation Classification						
(\$ in thousands)						
	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	29	35	37	30	-7	-18.9%
Field	45	46	49	48	-1	-2.0%
Total FTE¹	74	81	86	78	-8	-9.3%
Direct obligations						
Personnel compensation	10,557	10,904	12,177	11,122	-1,055	-8.7%
Personnel benefits	3,698	5,416	4,143	3,693	-450	-10.9%
Travel	373	465	465	398	-67	-14.4%
Rents, communications and utilities	42	30	30	30	-	0.0%
Printing	50	105	105	50	-55	-52.4%
Other services	1,002	975	975	915	-60	-6.2%
Supplies and materials	16	35	35	35	-	0.0%
Equipment	2	55	55	55	-	0.0%
Grants, judgements, interest and insurance	4	-	-	-	-	-
Subtotal, direct obligations	15,744	17,985	17,985	16,298	-1,687	-9.4%
Reimbursable obligations						
Personnel compensation ³	212	72	582	591	9	1.5%
Personnel benefits	81	41	100	102	2	2.0%
Travel	17	-	-	-	-	-
Rents, communications and utilities	1,147	3,696	3,696	-	-3,696	-100.0%
Other services	16,907	14,378	15,926	20,386	4,460	28.0%
Subtotal, reimbursable obligations	18,364	18,187	20,304	21,079	775	3.8%
Total obligations	34,108	36,172	38,289	37,377	-912	-2.4%
¹ FTE updated to include reimbursable FTE that was previously omitted from this chart in the 2024 PB Submission						
Note: FTE above is shown by geographic location, a breakout of direct and reimbursable FTE is shown in a previous table, the Summary of FTE request.						
Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.						

Cost of War Toxic Exposures Fund (TEF)

The 2025 request will expand PACT Act communications and outreach. Using existing FTE, OPIA will conduct coordination, planning, implementation, and measurement for several complex communications actions associated with implementing the PACT Act. This cross-Departmental and Veterans Service Organization engagement will synchronize the development and execution of communications plans. The funding for advertisement will inform Veterans, the families, and caregivers of the specifics of the PACT Act and the benefits to which they may be entitled.

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Office of Congressional and Legislative Affairs

Mission Statement

The mission of the Office of the Congressional and Legislative Affairs (OCLA) is to engage proactively and collaborate with the United States Congress to improve the lives and outcomes—including excellent care and benefits—for all Veterans, their families, and survivors. OCLA serves as the political knowledge base of the Department and is responsible for the relationship and interactions with the Congress, who has a Department of Veterans Affairs (VA) presence in nearly every congressional district and state. Lastly, OCLA works to align VA’s strategic and legislative priorities with the Administration.

Summary of Budget Request

OCLA requests \$9.9 million and 45 full time equivalent employees (FTE) to fund all OCLA activities in 2025. The 45 FTE include personnel assigned to VA Central Office and OCLA’s Outreach and Congressional Liaison Service offices on Capitol Hill. This funding will continue to advance and bolster responsive and effective congressional communications to ensure transparency and enhance the knowledge of VA for Members of Congress and staff. This funding will also OCLA to support the Department’s legislative proposals included in the President’s budget as well as the VA Secretary’s Priorities and Strategic Goals in the 2023-2029 Strategic Plan by engaging Congress for needed resources and legislative authorities and shaping external market forces to favor Veteran outcomes as outlined this plan.

Office of Congressional & Legislative Affairs
 Summary of Obligations and Budgetary Resources
 (\$ in thousands)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	8,770	9,975	9,975	9,895	-80	-0.8%
Reimbursable Obligations	-	-	-	-	-	-
Total obligations	8,770	9,975	9,975	9,895	-80	-0.8%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	-	-	542	-	-542	-100.0%
Transferred to other accounts	-	-	-542	-	542	-
Subtotal, unobligated balance:	-	-	-	-	-	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	9,545	9,975	9,975	9,895	-80	-0.8%
Appropriations transferred to other accounts	-233	-	-	-	-	-
Subtotal, appropriations	9,312	9,975	9,975	9,895	-80	-0.8%
Offsetting collections	-	-	-	-	-	-
Subtotal, budget authority	9,312	9,975	9,975	9,895	-80	-0.8%
Total budgetary resources	9,312	9,975	9,975	9,895	-80	-0.8%
Unexpired unobligated balance, end of year	542	-	-	-	-	0.0%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Office of Congressional & Legislative Affairs Appropriations and Collections by Sub-Office (\$ in thousands)						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Office of Congressional and Legislative Affairs	9,545	9,975	9,975	9,895	-80	-0.8%
Appropriations transferred to other accounts	-233	-	-	-	-	-
Subtotal, direct	9,312	9,975	9,975	9,895	-80	-0.8%
Reimbursable						
Subtotal, reimbursable	-	-	-	-	-	-
Total	9,312	9,975	9,975	9,895	-80	-0.8%

Office of Congressional & Legislative Affairs Summary of FTE Request						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of Congressional and Legislative Affairs	44	51	46	45	-1	-2.2%
Subtotal, direct	44	51	46	45	-1	-2.2%
Total	44	51	46	45	-1	-2.2%

Program Description

OCLA coordinates the Department’s activities with Congress. It is the Department’s focal point for all interactions and engagements with Members of Congress, authorization committees and personal staff. Additionally, the Office is the Department’s liaison with the Government Accountability Office (GAO). The Assistant Secretary advises the Secretary of VA and serves as the Department’s primary point of contact with Congress. The Assistant Secretary also serves as the Department’s principal point of contact between OCLA and the White House Office of Legislative Affairs as well as other Federal agency legislative operations.

OCLA also provides strategic customer service to members of Congress and their Washington, D.C. office staff through congressional liaison team. The liaison team serves as a point of contact for congressional staff on constituent casework issues. The liaison team supports local facilities in processing constituent casework.

OCLA also educates and trains selected VA employees through the Congressional Fellows outreach program. Established in 2018, this program trains the selected employees in all aspects of congressional activities, emphasizing those matters regarding VA. These Fellows will serve as full-time legislative aides in the House of Representatives or Senate for the duration of a single session of Congress. In 2024, 6 VA employees are currently participating in the program.

Additionally, OCLA coordinates the development and execution of VA's legislative priorities, responses to draft legislation, hearing preparation, and the Congressionally Mandated Reports process. OCLA also leads the coordination of responses to Congressional Budget Office requests and GAO reports, including managing updates to open recommendations.

Recent Accomplishments

In 2023, the Office of the Congressional and Legislative Affairs achieved the following:

- OCLA's workload increased in several areas: 63 hearings and roundtables, an increase of 11 relative to the previous year, conducted 849 congressional briefings, including educational seminars (an increase of more than 200 relative to the previous year, and fielded 36,099 telephone inquiries and letters in support of constituent casework (an increase of more than 2,000 relative to the previous year).
- Managed Secretarial and senior leader policy and informational correspondence including 331 Congressional Member Letters. OCLA and OSVA collaborated on 84 hill meetings for 121 Members of Congress.
- Supported 70 congressional oversight visits to VA facilities throughout the Nation and supported the Secretary and Deputy Secretary for more than 50 congressional meetings and travel.

Budget Highlights

The 2025 request of \$9.9 million includes \$9.4 million in pay for 45 FTE necessary for OCLA to continue providing comprehensive management and support, and \$543,000 in nonpay expenses consisting of contracts and services that directly support OCLA and its mission.

Office of Congressional & Legislative Affairs
Employment and Obligation Classification
(\$ in thousands)

	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	44	51	46	45	-1	-2.2%
Field	-	-	-		-	-
Total FTE	44	51	46	45	-1	-2.2%
Direct obligations						
Personnel compensation	6,299	7,184	6,921	6,956	35	0.5%
Personnel benefits	2,202	2,302	2,410	2,396	-14	-0.6%
Travel	32	68	35	29	-6	-17.1%
Rents, communications and utilities	85	-	87	87	-	0.0%
Printing	3	5	3	2	-1	-33.3%
Other services	126	401	517	423	-94	-18.2%
Supplies and materials	3	15	2	2	-	0.0%
Equipment	5	-				-
Grants, judgements, interest and insurance	15	-				-
Subtotal, direct obligations	8,770	9,975	9,975	9,895	-80	-0.8%
Total obligations	8,770	9,975	9,975	9,895	-80	-0.8%

Note: FTE above is shown by geographic location, a breakout of direct and reimbursable FTE is shown in a previous table, the Summary of FTE request.

Adjustments (Increases and Decreases)

The details of the net decrease from the 2024 Estimate to the 2025 Request are:

- \$224,000 increase for a 2% pay raise
- \$13,000 increase for nonpay inflation
- \$203,000 decrease FTE reduction
- \$114,000 decrease nonpay offsets

OCLA will continue to provide high quality core operational activities as the central point for all Department matters involving the U.S. House of Representatives and the U.S. Senate. This includes all engagement and interaction with members of Congress, Committees of jurisdiction, and their personal offices as well as maintaining timely and effective communications through briefings, hearings, reports and general correspondence. OCLA will continue to support constituent case inquiries by its team located on the Hill, both on House and Senate side.

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Acquisition, Logistics, and Construction

Mission Statement

The mission of the Department of Veterans Affairs' (VA) Office of Acquisition, Logistics, and Construction (OALC) is to provide innovative, cost-effective business solutions that meet the needs of our customers in support of service members, Veterans, and their families. We do this by delivering services, communicating, and being transparent; optimizing business operations that facilitate informed decision making; and being a learning, agile organization that provides employee professional growth aligned with OALC's mission. The office provides acquisition and logistics services to VA Administration and Staff Offices, as well as overseeing management with planning, design, construction and associated activities of the Department's major construction and leasing projects. OALC also ensures that the VA is supporting the economy, American workers, and businesses by utilizing Executive Order 14005, Ensuring the Future is Made in All America by All of America's Workers and guaranteeing that American companies have a fair opportunity at the more than \$34 billion in contract actions that VA utilizes, annually.

Summary of Budget Request

OALC requests \$220.4 million and 613 full-time equivalents (FTE) in reimbursable funding with 752 authorized positions. This includes \$213 million from the Major Construction Appropriation for 579 construction and leasing-related FTE. Also included is \$3.6 million from the Major Construction Appropriation for 17 Seismic FTE and \$3.8 million for 17 FTE for management oversight of functions funded through the Supply Revolving Fund. Funding will cover costs of salaries, rent, contract support, training, travel, and permanent change of station.

The Major Construction Appropriation amount includes funding for three FTE for the VA History Office (VAHO). VAHO is the principal enterprise-wide management office for centralized VA historical initiatives. The mission of VAHO is to establish an overarching program to collect, preserve and provide access to the organization's relevant historical records and artifacts to tell a comprehensive story of VA and its predecessor organizations. The program will establish the National VA History Center in historic buildings on the Dayton VA Medical Center (VAMC) campus that will be open to Veterans and the public. The VAHO's 2025 budget request is \$9 million. This includes funding for its curator and archivist that are based in Dayton, Ohio, and contracts to support their facilities and mission.

Office of Acquisition, Logistics & Construction
Summary of Obligations and Budgetary Resources
(\$ in thousands)

Budgetary Resources	2023 Actual	2024 Request	2024 Estimate ¹	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	27	-	-	-	-	-
Reimbursable Obligations	129,401	179,523	163,922	220,401	56,479	34.5%
Total obligations	129,428	179,523	163,922	220,401	56,479	34.5%
Budgetary resources						
Unobligated balance:						
Brought forward, Oct 1:	-	-	-	-	-	0.0%
Subtotal, unobligated balance:	-	-	-	-	-	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	-	-	-	-	-	-
Subtotal, appropriations	-	-	-	-	-	-
Offsetting collections	129,401	179,523	163,922	220,401	56,479	34.5%
Subtotal, budget authority	129,401	179,523	163,922	220,401	56,479	34.5%
Total budgetary resources	129,401	179,523	163,922	220,401	56,479	34.5%
Unobligated balance expiring	27	-	-	-	-	0.0%

¹A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Estimate column.

Note: In 2023, there was an accounting error which obligated \$27,000 in budget authority instead of reimbursable authority. GenAd had sufficient budget authority to absorb this error; however, VA is working to resolve this in 2024 by moving the obligation to the correct fund.

Office of Acquisition, Logistics & Construction Appropriations and Collections by Sub-Office (\$ in thousands)						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Direct						
Subtotal, direct	-	-	-	-	-	-
Reimbursable						
From Major Construction	124,156	170,668	156,894	213,000	56,106	35.8%
From Supply Fund	2,892	4,647	3,556	3,768	212	6.0%
From Major Construction Seismic	2,353	4,208	3,472	3,633	161	4.6%
Subtotal, reimbursable	129,401	179,523	163,922	220,401	56,479	34.5%
Total	129,401	179,523	163,922	220,401	56,479	34.5%

Office of Acquisition, Logistics & Construction Summary of FTE Request						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Reimbursable						
From Major Construction	433	573	465	579	114	24.5%
From Supply Fund	13	24	17	17	-	0.0%
From Major Construction Seismic	11	21	16	17	1	6.3%
Subtotal, reimbursable	457	618	498	613	115	23.1%
Total	457	618	498	613	115	23.1%
FTE equates to 618 authorized and funded positions in 2024 and 752 in 2025.						

Program Description

Included under OALC is the Office of Acquisition and Logistics (OAL), the Office of Procurement, Acquisition and Logistics (OPAL), and the Office of Construction and Facilities Management (CFM). OALC oversees the OAL, OPAL, and CFM. CFM responsibilities include managing the planning, design, and construction of the Department’s major construction projects. Detailed information on OAL and OPAL is included in the Office of Acquisition and Logistics/Office of Acquisition Operations: Supply Fund Chapter.

OALC is leading vital efforts in modernizing the VA's Supply Chain business processes and procedures impacting resource allocations on goods and services across the enterprise, including the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), VA Central Office (VACO), and the Office of Information and Technology, each of which is responsible for logistics and asset management activities and functions specific to VA's mission.

Additionally, OALC is supporting the Electronic Health Record Modernization Integration Office's efforts to provide seamless health care for Veterans through its award and administration of an Indefinite Delivery/Indefinite Quantity contract for an Electronic Health Record program.

CFM Program Overview

CFM consolidates and standardizes processes governing construction and leasing activities throughout VA. Program oversight is provided, and enterprise-wide performance metrics are developed that assess various aspects of construction. CFM develops and monitors sustainability, environmental and historic preservation policy for VA to deliver high-quality, cost-effective facilities that support Veterans.

Major Construction

CFM is responsible for providing on-site supervision for design and construction of VA's Major Construction projects, as well as projects associated with the 2019 Seismic Corrections line item to address all seismic construction projects across VA facilities. These functions are within CFM. Major Construction encompasses projects greater than \$30 million as the Minor Construction threshold was increased from \$20 million to \$30 million in the National Defense Authorization Act for fiscal year 2024 (P.L. 118-31). Responsibilities for large projects (projects exceeding \$100 million) include selecting, negotiating and working with a non-Departmental Federal Agency.

Real Property and Leasing Services

CFM supports VA by acquiring land for VHA and NCA; leasing space for construction of medical and medical-related facilities; and facilitating intergovernmental transfers, exchanges, disposals, and the acquisition of, and granting of, easements, licenses, and permits. The office also provides guidance to regional and local VA offices regarding real property. CFM also oversees and administers the Lease Certification Program and Lease Warrant Program for VA.

Facility Engineering Support

CFM provides support regarding compliance with laws, codes, regulations, standards, historic preservation, cultural resource laws, and executive orders. CFM provides planning, environmental, historic, seismic, architectural and engineering services to VA facilities, and oversees Facility Condition Assessments and Electrical Studies. CFM also conducts technical quality reviews for the State Home Construction Grant program.

Facility Planning Support

CFM is responsible for VA's national quality design and construction standards, including master specifications, design guides, technical manuals, and design alerts. CFM also manages several national programs such as the seismic and natural or manmade disaster preparedness program, various sustainability compliance programs, construction cost budgeting and estimating programs, environmental protection and historic preservation programs, and supports the Fisher House and State Home Construction Grant programs. CFM provides master planning, feasibility and other due diligence studies and project planning expertise, resources, and tools to facilitate facility planning for VA Administrations and Staff Offices. CFM provides healthcare service delivery and facility planning expertise supporting VA's enterprise-wide Strategic Capital Investment Plan and VHA's market studies and national service realignment strategy featured in the MISSION Act.

Recent Accomplishments

- Completed construction for seven Major construction projects which provided an additional 524,457 square feet of clinical, domiciliary, and research space; 800 parking spaces; and 39,457 gravesites to support over 357,000 projected enrolled Veterans in the respective markets. These projects included St. Louis Jefferson Barracks; San Diego Parking Garage (which was turned over six months earlier than planned); Canandaigua New Outpatient Facility Phase 1; Tampa Polytrauma and New Bed Tower Phase 4; Western New York National Cemetery Phase 1; Columbaria at National Memorial Cemetery of Arizona; Massachusetts National Cemetery, Phase 4; and Phase A Long Beach Mental Health and Outpatient Buildings.
- Managed a large and complex inventory of 79 Major Construction projects valued at more than \$24 billion. This includes 48 VHA Major Construction projects valued at more than \$23 billion, which includes the Tulsa, Oklahoma project under the Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016 (CHIP IN Act) and 31 NCA Major Construction projects valued at almost \$2 billion.
- Matured the relationship with the U.S. Army Corps of Engineers (USACE) by creating a Joint Project Management Office to improve interoperability and project execution oversight resulting in speed and agility through enhanced partnering, collaboration, and transparency. USACE continues to serve as VA's design and construction agent for projects exceeding \$100 million.
- Accepted leases to provide an additional 496,632 square feet of clinical, domiciliary, and research space to support over 844,000 projected enrolled Veterans in the respective markets. These leases are located in Corpus Christi, Texas; Rapid City, South Dakota; San Juan, Puerto Rico; Pittsburgh, Pennsylvania; Tampa, Florida; Houston, Texas; Sumter, South Carolina; Florence, South Carolina; Detroit, Michigan and San Diego, California.
- Managed execution of 69 active leases with a lease contract value more than \$8 billion, including 31 leases authorized in H.R. 3967 – Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (P.L. 117-168).
- Engaged in more than 130 land transactions, including acquisition and land management activities, to support VHA and NCA's Construction programs to deliver care.
- Managed all technical reviews for VA's State Home Construction Grant Program for 73 grants in Group 1 (State matching funds) valued at \$1 billion, 31 grants in Groups 2–8 (no

State Matching Funds) valued at \$722.6 million on VA's 2023 Priority List, and 3 Priority List 2022 Conditional Approvals grants valued at \$294.7 million for a total of \$2.1 billion in VA grant funding. CFM provides continuous programming, design, environmental, historical, budget and construction subject matter expert consultation to VA's Office of Geriatrics and Extended Care and states requesting the construction grants.

- Provided continuous accessibility, life and safety, codes and standards, design, environmental, and historical subject matter expert consultation to Grant and Per Diem grantees requesting capital grants issued by VA's Office of Grants and Per Diem. Managed technical reviews for 56 Coronavirus Aid, Relief, and Economic Security Act capital grants (2021) valued at \$50 million, and 34 American Rescue Plan Act grants (2022) valued at \$75 million for a total of \$125 million in grant funding.

Budget Highlights

In 2025, OALC requests \$220.4 million in reimbursable authority to support 613 FTE with 752 authorized positions.

Office of Acquisition, Logistics & Construction Employment and Obligation Classification (\$ in thousands)						
	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)¹						
Central Office	390	336	85	105	20	23.5%
Field	67	282	413	508	95	23.0%
Total FTE	457	618	498	613	115	23.1%
Direct obligations						
Personnel compensation	19	-				-
Personnel benefits	8	-	-	-	-	-
Subtotal, direct obligations	27	-	-	-	-	-
Reimbursable obligations						
Personnel compensation	63,644	84,529	73,044	90,947	17,903	24.5%
Personnel benefits	23,800	31,437	27,321	34,096	6,775	24.8%
Travel	2,929	5,132	5,132	6,403	1,271	24.8%
Transportation of things	192	336	336	343	7	2.1%
Rents, communications and utilities	4,470	5,926	5,926	6,062	136	2.3%
Printing	10	7	7	7	-	0.0%
Other services ²	33,482	51,774	51,774	82,151	30,377	58.7%
Supplies and materials	43	340	340	349	9	2.6%
Equipment	133	42	42	43	1	2.4%
Land and structures	598	-	-	-	-	-
Grants, judgements, interest and insurance	100	-	-	-	-	-
Subtotal, reimbursable obligations	129,401	179,523	163,922	220,401	56,479	34.5%
Total obligations	129,428	179,523	163,922	220,401	56,479	34.5%
¹ CFM conducted a full evaluation of position designations with Human Resources and Administration/Operations, Security, and Preparedness to ensure staff align with current definitions. ² Prior-year balances were utilized in previous fiscal years but were not applied in 2025 causing a higher current-year dollar amount needed to fund requirements. Note: In 2023, there was an accounting error which obligated \$27,000 in budget authority instead of reimbursable authority. Gen Ad had sufficient budget authority to absorb this error; however, VA is working to resolve this in 2024 by moving the obligation to the correct fund.						

Office of Acquisition, Logistics & Construction
2025 FTE Breakout by Appropriation

Position	Reimbursable Funding Sources		Total
	Major Construction	Supply Fund	
Resident Engineers/Admin Support	234	0	234
Project/Program Managers	90	0	90
Realty Specialists	61	0	61
Planners	57	0	57
Contracting Officers	61	0	61
Architect/Engineers	29	0	29
Management Support	64	17	81
Total	596	17	613
<p>Note: The FTE distribution aligns with the budget resources in the 2025 request. Funds are included in the request to ensure that employees maintain adequate expertise relating to industry standards and best practices for the acquisition of design and construction services. FTE and contract dollars are also included to manage funding received to address critical seismic corrections at various locations.</p>			



Veterans Experience Office

Mission

The Veterans Experience Office (VEO) is the Department of Veterans Affairs' (VA) customer experience (CX) insights engine, enabling VA to deliver the best experiences in its delivery of care, benefits, and memorial services to Service members, Veterans, their families, caregivers, and survivors.

Vision

To leverage CX data, tools, technology, and engagement to enable VA to be the leading CX organization in government and industry, so Service members, Veterans, their families, caregivers, and survivors choose VA.

Core CX Principles

Pursuant to 38 C.F.R. § 0.603, VA measures CX along the core CX principles:

- **Ease.** VA will make access to VA care, benefits, and memorial services smooth and easy.
- **Effectiveness.** VA will deliver care, benefits, and memorial services to the customer's satisfaction.
- **Emotion.** VA will deliver care, benefits, and memorial services in a manner that makes customers feel honored and valued in their interactions with VA.

These factors combined affect the overall **trust** customers have in VA.

Prioritizing CX/EX Across the Enterprise

The Department remains committed to providing world class CX. VA established CX as a core capability in the Department through the establishment of VEO and designation of VEO as VA's authoritative organization for CX. Additionally, the Department recognizes that in order to provide world class CX, the Department must also provide world class employee experiences (EX). Using its CX framework, VEO is leading VA's efforts to better understand and improve EX across the Department. VA's leadership in CX across Government resulted in being designated as Priority Area Leader for Priority Area 2, Delivering Excellent, Equitable, and Secure Federal Services and Customer Experience in the President's Management Agenda (PMA). VEO's support of Priority Area 2 includes:

- Helping establish a government wide CX capacity,
- Harnessing industry best practices and sharing lessons learned,
- Advising on standard CX metrics,

- Contributing to a federal CX framework to institutionalize CX throughout Government; and
- Providing human-centered design (HCD) expertise to map the Veteran journey across Federal agencies.

Summary of 2025 Budget Request

VEO requests \$134.8 million in reimbursable authority to support 367 full-time equivalents (FTE) with 383 authorized positions to achieve its mission in 2025.

In 2025, VEO will maintain its mission to provide the voice of the Veteran to all levels of leadership by delivering key CX/EX programs through its four core capabilities.

- **Data:** VEO will continue providing near real-time, proactive customer and employee insights to stakeholders across VA through surveys and HCD research. Additionally, VEO will maintain a diverse portfolio of projects as requested throughout the year, and support several complex, long-term initiatives such as improving the military-to-civilian transition process, understanding the customer's journey through the disability compensation process, and access to care.
- **Tools:** VEO will continue infusing CX/EX best practices into scalable, tangible tools and training using customer and employee insights to help improve the culture, operations, and, most importantly, the experience for Service members, Veterans, their families, caregivers, and survivors.
- **Technology:** VEO will use HCD methodology to continue expanding technology capabilities across multiple channels and deliver a more unified CX across all channels to ensure customers and employees have access to the right information at the proper time. These channels include: VA.gov, the VA Health and Benefits Mobile App, contact centers, and customer data management, including expanded integration with VA Profile (VA's authoritative source for customer contact information) and maturing collaboration between VA and the Department of Defense (DoD) on sources of Veteran data, including VA/DoD Identity Repository (VADIR), electronic health records, and registration, eligibility, and enrollment. VEO will continue to increase capabilities within 1-800-MyVA411.
- **Engagement:** VEO will continue to supply timely and relevant information through customer communications and strategic partnerships. VEO will seek to provide more pro-active communication of information and resources to customers through multiple channels, as well as building enhanced partnerships with community Veteran serving organizations. VEO will sustain Veterans Experience Action Center (VEAC) events and scale those events through a train-the-trainer model for VA facilities, allowing VA to provide more Veterans one-on-one support by training individual facilities how to conduct their own events. Additionally, VEO will continue to build out the Veteran Scam and Fraud Evasion (VSAFE) program working across Government to provide information and resources to protect Veterans from predatory actors.

Office of Veterans Experience Employment and Obligation Classification (\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Reimbursable Obligations	114,607	128,935	128,933	134,846	5,913	4.6%
Total obligations	114,607	128,935	128,933	134,846	5,913	4.6%
Budgetary resources						
Budget authority:						
Offsetting collections	114,607	128,935	128,933	134,846	5,913	4.6%
Subtotal, budget authority	114,607	128,935	128,933	134,846	5,913	4.6%
Total budgetary resources	114,607	128,935	128,933	134,846	5,913	4.6%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Office of Veterans Experience Appropriations and Collections by Sub-Office (\$ in thousands)						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Reimbursable						
HQ/CoS	114,588	14,647	9,109	6,108	-3,001	-32.9%
Employee Experience and Organizational Management ¹	-	-	7,573	14,812	7,239	95.6%
Enterprise Measurement & Design	-	19,617	19,709	26,760	7,051	35.8%
Tools and Implementation	19	8,379	8,996	11,188	2,192	24.4%
Multi-Channel Technology	-	82,764	80,398	70,693	-9,705	-12.1%
Veterans, Family, and Community Engagement	-	3,528	3,148	5,285	2,137	67.9%
Subtotal, reimbursable	114,607	128,935	128,933	134,846	5,913	4.6%
Total	114,607	128,935	128,933	134,846	5,913	4.6%

¹ The Employee Experience and Organization Management Directorate was previously aligned under HQ/CoS.

**Office of Veterans Experience
Summary of FTE Request**

Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Reimbursable						
HQ/CoS	42	44	22	23	1	4.5%
Employee Experience and Organizational Management ¹	-	-	27	31	4	14.8%
Enterprise Measurement and Design	42	58	50	50	-	0.0%
Tools and Implementation	39	57	54	54	-	0.0%
Multi-Channel Technology ²	128	264	180	185	5	2.8%
Veterans, Family, and Community Engagement	20	22	22	24	2	9.1%
Subtotal, reimbursable	271	445	355	367	12	3.4%
Total	271	445	355	367	12	3.4%

¹ The Employee Experience and Organizational Management Directorate was previously aligned under HQ/CoS.

² FTE includes approximately 64 cumulative call center agents and call center supervisors to support 1-800-MyVA411's 24/7 live agent capability.

Note: The table displays authorized positions in the 2023 Actual and 2024 Request columns. Beginning with the 2024 Estimate and the 2025 Request, FTE are reported in accordance with OMB Circular A-11.

Program Description

VEO reports directly to the Secretary and leads both VA's CX and EX efforts. VEO supports VA modernization to become a premier CX/EX organization by bringing industry best practices to service design and delivery. VEO leverages its four core CX capabilities—real-time data, tangible tools, modern technology, and targeted engagement—to empower employees to deliver outstanding experiences to Service members, Veterans, their families, caregivers, survivors, and employees. VEO collaborates throughout the Department and uses its CX/EX capabilities to identify needs and pain points, design customer and employee-centric service delivery improvements, and deploy tangible solutions. On this front, VEO supports VA modernization by hardwiring CX/EX into VA strategy and decision-making.

CX/EX Data (Enterprise Measurement and Design; Employee Experience and Organizational Management)

VEO's CX data capability captures and analyzes the voices of Veterans, their families, caregivers, survivors, and employees regarding VA care, benefits, service recovery, accountability, and program improvements. VEO turns qualitative and quantitative data into actionable insights, designing and improving experiences based on customer needs. For qualitative data, VEO applies HCD methodology and direct interviews with customers to understand their needs and identify opportunities to improve their experiences. These data also create a consistent shared understanding about VA's customers and how they feel about their interactions with VA, bringing the voice of the Veteran to the forefront.

VEO's data capability also provides quantitative data about customer and employee interactions with VA by capturing and analyzing CX input in real-time using the Veterans Signals (VSignals), Employee Signals (ESignals), and Community Signals (CSignals) survey platforms. These platforms, modeled after an industry best-in-class framework, allow VA to view its performance from the Veteran/employee's perspective and holds VA accountable to Veterans, their families, caregivers, survivors, and employees. VEO gathers multiple tiers of CX/EX input to drive improved service delivery based on customer input through two types of surveys:

- **VA Enterprise Trends:** a snapshot of VA's overall performance across all service lines, measuring ease, effectiveness, emotion, and trust, and used to monitor VA's progress towards increasing Veterans' trust.
- **Service-Level Patterns:** tracking and analyzing CX by service line in real-time to improve VA performance and provide transparency in service areas in need of improvement; consists of an online survey pushed to customers after service delivery.

Since inception in 2017, VSignals has deployed 181 surveys, distributed 81.3 million surveys, and received 13.0 million responses from Veterans (including 4.2 million free-text responses resulting in more than 6,000 crisis alerts to the Veterans Crisis Line and National Call Center for Homeless Veterans). In 2023, VEO launched the quarterly Employee Trust Survey in ESignals, designed to monitor EX across VA and measure key moments that matter across the employee journey. Since inception in 2022, the ESignals platform deployed 15 surveys, receiving more than 140,000 responses designed to capture employee sentiment across moments in an employee's journey with VA. Through CSignals, VEO is able to measure CX events. Currently VEO measures the experience of VEACs through CSignals, receiving more than 2,300 responses.

CX/EX Tools (Tools and Implementation)

VEO's tools and implementation arm deploys VA-wide products and services designed to enhance enterprise overall CX/EX as well as the patient experience (PX), benefits, and memorial experience. VEO learned key best practices from a broad spectrum of industry leaders to understand how pain points, bright spots, and data can be employed better to improve overall experience. Through this capability VEO collaborates with local VA facilities to train employees about positive CX behaviors and best practices, review individual facility experience data to identify areas of improvement, and create tools for employees to implement those improvements.

CX Technology (Multi-Channel Technology)

VEO's multi-channel technology capability delivers easy and effective CX through all communication channels. VEO drives VA CX transformation through integrated technology solutions that allow Veterans and their families to interact with VA online and by phone with multiple personalized, responsive options—a practice that is on par with the private sector. To create seamless CX, VEO works in partnership with OIT to deliver self-service digital enhancements. A critical component of the self-service portal is the development of VA Profile, which synchronizes Veteran data, including contact information and preferences, across VA's systems, creating a comprehensive Veteran customer profile and a more unified experience. VA Profile allowed VA to identify contact information and nearly 19 million military deployment records for more than three million Veterans who served in Vietnam, the Gulf War and Operation Desert Storm, Afghanistan, Djibouti, Egypt, Iraq, Jordan, Lebanon, Syria, Yemen, and

elsewhere—facilitating outreach about PACT Act expanded VA health care and benefits eligibility.

CX Engagement (Veterans, Families, and Community Engagement; HQ CoS)

VEO's community engagement capability seeks to improve the coordination of local organizations, governmental and non-governmental, with serving Veterans and their families where they are. VEO does this through events such as VEACs, the #VetResources Community Network (VRCN), and products such as the #VetResources newsletter.

Recent Accomplishments

In 2023, VEO continued hardwiring CX/EX best practices into scalable, tangible tools and training to improve culture and operations at VA facilities nationwide with projects such as:

- **The PMA-Navigating the Transition to Civilian Life Cross-Agency Journey project** (<https://www.performance.gov/cx/life-experiences/navigating-the-transition-to-civilian-life/>). Building off insights from HCD research with transitioning Service members, Veterans, family members, and subject matter experts, VA along with partners began development to prototype a digital solution to increase the number of Service members who feel prepared for their transition. The project, in partnership with the General Services Administration; Departments of Defense (including all branches of service), Education, Housing and Urban Development, and Labor; Office of Management and Budget, Office of Personnel Management; Small Business Administration received cross-agency concurrence for further development in 2024.
- **The VA Customer Experience Institute (VACXi)**. VACXi is a training program that provides VA employees the opportunity to develop, practice, and innovate on CX methodologies through trainings and guidance from CX experts across VA. In 2023, VACXi's offerings delivered 2,100 hours of learning to more than 200 employees across VA. Additionally, VEO completed a six-month HCD Fellowship Program pilot. Fellows developed HCD skills by working through a project with the support of an expert design coach from VEO.
- **PX-focused trainings**. These trainings engage facilities to provide better understanding on focused areas of CX such as data, best practices, and strategic planning. These engagements allow individual facilities to better understand the PX they provide, as well as assess the state of PX within their facility and develop action plans for PX improvement. In 2023, VEO facilitated 39 data deep dives to more than 1,400 participants, as well as received 140 scans across all networks, and 82% of VA health care system sites using the PX Action Plan tool. These trainings and subsequent tools created, such as the easy-to-read informative resources like the discharge checklist and informational pamphlet, were designed to increase the inpatient hospital experience. VEO's tools are instrumental in improving service delivery and Veteran trust in VA. The April 2023 Hospital Consumer Assessment of Healthcare Providers and Systems data release showed 72% of VA medical centers received four or five stars for the patient survey rating, while only 48% of Centers for Medicare and Medicaid Services hospitals received the same rating (<https://news.va.gov/press-room/nationwide-patient-survey-shows-va-hospitals-outperform-non-va-hospitals/>).
- **VA digital modernization**. To improve the digital experience VEO worked with partners to enable authenticated VA.gov users to easily access and directly download Decision Award Letters on VA.gov, the VA Health and Benefits Mobile App, and through VA.gov's chatbot capabilities. The VA Health and Benefits Mobile App also enabled technology to assist

visually impaired Veterans in using voice over capabilities, providing the ability to have their Disability Claim Decision Award letter read aloud. Across these applications, over 8 million Decision Award letters have been downloaded since implementation in 2023. Additionally, on the VA Health and Benefits Mobile App, prescription management was enabled, allowing Veterans to view active and non-active VA prescriptions, request refills check progress status, and track prescription delivery. This feature, available to all authenticated users, has been used for nearly 765,000 successful refills in 2023.

- **1-800-MyVA411 (800-698-2411).** Through VA’s telephonic “front door” 1-800-MyVA411, VEO provides information and customer assistance 24 hours a day, 365 days a year. VEO leads innovations in service recovery, CX performance improvements, and enhances customer data interoperability across the enterprise to reduce administrative burdens on customers and employees alike. With the passage of the PACT Act in August 2022, VA leveraged and publicized 1-800-MyVA411 as the telephonic “front door” for the PACT Act. For those calling other VA numbers, VEO coordinated with OIT to integrate PACT-related phone tree options with the 1-800-MyVA411 PACT hub. Transfers across contact centers provided a smooth customer experience and minimized time navigating multiple phone menus. In 2023, VEO Tier 1 Contact Center Representatives answered 1.4 million calls with an average speed to answer of 38 seconds.
- **VEAC events.** VEO hosted 15 VEACs across the country, including the Pacific Islands, serving over 4,500 customers, including connecting 582 Veterans with housing support and referring 3,247 Veterans to local peer-to-peer and community organizations. VEACs are comprehensive events conducted in collaboration with local VA facilities and communities that offer personalized assistance from subject matter experts to evaluate and address a myriad of issues for VA benefits, VA health care, crisis resources, memorial affairs, community services, and peer to peer connections, all at one time. CSIGNALS exit survey results show 90% of survey participants would recommend a VEAC to someone else.
- **VRCN.** VEO launched VRCN in 2023 to serve as the new front door for VA’s outreach and community engagement campaign to leverage partners to increase access to VA, build trust relationships, reach those untethered and underserved, and provide promising practices and tools for community engagement to partners and VA facilities. Through VRCN, VEO created a community of practice with community partners through VRCN, providing consults with member organizations, listening sessions, office hours, townhalls, Q&As, newsletters, an idea lab, tools and playbooks, event support, and other outreach mechanisms to facilitate effective VA and community collaboration at the local level. Nearly 450 organizations are registered, including organizations such as State Departments of Veterans Affairs, Community Veteran Engagement Boards, Veterans Service Organizations, and other non-profits who support outreach with VA.
- Sent 56 #VetResources newsletters to 13.9 million subscribers weekly, highlighting VA and non-VA resources for Veterans, their families, caregivers, and survivors. These newsletters resulted in 192 million opens (29% average open rate). The newsletters drove nearly 25 million clicks to resources and information.

Budget Highlights

VEO's 2025 budget request for \$134.8 million, a \$5.9 million increase relative to the 2024 budget, supports VA call center activities and Department-wide initiatives for the Veterans Health Administration, the Veterans Benefits Administration, the National Cemetery Administration, the Board of Veterans' Appeals, and VA Staff Offices (including Office of the Secretary). This increase consists of:

- **Labor:** \$3.0 million increase includes 28 additional FTE and 2% pay raise, focused investment on supporting a maturing model for emerging EX capabilities, right-sizing mission support functions to support VEO growth, increased communication and outreach support, continued building and maintenance of strategic partnerships and community engagement.
- **Travel:** \$1.1 million increase is attributed to 2.1% inflation, a return to pre-COVID levels of travel, combined with increased demand from the field for consultative services, implementation of tool kits, Patient Experience University, and conducting VEACs.
- **Contracts:** \$2.1 million increase is attributed to 2.1% inflation, EX project support and ESignals survey and data consultation, HCD support, VSignals survey configuration support, and VEAC support.
- **Other:** \$300,000 net decrease is attributed to internal efficiencies.

Office of Veterans Experience Employment and Obligation Classification (\$ in thousands)						
	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	36	32	232	242	10	4.3%
Field	235	413	123	125	2	1.6%
Total FTE	271	445	355	367	12	3.4%
Reimbursable obligations						
Personnel compensation	33,349	44,043	39,426	41,624	2,198	5.6%
Personnel benefits	12,016	15,397	14,140	14,928	788	5.6%
Travel	1,496	1,686	1,508	2,560	1,052	69.8%
Rents, communications and utilities	2,363	1,557	1,878	1,650	-228	-12.1%
Printing	205	150	200	184	-16	-8.0%
Other services	65,086	66,059	71,300	73,411	2,111	3.0%
Supplies and materials	21	37	481	489	8	1.7%
Equipment	47	5				-
Grants, judgements, interest and insurance	24	-				-
Subtotal, reimbursable obligations	114,607	128,935	128,933	134,846	5,913	4.6%
Total obligations	114,607	128,935	128,933	134,846	5,913	4.6%

Note: FTE above is shown by geographic location, a breakout of direct and reimbursable FTE is shown in a previous table, the Summary of FTE request.



Office of Accountability and Whistleblower Protection

Mission Statement

The Office of Accountability and Whistleblower Protection (OAWP) protects whistleblowers and promotes and improves accountability within the Department of Veterans Affairs (VA). OAWP is led by the Assistant Secretary for Accountability and Whistleblower Protection.

Summary of Budget Request

In 2025, OAWP requests \$29.6 million in appropriations to support 139 full-time equivalent employees (FTE) and mission requirements.

Office of Accountability & Whistleblower Protection Summary of Obligations and Budgetary Resources (\$ in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					\$	%
Obligations						
Direct Obligations	25,871	30,327	30,327	29,561	-766	-2.5%
Reimbursable Obligations	-	-	-	-	-	-
Total obligations	25,871	30,327	30,327	29,561	-766	-2.5%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	28,333	30,327	30,327	29,561	-766	-2.5%
Appropriations transferred to other accounts	-462	-	-	-	-	-
Subtotal, appropriations	27,871	30,327	30,327	29,561	-766	-2.5%
Offsetting collections	-	-	-	-	-	-
Subtotal, budget authority	27,871	30,327	30,327	29,561	-766	-2.5%
Total budgetary resources	27,871	30,327	30,327	29,561	-766	-2.5%
Unexpired unobligated balance, end of year	2,000	-	-	-	-	0.0%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Office of Accountability & Whistleblower Protection Summary of FTE Request						
Office	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE	%
Direct						
Office of Accountability and Whistleblower Protection	125	146	141	139	-2	-1.4%
Subtotal, direct	125	146	141	139	-2	-1.4%
Total	125	146	141	139	-2	-1.4%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President’s Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

Program Description

OAWP was established in 2017 and its functions are codified at 38 U.S.C. § 323. OAWP advises the Secretary of VA on all matters related to accountability. OAWP improves and promotes accountability by investigating allegations of VA senior leader misconduct and poor performance, and allegations of whistleblower retaliation. OAWP confidentially receives whistleblower disclosures from employees and applicants for VA employment. OAWP tracks and confirms the implementation of recommendations from audits and investigations conducted by several internal and external investigative entities. OAWP identifies trends so that VA can proactively address concerns and improve accountability. Additionally, OAWP refers disclosures for investigation to the appropriate office within VA and maintains 5 U.S.C. § 2302(c) certification from the Office of Special Counsel, which ensures the VA meets the statutory obligation to inform its workforce about the rights and remedies available to them under the applicable laws.

There are three directorates and two executive support divisions within OAWP.

Investigations Directorate

The Investigations Directorate is led by an Executive Director for Investigations who reports to the Deputy Assistant Secretary for Accountability and Whistleblower Protection. The Investigations Directorate consists of the following divisions: Intake and Referral Division, Investigations Division, Investigative Attorney Division, and contains an Operations and Training Section.

The Intake and Referral Division is the primary entity within VA that receives, reviews, and records all incoming matters involving allegations of senior leader misconduct and poor performance, whistleblower retaliation, and whistleblower disclosures submitted by VA

employees or applicants for employment. The Investigations Division is the primary entity within VA that investigates allegations of VA senior leader misconduct and poor performance and allegations of whistleblower retaliation by VA supervisors. The Investigative Attorney Division provides legal advice and assistance to OAWP administrative (non-criminal) investigators, reviews investigative work-products, and prepares reports of investigation and recommendations, including recommendations for disciplinary action against VA senior leaders and supervisors. The Operations and Training Section: Develops and provides mandatory and supplemental education and training in whistleblower rights and protections and oversees VA's whistleblower certification.

Compliance and Oversight Directorate

The Compliance and Oversight Directorate is led by an Executive Director for Compliance and Oversight who reports to the Deputy Assistant Secretary for Accountability and Whistleblower Protection. The Compliance and Oversight Directorate consists of two divisions: Compliance Analytics and Reporting Division and Special Reviews Division.

The Compliance Analytics and Reporting Division records, tracks, and reviews the implementation of recommendations from audits and investigations carried out by internal and external investigative entities. The Division analyzes data identify trends and issue reports to the Secretary so that VA can proactively address areas of concern and notifies Congress when certain OAWP disciplinary recommendations are not taken. The Special Reviews Division conducts audits, evaluations, and special reviews of issues relating to accountability and as otherwise requested by the Secretary.

Management and Operations Directorate

The Management and Operations Directorate is led by the Chief of Staff who reports directly to the Assistant Secretary. The Management and Operations Directorate consists of two divisions: the Resource Management and Operations Division, responsible for overseeing budget and human resources operations, and the Information Systems Management Division, responsible for implementing and maintaining OAWP information systems.

Executive Support Divisions

The Stakeholder Engagement Division manages OAWP relationships with key internal and external stakeholders, including Members of Congress, Congressional staff, other government agencies, Veterans Service Organizations, whistleblower advocacy groups and the media. Oversees OAWP's Freedom of Information Act (FOIA) and Privacy Act (PA) programs.

The Quality Division manages OAWP's Quality Assurance Program and conducts audits and quality control reviews on OAWP's investigative processes, policies, and procedures. Identifies gaps and deficiencies in how OAWP receives, reviews, refers, and investigates cases, and makes recommendations to leadership on corrective actions to improve OAWP investigative operations.

Budget Highlights

For 2025, OAWP requests \$29.6 million and 139 FTE. The overall funding decrease will result in a hiring freeze and cumulative reduction of two FTE. OAWP has also identified several non-pay cost efficiencies, which are listed in the adjustments section below.

The VA Accountability and Whistleblower Protection Act of 2017, Public Law 115-41, codified under 38 United States Code (U.S.C.) § 323 identifies multiple tools by which VA can address accountability. To date, VA has focused on developing OAWP's investigative function, which currently uses the majority of OAWP resources. OAWP's non-investigative functions include providing advice to the Secretary on matters that are particular to public trust (and the ability to issue reports and recommendations regarding same), providing the authority to "record, track, review and confirm implementation of recommendations from audits and investigations" of internal and external investigative entities, and providing the ability for OAWP to conduct trend analysis regarding the same. Effective use of these analysis tools enables OAWP to address accountability and whistleblower protection proactively, and to provide information to VA management regarding potential issues that can be addressed before they materialize. OAWP's 2025 request represents a measured, strategic growth strategy to identify and operationalize the best use of these tools.

Adjustments (Increases and Decreases)

The 2025 budget request reflects a net decrease of \$766,000 relative to 2024 Estimate.

- \$1,342,000 increase for pay raises and salary adjustments,
- \$410,000 decrease due to a reduction of two FTE,
- \$189,000 decrease for travel, rents, communications, and utilities,
- \$1,172,000 decrease to contract services and VA Secretary initiatives,
- \$342,000 decrease for VACO Human Resources Service Center, and
- \$5,000 increase for supplies and materials

Office of Accountability & Whistleblower Protection
Employment and Obligation Classification

(\$ in thousands)

	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs 2024 Estimate	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	10	10	10	11	1	10.0%
Field	115	136	131	128	-3	-2.3%
Total FTE	125	146	141	139	-2	-1.4%
Direct obligations						
Personnel compensation	17,946	20,085	20,359	20,963	604	-1.5%
Personnel benefits	6,446	7,091	7,257	7,585	328	-0.5%
Travel	294	102	315	150	-165	-52.4%
Transportation of things		5				-
Rents, communications and utilities	235	198	214	190	-24	-11.2%
Printing		6				-
Other services	945	2,706	2,177	663	-1,514	-11.1%
Supplies and materials	5	74	5	10	5	100.0%
Equipment	-	9				-
Grants, judgements, interest and insurance		51				-
Subtotal, direct obligations	25,871	30,327	30,327	29,561	-766	-2.6%
Total obligations	25,871	30,327	30,327	29,561	-766	-2.6%

Note: A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to balances, recoveries, and collections in the 2024 Current Estimate column.

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Recurring Expenses Transformational Fund

Program Description

Section 243 of division J of the Consolidated Appropriations Act of 2016 (Public Law 114-113) authorized the Recurring Expenses Transformational Fund (RETF). This authority allows VA to transfer unobligated balances of expired discretionary funds, immediately before their cancellation, from any of its accounts into the RETF for use as directed in the Act.

Balances available in the RETF shall be available until expended for facilities infrastructure improvements, including nonrecurring maintenance, at existing hospitals and clinics of the Veterans Health Administration, and for information technology systems improvements and sustainment.

The 2025 Budget anticipates a transfer of \$307 million in unobligated, unallocated balances into the RETF at the end of 2024, which will be obligated in 2025 for Minor Construction projects that will improve Veterans Health Administration facilities infrastructure.

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Office of Inspector General

Mission

As provided in the *Inspector General Act of 1978*, as amended, and other laws, the OIG is authorized to conduct and supervise audits, inspections, evaluations, reviews, and investigations, and make recommendations to promote the economy, efficiency, and effectiveness of VA operations. The OIG is also authorized to inquire into all VA programs and activities, including healthcare and benefits delivery and cemetery services as well as the offices and personnel that support them. As VA is the second largest federal agency and operates the nation's largest integrated public healthcare system, the OIG is committed to objective and meaningful oversight. The OIG is required to report to Congress on activities and outcomes every six months. These semiannual reports (SARs) keep stakeholders informed about the challenges facing VA and promote transparency of the OIG's oversight work and recommended corrective actions. Under the leadership of the Inspector General (IG) and Deputy IG, the OIG's work focuses on higher-risk, impactful programs and issues throughout VA that affect Veterans, their families, and caregivers, while making the most efficient and effectual use of taxpayer dollars. For additional information, see the OIG's [Mission, Vision, and Values](#).

OIG Offices

The OIG is headquartered in Washington, DC, and as of 2023 has 1,131 staff positions in more than 60 locations throughout the country who conduct oversight of VA's programs and operations and the activities of its more than 430,000 personnel.¹⁹ The OIG is organized into the seven offices described below.

¹⁹ See the U.S. Department of Veterans Affairs FY 2024 Budget In Brief at [Budget - U.S. Department of Veterans Affairs \(va.gov\)](#).



Immediate Office of the Inspector General. The IG and Deputy IG provide leadership and set the OIG’s strategic direction. The office includes congressional relations and public affairs staff who ensure that accurate information is promptly released and that requests from legislators and reporters are appropriately addressed. This office also includes staff responsible for electronic report distribution and follow-up on recommendations made to VA. Its Office of Data Analytics specializes in advanced analytics, information integration, and data visualization to inform enterprise-wide oversight on emerging issues.

Office of Counselor to the Inspector General. The counselor’s office provides legal support for investigations, audits, reviews, and inspections; works with in-house investigators in developing qui tam and False Claims Act matters; provides counsel to managers on legal and administrative matters, including contracting actions; represents the OIG in employment litigation and personnel matters; performs OIG employee relations and reasonable accommodation functions; and informs legislative proposals and congressional briefings. This office also reviews the release of information outside the agency to ensure compliance with privacy laws and other mandates.

Office of Audits and Evaluations. Personnel assess VA’s compliance with laws, regulations, and other governing requirements for diverse areas such as healthcare delivery, financial efficiencies, the administration of benefits, cemetery services, resource use, acquisitions, contracting, construction, and information technology deployment and security. Additionally, this office oversees 11 congressionally mandated reports due in 2024 (and some annually thereafter) that include a focus on the Cost of War Toxic Exposure Fund, several topics related to Veterans Health Administration (VHA) healthcare services, information technology, disability medical questionnaires, and VA’s consolidated financial statement.

Office of Healthcare Inspections. Staff from this office focus on VA's efforts to achieve high-quality health care for its patients. They conduct inspections prompted by OIG complaints to its hotline, congressional requests, and other leads, as well as proactive recurring inspections of VA facilities, healthcare systems, regional networks, and vet centers; and national reviews of critical issues. Staff also provide consultations to criminal investigators and audit personnel and conduct an annual determination of occupational staffing shortages across VHA, as required by the Veterans Access, Choice, and Accountability Act of 2014.

Office of Investigations. This office is staffed by special agents with full law enforcement authority, forensic auditors, and other professionals. Staff use data analytics, cyber tools, covert operations, and other strategies to detect and address conduct that poses a threat to or has harmed Veterans or other beneficiaries and VA personnel, operations, and property. It investigates possible crimes and civil violations of law involving VA programs and operations. Staff focus on a wide range of matters including healthcare, procurement, benefits, construction, and other fraud; cybercrime and identity theft; bribery and embezzlement; drug offenses; violent crimes; and threats against VA employees, patients, facilities, and computer systems.

Office of Management and Administration. Skilled personnel with diverse experience provide comprehensive support to the OIG, including financial, personnel, budget, information technology, space and facilities, and procurement. The office also oversees the OIG hotline, which receives about 30,000 complaints annually, screens them, and refers allegations and complaints for additional action as appropriate.

Office of Special Reviews. Staff from this office conduct administrative investigations of VA personnel, contractors, and grantees. They also increase the OIG's flexibility and capacity to conduct prompt reviews of significant events and emergent issues not squarely within the focus of other OIG offices. This office undertakes projects in response to referrals from VA employees, the OIG hotline, Congress, the Office of Special Counsel, Veterans and their service organizations, and other sources. Staff work collaboratively with other OIG directorates to review topics of interest that span multiple disciplines.

Strategic Plan and Goals

The OIG's [Strategic Plan for 2022–2026](#) outlines the goals and objectives in promoting the efficiency, effectiveness, and integrity of VA's programs and operations to serve the needs of Veterans, their families, and caregivers better. It also frames OIG strategies for deterring and addressing criminal activity, waste, fraud, and abuse while promoting innovation throughout VA. It builds on observed and ongoing major management challenges. Funding for 2025 would be used to advance new work related to these goals while having the resources to pivot as needed to respond to Veterans' and VA employees' allegations of emerging problems or wrongdoing, congressional concerns, other stakeholder feedback (discussed more fully below), and data analytics.

GOAL 1

Help ensure veterans receive prompt access to exemplary health care by identifying opportunities to improve the quality, management, efficiency, and delivery of patient-centered care in VA facilities and in the community.

GOAL 2

Make recommendations to facilitate the swift delivery of benefits and superior services to eligible veterans, their families, and caregivers by addressing barriers to expeditious and accurate VA decision-making and processes.

GOAL 3

Identify and implement procedures and strategies for making the most responsible use of VA's appropriated funds, including sound procurement policies, closely monitored spending, and financial practices that reduce the risk of fraud, waste, and misuse of resources.

GOAL 4

Address failures in governance and leadership—including lack of accountability, splintered and ineffective management, staffing deficits, and misconduct by individuals in positions of trust—that contribute to emergent, pervasive, and persistent problems within VA.

GOAL 5

Encourage innovation and recommend enhancements to VA's infrastructure and systems through findings and report recommendations that address information technology, data security, predictive tools, and financial management systems.

Stakeholders and Partners

The OIG’s oversight work encompasses all VA programs and operations, services, functions, and funding. Consequently, its stakeholders include the VA Secretary and senior leaders, managers and other personnel, members of Congress and their staff, veterans service organizations (VSOs), beneficiaries, taxpayers, affiliated healthcare and educational institutions, contractors, other federal agencies, law enforcement organizations, and other OIGs. Much of the VA OIG’s work depends on the cooperation of and coordination with these stakeholders who are critical to improvement and oversight efforts. Therefore, the IG and Deputy IG engage OIG senior leaders when convening recurring meetings with stakeholders, particularly VSOs, senior VA executives and program managers, and members of Congress and their staff.

Appropriation Language

For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. § 401, et seq.), \$296,000,000 of which not to exceed 10 percent shall remain available until September 30, 2026.

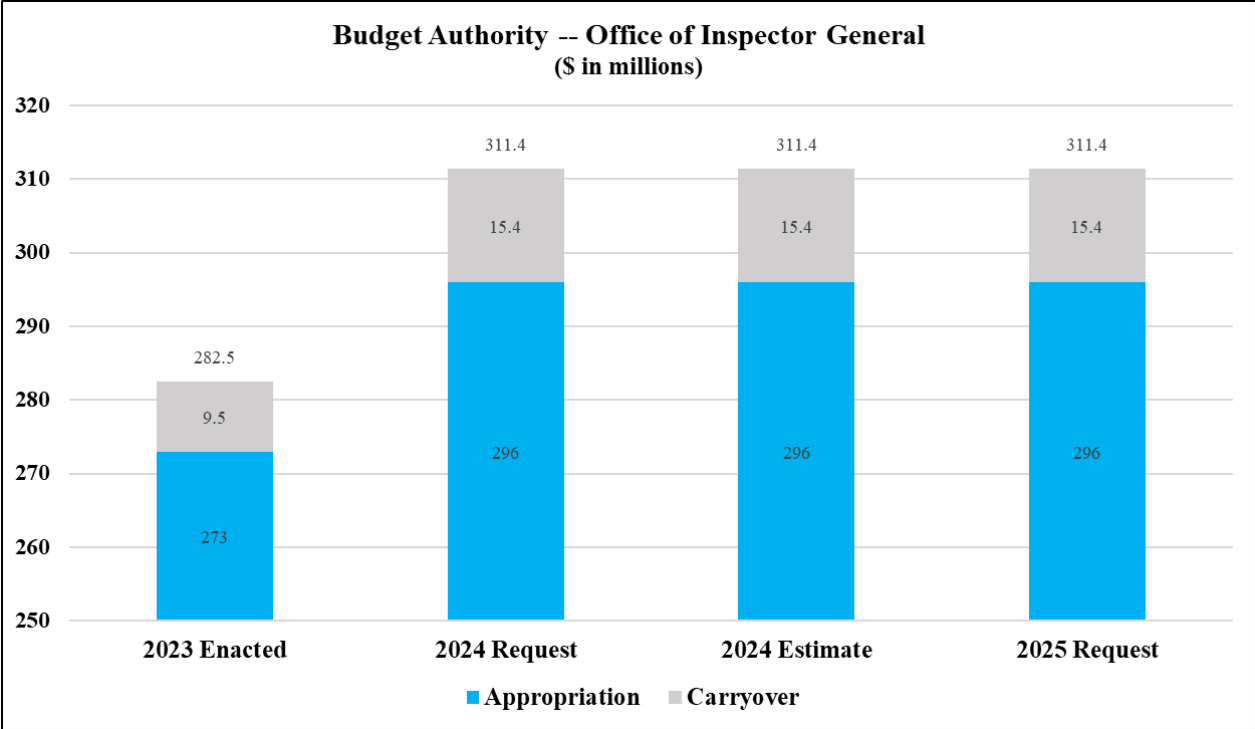
Summary of Budget Request²⁰

A \$296 million budget and carefully preserved carryover funding will allow the VA OIG to continue addressing potential crimes, deficiencies, and serious challenges related to VA programs and operations affecting patient safety and the quality of their health care, critical services, and benefits due eligible Veterans and survivors, their families, and caregivers.

	2024 Estimate	2025 Request	Delta
Office of Inspector General			
Annual Appropriation	\$296.0	\$296.0	\$0.0
Net Carryover	15.4	15.4	0.0
Reimbursements	0.3	0.3	0.0
Total Budgetary Resources	311.7	311.7	0.0
<hr/>			
Total FTE	1,155	1,155	0

A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 estimate reflects the 2024 President’s Budget request for discretionary appropriations.

²⁰ Per the IG Act, please see page 8 for VA OIG’s statement on the 2025 President’s Budget.



A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 estimate reflects the 2024 President’s Budget request for discretionary appropriations.

Budget Context

The 2024 President’s Budget request of \$296 million allows the VA OIG to pay for all mandatory pay and benefits increases as well as hire staff at the authorized level without using its carryover funding. However, the same budget level of \$296 million in 2025, coupled with another mandatory payroll and benefits increase of 2% would require the use of carryover funding. Approximately \$4 million is estimated for the pay raise in 2025. Significant carryover is required given the uncertainty of appropriations and possible government shutdowns.

For additional context, the table below shows Inspectors General and their associated Departments, highlighting the VA OIG’s weighty task of providing oversight with a ratio of just one OIG staff person for 383 VA personnel.

2023 Resource and Staff Comparison						
	Funding (millions)			FTE		
	Department	OIG	OIG Ratio	Department	OIG	OIG Ratio
Housing and Urban Development	\$ 72,100	\$ 146	0.20%	7,884	520	1:15
Health and Human Services	\$ 1,772,315	\$ 433	0.02%	84,000	1,573	1:53
Treasury ²¹	\$ 16,414	\$ 304	1.85%	99,445	1,096	1:91
Transportation	\$ 144,159	\$ 112	0.08%	54,000	410	1:132
Justice	\$ 37,485	\$ 149	0.40%	118,900	560	1:212
Commerce	\$ 16,141	\$ 54	0.33%	44,088	202	1:218
Agriculture	\$ 242,000	\$ 112	0.05%	98,707	430	1:230
Interior	\$ 29,958	\$ 70	0.23%	64,320	280	1:230
Homeland Security	\$ 60,684	\$ 215	0.35%	252,000	778	1:324
Veterans Affairs	\$ 308,227	\$ 273	0.09%	432,771	1,131	1:383
Defense	\$ 851,800	\$ 492	0.06%	791,505	1,838	1:431

With funding held at the 2024 level, the use of carryover funds would allow VA OIG to conduct (but not expand further) vital healthcare inspections that identify threats to patient safety and remedial actions for poor quality care. This work literally saves lives. The OIG’s planned audits and oversight of VA systems also help ensure that Veterans, their families, and caregivers are getting the benefits, care, and services they are eligible to receive while making the best use of taxpayer dollars. There is even greater demand for the VA OIG to conduct meaningful monitoring of massive VA initiatives such as the PACT Act (expanding care and benefits for toxic exposure during military service), community healthcare expansion, modernization of electronic health records and other critical systems, and improved mental health services for Veterans. VA OIG core functions and any attempts to address these emergent issues will be scaled based on available resources and personnel.

VA OIG’s recent cases have included a nursing assistant’s serial murders in a VA medical center, fraud detection with billions of taxpayer dollars at stake, and theft by fiduciaries and family members of benefits from vulnerable Veterans. They also have stopped identity theft, bribery, drug trafficking, and violent crimes, as well as threats to VA personnel. Simply stated, VA OIG’s oversight identifies and addresses risks to Veterans and their families.

²¹ Data for the U.S. Department of the Treasury includes all Treasury Inspectors General: The Office of Inspector General, Special Inspector General for the Troubled Asset Relief Program, Treasury Inspector General for Tax Administration, and the Special Treasury Inspector General for Pandemic Recovery.

Budget Submission Requirements of the *Inspector General Act*

This budget request is prepared in accordance with section 406(g) of the *Inspector General Act of 1978*, as amended.²² The President’s proposal for OIG’s 2025 aggregate budget is \$296 million. This includes the amounts that the Inspector General certifies to fulfill known requirements to support the Council of the Inspectors General on Integrity and Efficiency for \$1.1 million and OIG employee training expected to cost approximately \$3.3 million (including for continuing education requirements and mandatory law enforcement training). In addition, the OIG requests that \$3.3 million be set aside in the 2025 VA Minor Construction appropriation request to support necessary OIG-specific renovation projects.

OIG leaders continue to identify efficiencies and opportunities to reduce and control costs for employee travel, conferences, training, government vehicles, technology, and other areas as required by Executive Order No. 13589, *Promoting Efficient Spending*. Consistent with the executive order’s recognition that certain government activities can be performed only by traveling to a different location, however, OIG employees must travel extensively to VA facilities across the country to perform statutory oversight.

OIG Statement on the 2025 President’s Budget

Section 406(g)(2)(D) of the *Inspector General Act of 1978*, as amended, directs Inspectors General to include “any comments of the affected Inspector General with respect to the proposal.” While the OIG appreciates recent funding increases to continue proportioning staff, resources are insufficient to maintain core priorities such as overseeing routine VA benefit processes and patient care and safety practices while addressing new and growing VA programs, services, and special initiatives. The OIG notes that its original budget request to OMB was for \$326 million. The current budget request of \$296 million that is held flat from 2024 would significantly limit the OIG’s ability to keep pace with alleged crimes related to growing benefit, community care, and other VA programs. It also constrains staff’s ability to expand oversight to identify the serious challenges to new and significantly enlarged VA programs and operations that pose a threat to the safety, health, and welfare of Veterans, their families, and caregivers. This is particularly true of modernization efforts such as the patient electronic health record system that is tremendously complex, costing billions of dollars, and has been shown to have contributed harm to Veterans. VA has hired a record number of people in recent years—approximately 62,000 in 2023 for VHA alone. As VA continues to experience record-breaking growth, it is imperative that the VA OIG have adequate resources and personnel to provide effective oversight.

²² 5 U.S.C. § 406(g).

Budgetary Tables

Summary of Employment & Obligations - Total Budgetary Resources (dollars in thousands)						
Budgetary Resources	2023 Actual	2024 Request	2024 Estimate	2025 Request	2025 Request vs. 2024 Estimate	
					\$	%
Average Employment:						
Washington, D.C. Offices	253	265	258	265	7	2.7%
Rest of U.S. Offices	849	890	867	890	23	2.7%
Total Employment	1,102	1,155	1,125	1,155	30	2.7%
Obligations						
Personnel Compensation	\$156,179	\$171,701	\$167,220	\$177,275	\$10,055	6.0%
Personnel Benefits	67,592	74,310	72,370	76,722	4,352	6.0%
Travel	6,825	7,946	8,573	8,744	171	2.0%
Transportation of Things	60	65	65	66	1	2.0%
Rents, Comm. & Utilities	12,183	15,869	9,341	9,541	187	2.0%
Printing	35	38	35	36	1	2.0%
Other Services	24,018	26,548	31,280	31,906	626	2.0%
Supplies & Materials	852	737	799	815	16	2.0%
Equipment	1,476	3,074	6,317	6,443	126	2.0%
Grants, Subsidies, & Contributions	348	5	100	102	2	2.0%
Total obligations	\$269,568	\$300,293	\$296,100	\$311,650	\$15,537	5.3%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$5,805	\$0	\$11,000	\$15,400	\$0	0%
Unobligated balance transfers between expired and unexpired accounts	4,400	4,543	4,400	0	-	0.0%
Subtotal, Unobligated Balance	\$10,205	\$4,543	\$15,400	\$15,400	\$0	0.0%
Budget authority:						
Appropriation, discretionary	\$273,000	\$296,000	\$296,000	\$296,000	-	0.0%
Subtotal, appropriations	\$273,000	\$296,000	\$296,000	\$296,000	-	0.0%
Offsetting collections	31	250	100	250	150	150.0%
Subtotal, budget authority	\$273,031	\$296,250	\$296,100	\$296,250	\$150	0.1%
Total budgetary resources	\$283,236	\$300,793	\$311,500	\$311,650	\$150	0.1%
Unobligated balance expiring	\$(13,668)	\$(500)	\$(15,400)	\$0	\$15,387	-99.9%

A full year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the 2024 estimate reflects the 2024 President's Budget request for discretionary appropriations.

Note: Values presented are rounded.

The following table summarizes the changes in resource requirements between the 2024 and 2025 President’s Budget requests.

<i>Net Change</i> <i>Office of Inspector General</i> <i>2025 Summary of Resource Requirements</i> <i>(dollars in thousands)</i>		
	<u>BA</u>	<u>FTE</u>
2024 President's Budget	\$296,000	1,155
2024 Obligations Baseline	\$296,000	1,155
2025 Current Services Increases:		
Pay raise (2%)	\$7,986	
Nonpay Inflation (2%)	\$1,130	
Net nonpay baseline adjustments	\$6,284	
Subtotal (Increases)	\$15,400	-
Subtotal (2025 Obligations Baseline)	\$311,400	1,155
% Change over 2024 Obligations Base	5%	0%
Net Carryover Executed (eoy-soy)	-\$15,400	
Net Budget Authority	\$296,000	1,155
2025 Total Budget Request:	\$296,000	1,155
% Change over 2024 obligations baseline	0%	0%
% Change over 2024 Request	0%	0%

* The current services analysis includes baseline offsets and adjustments.

The following tables present analyses of OIG employment levels and projected staffing reductions by grade and geographical location.

Office of Inspector General Employment Summary FTE by Grade				
Grade	2023 Actual	2024 Estimate	2025 Request	Increase (+) Decrease (-)
IG/SES	25	25	26	1
Senior-Level (SL)	20	20	20	0
GS-15	129	132	135	3
GS-14	294	300	308	8
GS-13	553	566	581	15
GS-12	61	62	65	3
GS-11	11	11	11	0
GS-9	6	6	6	0
GS-8	1	1	1	0
GS-7	2	2	2	0
Total FTE	1,102	1,125	1,155	30

Office of Inspector General 2023 FTE Distribution		
Grade	Washington D.C.	Rest of U.S.
IG/SES	19	6
Senior-Level (SL)	9	11
GS-15	56	73
GS-14	62	232
GS-13	88	465
GS-12	15	46
GS-11	3	8
GS-9	0	6
GS-8	0	1
GS-7	1	1
Total FTE	253	849

Performance Measures

OIG oversight activities have yielded numerous findings and recommendations that translate into direct savings to the taxpayer. Under the sustained leadership of Inspector General Michael J. Missal since 2016, the OIG has made a significant impact on VA and the Veterans it serves. The office identified \$37.6 billion in monetary benefits in the form of better use of funds; dollar recoveries; fines, penalties, and restitution; savings and cost avoidance; and questioned costs. The OIG averaged a return on investment (ROI) of more than \$28:1 during that time.²³ The office also issued 2,498 reports, alternative work products, and other publications that addressed conditions and identified common themes that undermine the efficacy of VA programs and services. These include administrative and leadership deficiencies that present significant barriers to the timeliness and quality of the health care that Veterans receive, excessive payments for contracted services and poor acquisition practices, lack of proper internal controls for fiduciary activities, security risks in information technology and financial systems, and inconsistent payments for benefits and allowances to Veterans. For detailed examples of investigative cases and OIG accomplishments, see the [OIG SAR archive](#) and [monthly highlights](#).

Monetary Benefits

In 2023, the OIG's oversight and enforcement work resulted in **\$1.5 billion** of monetary impact. A total of 272 reports were published with 929 recommendations to VA. The table below summarizes additional information about the monetary benefits of the OIG's work.

2023 Monetary Impact (millions)	2023 Total
High-Level Impact Areas	
Better use of funds	\$371.4
Fines, penalties, restitutions, and judgments	\$562.7
Fugitive felon program	\$102.5
Savings and costs avoidances	\$136.1
Questioned costs	\$359.3
Recoveries	\$7.4
Total	\$1,539.4
Cost of Operations²⁴	\$217.5
ROI	\$7:1

Investigative Actions

²³ The return on investment is calculated by dividing total dollar impact by cost of OIG operations. Notably, it cannot capture other more important returns on investment such as lives being saved or markedly improved.

²⁴ The 12-month operating cost for the Office of Healthcare Inspections is approximately \$55.5 million. Their oversight mission results in improving the health care provided to Veterans rather than saving dollars. Therefore, it is not included in the return on investment calculation.

In 2023, the OIG’s criminal, civil, and administrative investigations led to 187 indictments, 195 convictions, and 222 administrative sanctions. The OIG’s work, alone and in collaboration with other law enforcement agencies, led to significant judicial actions. The table below summarizes the OIG’s investigative actions.

Investigative Actions	2023 Total
Arrests	217
Fugitive felon arrests (OIG assisted)	41
Indictments	187
Criminal complaints	70
Convictions	195
Pretrial diversions and deferred prosecutions	13
Case referrals to the Department of Justice	261
Administrative sanctions and corrective actions (excluding Hotline actions)	222

Hotline Actions

The OIG’s Hotline Division continued to serve as the primary conduit for allegations of fraud, waste, abuse, and mismanagement, prioritizing those having the most potential risk to Veterans, VA programs and operations, or for which the OIG may be the only avenue for redress. In 2023, hotline staff received and triaged 33,557 contacts—phone calls, web submissions, letters, and faxes—to help identify wrongdoing and concerns with VA programs and services. The table below summarizes OIG hotline activities.

Hotline Actions	2023 Total
Contacts	33,557
Cases opened	1,284
Cases closed	1,092
Substantiation of allegations rate	40%
Administrative sanctions and corrective actions	954
Individuals claiming retaliation and seeking whistleblower protection	53

Physician’s Comparability Allowance (PCA)

The Office of Management and Budget directed that the following information on the OIG’s use of PCA be included in this budget submission.

1) Department and component:

VA Office of Inspector General

2) Explain the recruitment and retention problem(s) justifying the need for the PCA pay authority.

(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)

The OIG uses PCA because its physician-employees are covered by Title 5, U.S. Code. This is different from the rest of VA, which employs physicians under Title 38. The difference in pay rates between Title 5 and Title 38 physicians can be substantial and Title 38 physicians receive significantly higher salaries than Title 5 physicians, even when PCA and performance bonuses are considered.

3-4) Please complete the table below with details of the PCA agreement for the following years:

	2023 (Actual)	2024 (Estimates)	2025* (Estimates)
3a) Number of Physicians Receiving PCAs	19	19	19
3b) Number of Physicians with One-Year PCA Agreements			
3c) Number of Physicians with Multi-Year PCA Agreements	19	19	19
4a) Average Annual PCA Physician Pay (without PCA payment)	\$133,000	\$140,000	\$160,000
4b) Average Annual PCA Payment	\$25,500	\$29,600	\$30,000

*2025 data will be approved during the 2025 Budget cycle. Please ensure each column is completed.

5) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

PCA has proven to be a valuable incentive mechanism for recruiting and retaining board-certified physicians, who often incur a significant reduction in pay when entering government service or transferring from a Title 38 position at VA to a Title 5 position at the OIG. However, the OIG continues to face challenges in recruiting and retaining physicians. In 2022, OIG recruited two new medical officers. The OIG currently has a cadre of 20 medical officers and is working to hire one more. The OIG has increased retention of its medical officers, with just one resignation in 2020, none in 2021, and one in 2022.

6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

One of OIG’s major, statutorily-required functions is providing oversight of the VA’s healthcare system to ensure high-quality patient care and safety. This function requires physicians to review hotline complaints, conduct inspections of VA healthcare facilities, and evaluate the quality of care provided to Veterans. In 2021, OIG published 41 comprehensive healthcare inspections, 44 hotline healthcare inspections, and 14 national healthcare reviews, in addition to reviewing 4,455 clinically focused hotline referrals. This work illustrates a need to retain medical officers, as OIG has a need for their specific skill set in evaluating VA’s provision of healthcare and reviewing the work of our inspectors.



Office of Acquisition and Logistics/Office of Procurement, Acquisition and Logistics: Supply Fund

Mission Statement

The Supply Fund was created by Congress for the operation and maintenance of a supply system for the Department (including the procurement of supplies, equipment, personal services along with the repair and reclamation of used, spent, or excess personal property). To enhance the Department of Veterans Affairs' (VA) customer relationships through participation in the overall planning and operations of the Supply Fund and Franchise Fund, VA has established a Revolving Fund Board of Directors (hereafter referred to as the "Revolving Fund Board") to oversee the operation of the Revolving Fund. The Administrations and Staff Offices' participation on the Revolving Fund Board ensure VA Revolving Fund resources are strategically serving the VA mission.

Budget Summary

The Supply Fund is a self-sustaining, revolving fund that supports the operation of a supply system at VA, much like the Franchise Fund is a self-sustaining revolving fund that supports the provision of high-quality, cost-effective enterprise support services to VA customers. As such, no Congressional appropriation is required. Revenue is realized from fees on acquisitions of goods and services from both VA and other government agency (OGA) customers as approved by the Revolving Fund Board. As a revolving fund that exists to support customer missions, the Supply Fund does not produce a consistent profit the way that a commercial enterprise would. Instead, at the direction of the Revolving Fund Board, the Supply Fund will sometimes incur a loss to reduce its level of retained earnings to an amount prudent for operating and capital requirements. To best serve its customers, the Supply Fund's overarching goal is to keep the rates that it charges as low and consistent as possible.

The historical obligations and full-time employee equivalent (FTE) levels for the VA Supply Fund are listed below:

VA Supply Fund Highlights (<i>\$ in thousands</i>)			
	2023 Actual	2024 Estimate	2025 Request
Total Employment	1,027	1,524	1,525
Obligations ²⁵	\$2,172,348	\$3,000,000	\$3,000,000

Program Description

The Supply Fund comprises the Office of Acquisition and Logistics (OAL) and Office of Procurement, Acquisition and Logistics (OPAL), which are organizational elements within the Office of Acquisition, Logistics, and Construction (OALC)²⁶. The Supply Fund is also the funding source for the Office of Small and Disadvantaged Business Utilization (OSDBU).

OAL manages the VA Acquisition Management Program (AMP) **Acquisition and Logistics Management (A&LM) and Oversight** — which provides support and services to oversee and manage acquisition and logistics activities focusing on the end-to-end lifecycle. The component offices under OAL carrying out the oversight and management are **Acquisition Program Support (APS)**; **Logistics Supply Chain Management (LSCM)**; **Procurement Policy Oversight and Systems (PPSO)**; and the **VA Acquisition Academy (VAAA)**.

The areas of responsibilities as required by the Service Acquisition Reform Act fall into 4 pillars:

- *Acquisition Workforce Development* – Building, enabling, and sustaining a knowledgeable workforce that can execute on the acquisition business needs of the Department.
- *Policy Development Management* – Building on Federal mandates, developing and managing the direction of acquisition and logistics policy for the Department, ensuring compliance when making decisions.
- *Organizational Acquisition and Logistics Strategies* – Providing support and monitoring the performance of Department acquisition activities related to various Federal initiatives. Conducting internal control reviews of the acquisition function in accordance with Office of Management and Budget (OMB) Circular A-123 – Acquisition Framework.
- *Acquisition Systems Management* – Managing the collection and exchange of acquisition data using technology to create transparency, accountability, data driven decisions, and acquisition lifecycle reform leading to improvements in the exchange of information between the Government and the public.

OAL continues to modernize and transform acquisition, logistics, and supply chain management successfully for the enterprise. Focusing on the acquisition lifecycle, the OAL staff is applying proven Federal and industry programmatic methodologies intentionally aligning the VA AMP with the VA Strategic Priority to modernize business processes and business systems and the OALC

²⁵ Obligations are from the SF-133 Financial Report and include Intrafund transactions.

²⁶ Also included under OALC is the Office of Construction and Facility Management (CFM). Detailed information on the OALC enterprise functions and CFM is included in OALC’s budget chapter.

Strategic Framework. VA Acquisition Management (AM) was added to the Government Accountability Office (GAO) High Risk List (HRL) in March 2019. In response to the GAO HRL, VA AM Action Plan was approved by the GAO Comptroller in Aug 2022.

OPAL enables our customers to provide best value business solutions to Veterans and their families. OPAL provides a broad spectrum of acquisition services, category management oversight and logistics support operations to VA customers and OGAs through the following support locations: Washington, District of Columbia; Hines, Illinois; Golden, Colorado; Eatontown, New Jersey; Fredericksburg, Virginia; and Frederick, Maryland.

Acquisition Operations — Awards and administers cost-effective multiple award and national contracts to meet the health care-related information technology, supply and equipment needed to operate the largest integrated health care system in the Nation and supports many OGAs worldwide. Acquisition operations include:

OPAL Front Office Operations with its staff of senior acquisition and business professionals, manages the overall accountability and control over the contracting activities and works to resolve acquisition issues across the OPAL enterprise. OPAL's Front Office staff seeks to ensure the customers supported by OPAL, our internal staff, vendors, contractors, or other interested parties have a venue to raise concerns and seek assistance when they have questions about the acquisition process.

Federal Supply Schedule, National Contracts and Just-in-Time Prime Vendor Distribution acquisitions—under delegated authority from the General Services Administration (GSA), the National Acquisition Center (NAC) manages nine multiple award schedule programs for healthcare-related products and services for VA and OGAs to use. NAC also develops and maintains national contracts associated with Pharmaceuticals, Prosthetics and Orthotics soft goods, and devices including hearing aids, telehealth devices, Apnea devices and supplies, Burial Flags, High Tech Medical Equipment systems, Laundry Equipment, and Prime Vendor Just-In-Time Distribution Programs for Pharmaceuticals and Subsistence (food and supplies). NAC also provides hearing aid repair services, precious metal recovery, and medical scope repairs.

Information Technology (IT) Acquisitions—The **Technology Acquisition Center (TAC)** provides acquisition and program management expertise and support for the life cycle management of enterprise-wide information and technology solutions for VA and OGAs.

Strategic Sourcing Acquisitions—The **Strategic Acquisition Center (SAC)** provides innovative acquisition and business solutions that leverage VA's resources to deliver critical supplies and services via enterprise contract vehicles for use by VA and OGAs.

Office of Small and Disadvantaged Business Utilization

OSDBU is an organization within the Office of the Secretary, functioning as the Department's principal liaison to the Small Business Administration (SBA). This office partners with external Federal agencies for matters dealing with small and disadvantaged businesses. OSDBU's mission is to enable Veterans to gain access to economic opportunities by developing policies and programs. Informed by customer feedback, the office improves market research, increases direct

access, and supports the participation of procurement-ready Veteran-Owned Small Businesses (VOSB) and Service-Disabled Veteran-Owned Small Businesses (SDVOSB) in Federal contracting.

Closely related to the Supply Fund mission of operating and maintaining VA's system of acquisition, OSDDBU's programs maximize procurement opportunities and the application of small business set-asides for specific procurements. OSDDBU also carries out related functions under the Small Business Act. It provides a view of VA's subcontracting landscape, information on trends within small business program policies, and access to the Department's Forecast of Contracting Opportunities. OSDDBU also assists VA stakeholders with market research and advises the Department on small business acquisition strategies. Further, OSDDBU assists small businesses in resolving payment or other contracting issues with VA.

In addition to its internal VA customers, OSDDBU's outreach and training enable the growth of small businesses and their stakeholders. OSDDBU actively supports the President's mission of equity and access by engaging agency, interagency, and industry partners to dismantle barriers. Its priority is to communicate procurement opportunities for small, Veteran, and disadvantaged small business communities. OSDDBU directs several activities aimed at providing access to information and opportunities for small businesses including SDVOSBs, VOSBs, Women Owned Small Businesses, Small Disadvantaged Businesses, and small businesses in Historically Underutilized Business Zones. A component of that engagement is the education and empowerment of women Veteran entrepreneurs in Federal contracting. By raising awareness of VA and other Federal programs, OSDDBU fosters procurement opportunities for business owners. Through capability briefings and targeted networking events, such as the National Veterans Small Business Engagement, OSDDBU connects small businesses with buying organizations and large prime contractors.

Finally, OSDDBU implements an internal oversight program that monitors performance goals, promotes consistent application of standards, and assists programs to meet and exceed the Department's performance goals.

SUMMARY OF EMPLOYMENT AND OBLIGATIONS
(\$ in thousands)

Resources	2023 Actuals	2024 Estimate	2025 Request
Obligations:			
Operating	\$449,832	\$535,790	\$535,852
Merchandising	\$1,722,516	\$2,454,210	\$2,454,148
***Non-Expenditure Transfers	\$0	\$10,000	\$10,000
Total Obligations	\$2,172,348	\$3,000,000	\$3,000,000
Full Time Equivalent:			
OAL/OPAL – Field	811	1,248	1,248
OAL/OPAL – Central Office	151	194	195
OSDBU	28	35	35
Office of Revolving Funds (ORF)	37	47	47
Total FTE	1,027	1,524	1,525
Object Class:			
Personnel Compensation	\$168,266	\$255,297	\$257,455
Travel	\$5,079	\$8,773	\$11,390
Transportation of Things	\$665	\$59,100	\$59,131
Rents, Communications & Utilities	\$42,966	\$42,516	\$43,349
Printing	\$19,178	\$19,771	\$19,788
Other Services	\$465,832	\$597,242	\$591,576
Supplies & Materials	\$1,467,968	\$2,003,292	\$2,003,301
Equipment	\$2,092	\$4,009	\$4,010
Land and structures	\$98	\$0	\$0
Insurance Claims and Indemnities	\$204	\$0	\$0
***Non-Expenditure Transfers	\$0	\$10,000	\$10,000
Total, Obligations	\$2,172,348	\$3,000,000	\$3,000,000

***SEC. 862. TRANSFER OF VERIFICATION OF SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS OR SERVICE-DISABLED VETERANS TO SBA.

Summary of Revenue and Expenses

Revenue represents the total income received from all customers (both VA and other Federal agencies). Expenses represent the full cost of operations.

In 2025, the VA Supply Fund anticipates revenues, including other Federal agency customers, of \$544 million.

Revenue, Expense, and Retained Earnings <i>(\$ in thousands)</i>			
	2023 Actuals	2024 Estimate	2025 Request
Income Statement			
Income	\$413,749	\$406,693	\$544,125
Expense ²⁷	\$436,678	\$545,789	\$545,851
Net Income/Loss ²⁸	(\$22,929)	(\$139,096)	(\$1,726)
Retained Earnings			
Retained Earnings, Beginning	\$446,459	\$423,530	\$284,434
Net Income/Loss	(\$22,929)	(\$139,096)	(\$1,726)
Retained Earnings, Ending	\$423,530	\$284,434	\$282,708

²⁷ The expenses do not include imputed costs that are borne by other government agencies and listed in the audited financial statements of the Supply Fund, but are not in the general ledger accounts for treasury account symbol 4537 (Supply Fund)

²⁸ As directed by our Revolving Fund Board, losses are incurred at times to reduce our level of retained earnings to an amount prudent for operating and capital requirements within the Supply Fund.



Franchise Fund Enterprise Centers

Mission Statement

The Department of Veterans Affairs (VA) Franchise Fund’s mission is to provide high-quality, cost-effective support services and excellent customer service by streamlining processes and optimizing the value of enterprise services to customers. The Franchise Fund performs common enterprise-wide administrative support services for the VA Administrations so that they can focus on performing their core missions of providing high quality care and services to Veterans and eligible family members. Better support to VA employees for common administrative support services means better services for Veterans and their families. Better support for our safety and security through preparedness, emergency notification and police services creates a safer environment and experience for Veterans and VA employees, contractors, and affiliates who serve Veterans.

Budget Summary

The Franchise Fund is a self-sustaining revolving fund providing enterprise administrative support services to VA and other Federal agencies that are financed on a fee-for-service basis rather than through VA's appropriation. VA as well as external agencies reimburse the Franchise Fund for the services received. No Congressional appropriations are required. The Franchise Fund provides customers with services that make efficient use of resources and allows its customers to concentrate on mission-critical functions that deliver better Veteran outcomes. The historical obligations and full-time employee equivalent (FTE) levels for the VA Franchise Fund are listed below:

VA Franchise Fund Highlights			
<i>(\$ in thousands)</i>			
	2023 Actual	2024 Estimate	2025 Estimate
Total Employment	2,138	2,722	2,722
Obligations ²⁹	\$1,808,471	\$2,062,344	\$2,119,449

²⁹ Obligations are from the SF-133 Financial Report and include Intrafund transactions.

In 2025, the Franchise Fund estimates total obligations of \$2.119 billion and an average employment of 2,722 FTE to support the operations of the VA Enterprise Centers (ECs): Information Technology Infrastructure Operation (ITIO), Debt Management Center (DMC), Financial Service Center (FSC), Law Enforcement Training Center (LETC), Personnel Security Adjudication Center (PSAC), Human Capital Services Center (HRSC), Internal Controls Support Center (ICSC), and Center for Enterprise Human Resources Information Services (CEHRIS).

Total obligations reflect the salary requirements for: 2,722 FTE located nationwide; ongoing rents, communications, and utilities required to operate; and contractual resources, equipment replacements, and upgrades necessary to continue the current level of operations. The 2025 estimated obligations leverage continuous process improvements to deliver better services at lower costs, enable innovation for new product offerings and initiatives necessary to meet emerging customer requirements. These activities will result in improved customer service, greater performance and productivity, and lowered cost of operations due to efficiencies and scale. Staffing levels will remain constant from 2024 to 2025. The previous increase in staff is largely attributed to the expansion of FSC's growing role in supporting the Financial Management Business Transformation program and the increasing demand for FSC's services from current and new customers. Increases in ITIO's FTE and obligations from 2023 to 2024 incorporate hiring timeline projections.

Program Description

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Administration appropriation. Permanent status was conferred upon the VA Franchise Fund by P.L. 109-114 in 2006.

To enhance VA's customer relationships through participation in the overall planning and operations of revolving funds (including the Franchise Fund and Supply Fund), VA established a Revolving Fund Board of Directors, (hereafter referred to as the "Revolving Fund Board"). Aligned with the Office of Management, Office of Revolving Funds oversees the operation of the VA Supply Fund and VA Franchise Fund. The Revolving Fund Board functions as the principal governance body: overseeing the Franchise Fund's strategic priorities, goals, and objectives; providing strategic leadership of the Franchise Fund's operations and execution; and managing overall risks and challenges. The Revolving Fund Board, co-chaired by the Deputy Chief Financial Officer and Deputy Chief Acquisition Officer of the Agency, consists of voting members from VA Administrations and Staff Offices.

The Franchise Fund comprises an administrative office, Franchise Fund Oversight Office (FFO), and eight self-supporting enterprise centers (ECs). The self-supporting lines of business are independent service providers within VA that are accountable to the Revolving Fund Board by adhering to Franchise Fund guidance on quality, cost, and customer service. They are also mission-support business entities and service providers that are charged with adopting efficient business processes, standardized processes, and customer satisfaction performance metrics at a lower cost.

The VA Franchise Fund directly supports the Office of Management and Budget (OMB) Cross-Agency Priority Goal #5—Sharing Quality Services, improving the effectiveness and efficiency of administrative services. The ECs deliver common administrative support services to Federal entities, such as Department of Homeland Security, Department of Health and Human Services, and Department of Air Force. These services allow VA and other Federal agency customers to conserve their budgetary resources through innovative methods and efficiencies of scale with the same or lower unit costs, while improving the quality of services provided.

The Franchise Fund enables VA to: leverage commercial solutions and innovative practices; increase the use of common government solutions; and increase competition for government administrative support services resulting in lower costs and higher quality. The VA ECs must recover all their expenses through revenue collection, i.e., the ECs' operations are totally dependent upon revenues realized from both internal and external customers' purchases of services. After the Revolving Fund Board approves annual rates and service levels, the ECs work in direct support of their customers to deliver exceptional customer service, performance, and costs at agreed upon levels. They also market their services as appropriate to other Federal agencies, which comprised 15% of total revenue in FY 2023. Successful market penetration spreads the Franchise Fund's fixed costs over a larger unit base, which leads to lower costs for all customers. This economy of scale leads to more effective use of taxpayer dollars.

Stakeholders

External stakeholders include: Veterans, Congress, the Office of Management and Budget, other Federal agencies, Veteran Service Organizations, and private sector vendors.

Internal stakeholders include: Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, the Board of Veterans Appeals, and other Staff Offices within VA.

Functions and Activities

The VA Franchise Fund organizations provide a wide range of functions and activities:

Franchise Fund Oversight Office (FFO). Located in Washington, DC, the FFO supports the ECs and is responsible for the overall fund operations including administering the financial resources of the fund, coordinating all business activities, and serving as the liaison between the ECs, their customers, and the Revolving Fund Board.

IT Infrastructure Operations (ITIO). Headquartered in Austin, TX, ITIO provides critical information technology (IT) services that deliver benefits, health, and memorial services directly to Veterans. The ITIO division of Information Technology Operations and Services (ITOPS) focuses on consistent availability of Veteran-facing applications and quick delivery of benefits for Veterans.

Debt Management Center (DMC). Located in St. Paul, MN, the DMC is a centralized facility that provides direct collection of delinquent consumer debt owed to VA resulting from an

individual's participation in VA's education, pension, or disability compensation programs.

Financial Services Center (FSC). Located in Austin, TX, Waco, TX, Neosho, MO, and Washington, D.C., the FSC provides a full range of financial and accounting services. These services include financial reports and accounting, invoice payments, credit card payments, medical claims adjudication and payment processing, vendor file maintenance, discount subsistence purchases, payroll processing, and VA conference tracking and reporting. The FSC also provides customer support help desks for payroll, travel and payment processing, electronic commerce and electronic data interchange, automated document management and document storage, audit recovery, permanent change of station and temporary duty travel pay processing, common administrative services, accounting training, and consulting. The FSC's Record Center and Vault service provides records storage, protection, and management services for official Federal records including Veterans health records and VA contract documents. The 400,000 square foot facility is certified by the National Archives and Records Administration to operate as an official agency records center, storing almost two million cubic feet of records.

Human Capital Services Center (HCSC). Located in Washington, DC, the HCSC provides learning management, employee accountability, internship programs, and learning content to nearly 600,000 VA employees, contractors, volunteers, and academic affiliates. HCSC's services include: VA Talent Management System (TMS) contracts and backend infrastructure; three internship programs (Pathways, National Diversity Intern Program and Workforce Recruitment Program); and VA Emergency Alerting and Accountability System (EAAS).

Law Enforcement Training Center (LETC). Located in North Little Rock, AR, the LETC is the sole Federal Government provider of a unique federal law enforcement training program that emphasizes the use of non-physical techniques to ensure the safety of patients, visitors, and staff to maintain order in a Federal institution. The program is designed to provide law enforcement officers with the necessary skills to resolve incidents in a humane and respectful manner. This training is suitable for health-care facilities, parks, museums, and other Federal special mission or limited jurisdiction settings.

Personnel Security Adjudication Center (PSAC). Located in North Little Rock, AR, the PSAC provides: timely background investigations, suitability, and national security adjudications for VA employees, affiliates (medical students, trainees, and interns) and contractors in public trust positions for all VA entities nationwide.

Internal Controls Support Center (ICSC). Located in Austin, TX, and Washington, DC, the ICSC provides technical assistance and assessment support for the establishment, operation, maintenance, and improvement of Internal Controls programs for the Department. ICSC also provides: fiscal and auditing support services for program offices seeking impartial reviews of programs; and support to selected VA Grant programs.

Center for Enterprise Human Resources Information Services Center (CEHRIS). Located in Washington, DC, the CEHRIS provides: a standard and reliable suite of services supporting core human resources (HR) business processes; manager and employee-facing HR processes, including capturing and managing employee and HR information throughout the employee

lifecycle ensuring the VA can properly execute recruiting, staffing, employee relations, labor relations, performance management, employee benefits, payroll, separations, record keeping, data analysis and reporting.

The complete listing and summary of obligations for the ECs within the VA Franchise Fund are listed below.

SUMMARY OF EMPLOYMENT AND OBLIGATIONS
(\$ in thousands)

Parent Organization/Service Activity	2023 Actual		2024 Estimate		2025 Request	
	Obligations	FTE	Obligations	FTE	Obligations	FTE
<u>Office of Human Resources and Administration/Office of Operations, Security, and Preparedness:</u>						
Center for Enterprise Human Resources Information Services	\$97,594	67	\$147,578	78	\$162,125	78
Human Capital Services Center	49,173	63	54,786	71	60,437	71
Law Enforcement Training Center	22,451	95	32,269	150	34,217	150
Personnel Security Adjudication Center	9,371	51	16,701	68	17,536	68
Subtotal	\$178,589	276	\$251,334	367	\$274,315	367
<u>Office of Management:</u>						
Financial Services Center	\$974,720	1,089	\$1,027,621	1,391	\$1,045,886	1,391
Debt Management Center	50,256	282	54,539	333	55,998	333
Internal Controls Support Center	7,700	19	13,701	26	14,055	26
Franchise Fund Oversight Office	3,215	5	4,252	6	4,316	6
Subtotal	\$1,035,891	1,395	\$1,100,113	1,756	\$1,120,255	1,756
<u>Office of Information & Technology:</u>						
Information Technology Infrastructure Operations	\$593,991	467	\$710,897	599	\$724,879	599
Total	\$1,808,471	2,138	\$2,062,344	2,722	\$2,119,449	2,722

Summary of Revenue and Expenses

Revenue represents the total income received from all customers (both VA and other Federal agencies). Expenses represent the full cost of operations.

In 2025, the VA Enterprise Centers anticipate revenues, including other Federal agency customers, of \$2.052 billion.

Revenue, Expense, and Retained Earnings			
<i>(\$ in thousands)</i>			
	2023	2024	2025
	Actuals	Estimates	Request
Sales Program:			
Income	\$1,809,899	\$2,057,578	\$2,052,031
Expense	<u>1,637,018</u>	<u>2,062,344</u>	<u>2,119,449</u>
Net Income/Loss	\$172,881	(\$4,766) ^[3]	(\$67,418) ^[3]
Reserves^[1], Beginning	\$486,045	\$678,034	\$628,268
Net Income/Loss	172,881	(4,766)	(67,418)
Capital Transactions ^[2]	<u>19,108</u>	<u>(45,000)</u>	<u>(45,000)</u>
Reserves, Ending	\$678,034	\$628,268	\$515,850

^[1] Reserves are used to fund cash flow timing differences, periods of fluctuating workloads, and unanticipated expenses.

^[2] Acquisition, improvements, or depreciation of assets.

^[3] The Franchise Fund losses are planned losses for projects where reserves have been earmarked.



Pershing Hall Revolving Fund

Program Description

The Pershing Hall Revolving Fund provides for the obligation and receipt of funds associated with the operation and redevelopment of Pershing Hall, an asset of the United States, located in Paris, France. The United States acquired the property in 1935 from the American Legion under the provisions of Public Law 74-171.

In 1991, VA obtained jurisdiction and control over Pershing Hall through the enactment of Public Law 102-86, which provided for the building's redevelopment and the establishment of a memorial to General Pershing through a long-term lease of up to 35 years. Two years later, Public Law 103-79 authorized a lease period not to exceed 99 years. On October 20, 1998, the Department leased Pershing Hall for a period of 99 years to the French firm L.A. Partners. The lease provided for the building's redevelopment as a hotel and the establishment therein of a memorial. In addition to the memorial, the lease also provided for the payment of consideration to VA. In 2018, MARK Capital Management acquired the Pershing Hall lease and transformed the building from a hotel into an office, retail, and food and beverage destination. On February 22, 2022, Allianz Vie, a French life insurance company acquired the Pershing Hall lease and transitioned into the asset management role.

Public Law 102-86 allowed for the transfer to the Pershing Hall Revolving Fund, at such time or times as the Secretary may determine and without limitation as to year, amounts as determined by the Secretary, not to exceed \$1,000,000 in total, from funds appropriated to VA for the construction of major projects. The account from which any such amount is transferred must be reimbursed promptly from other funds as they become part of the Pershing Hall Revolving Fund. Proceeds of the Pershing Hall Revolving Fund are available to be used for two separate activities. First, the Secretary may use up to \$100,000 annually to support projects, activities, and facilities determined by the Secretary to be in keeping with the mission of the Department. Second, necessary expenses to operate and maintain Pershing Hall may be funded from revenue in the Pershing Hall Revolving Fund.

From 2025 through 2097, VA estimates that lease payments into the fund will total \$25.2 million. This is expected to yield approximately \$350,000 in annual receipts. Future payments are subject to updates as described in the lease. The current balance exceeds \$3.5 million.

<i>Funding Highlights</i>				
<i>(\$ in thousands)</i>				
	2023	2024	2024	2025
	Actual	Request	Estimate	Request
Budget authority	\$0	\$0	\$0	\$0
Receipts	\$350	\$350	\$350	\$350
Obligations	\$50	\$200	\$200	\$200
Unobligated balance:				
SOY	\$3,644	\$3,825	\$3,553	\$3,753
EOY	\$3,553	\$4,025	\$3,753	\$3,953
Outlays (net)	\$91	(\$200)	(\$200)	(\$200)

Note. -- A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared. Charts display the 2024 President's Budget request level for 2024 with updates to assumptions and estimates in the 2024 Estimate column.

Department of Veterans Affairs
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