THE INDEPENDENT BUDGET
Veterans Agenda for the 118th Congress
A Comprehensive Budget & Policy Document Created by Veterans for Veterans
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For nearly 40 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations, while each organization also works independently to identify and address legislative and policy issues that affect the organizations’ members and the broader veterans’ community.

DAV (Disabled American Veterans)

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

Paralyzed Veterans of America (PVA)

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

As a life-long partner and advocate for veterans and all people with disabilities, PVA also develops training and career services, works to ensure accessibility in public buildings and spaces, and provides health and rehabilitation opportunities through sports and recreation. With more than 70 offices and 33 chapters, Paralyzed Veterans of America serves veterans, their families, and their caregivers in all 50 states, the District of Columbia, and Puerto Rico. Learn more at PVA.org.

Veterans of Foreign Wars of The United States (VFW)

The Veterans of Foreign Wars of the U.S. (VFW) is the nation’s largest and oldest major war veterans’ organization. Founded in 1899, the congressionally-chartered VFW is comprised entirely of eligible veterans and military service members from the active, Guard and Reserve forces. With more than 1.5 million VFW and Auxiliary members located in nearly 6,000 Posts worldwide, the nonprofit veterans’ service organization is proud to proclaim “NO ONE DOES MORE FOR VETERANS” than the VFW, which is dedicated to veterans’ service, legislative advocacy, and military and community service programs. For more information or to join, visit our website at VFW.org.

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Jeannette King, DAV, for editorial assistance  
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Introduction

The Independent Budget (IB) provides an impartial estimate of the funding the Department of Veterans Affairs (VA) will require to fully and timely deliver all authorized programs, services, and benefits to America’s veterans. The recommendations also include funding estimates for new and expanded programs, benefits, and services that the IB veterans service organizations (IBVSOs)—comprised of DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—believe are critical to the health and well-being of those who served, their families, and survivors.

After almost three years of the pandemic, it appears that COVID may be nearing its endemic stage, and one result could be greater predictability of VA’s funding needs. While COVID’s impact on acute and chronic health conditions must continue to be addressed, the IBVSOs anticipate less demand for new emergency funding, a change from VA’s volatile budgets over the past three years. However, there are still long-term health impacts and the threat of new and more potent COVID mutations that require continued VA investment in prevention, preparation, and mitigation strategies. VA must remain on the leading edge of medical research to benefit veterans and all Americans, not just from risks caused by COVID, but also to stay ahead of other potential health emergencies. As identified in the IBVSOs’ critical issues for the 118th Congress, VA health care staffing recruitment and retention must also remain a top priority.

Adding further uncertainty to estimating VA’s budgetary requirements is the continuing period of economic instability, particularly regarding growth, inflation, and unemployment. These economic factors could significantly affect the number of veterans who apply for and utilize VA benefits, health care, and other services. The IBVSOs identified the need to ensure successful military to civilian transition as a critical issue for the 118th Congress.

In 2022, Congress passed the historic Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act) (Public Law 117-168), which expanded VA health care and benefits to potentially millions of veterans. The IBVSOs have identified PACT Act implementation as a critical issue for the 118th Congress. While it is too soon to assess how many veterans will apply under the PACT Act and what the resource requirements will be in the next few years, VA and Congress must monitor enrollment and application trends closely and make any necessary adjustments to funding before and during fiscal year (FY) 2024.

The breakdown of the Asset and Infrastructure Review (AIR) Commission last year does not end Congress’s responsibility to expand and sustain adequate VA health care infrastructure. While VA’s AIR recommendations contained outdated or inaccurate data in many locations, they did identify hundreds of medical facilities that need to be repaired, rehabilitated, expanded, and constructed to meet veterans’ needs. For the 118th Congress, the IBVSOs identified infrastructure as a critical issue important to ensuring VA remains the primary provider of care for veterans. Congress must now adequately fund infrastructure modernization efforts.

Once again, Congress and the Administration failed to enact VA’s annual appropriations on time, adding uncertainty and inefficiency to VA’s operations and budgeting. In addition, the new Toxic Exposure Fund, created by the PACT Act, will significantly impact VA’s budget and appropriations process. As identified in the IBVSOs’ critical issues for the 118th Congress, the aging veterans population also increases the need to improve access to VA-provided long-term services and supports. With so much uncertainty, the Administration and Congress must work together—with VSO stakeholders—to ensure those who served have timely access to the benefits and health care they earned.
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Note 1 – The IB estimates the total need for health care appropriations and does not include MCCF estimates.

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

Total Medical Care

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

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

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

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

Toxic Exposure Fund
The IBVSOs offer a note of caution about the new Toxic Exposure Fund (TEF) and how it will affect the budget and appropriations process for all VA funding. By law, new funding required due to PACT Act changes must be mandatory appropriations through TEF rather than discretionary funding. This change was intended, at least in part, to reduce total VA discretionary funding required in future budget cap deals.
NOTE: The IB budget recommendations do not include TEF funding requirements but instead provide the total need for new health care appropriations.

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

While the IBVSOs neither supported nor opposed the creation of the TEF, we are concerned about possible unintended consequences. Prior to enactment of the PACT Act, the Congressional Budget Office (CBO) had cautioned that in the future, expansions of any discretionary VA programs or services could impact the funding for the mandatory TEF and thereby require PAYGO offsets. In addition, VA must now segregate all PACT Act-related costs, potentially complicating accounting and record-keeping for all its programs. Congress must closely monitor VA’s implementation of the TEF to ensure these and other potential changes resulting from its implementation do not negatively affect VA’s ability to deliver benefits and services to veterans.

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

**New Users ($3.5 billion)**
The IBVSOs estimate a growth in patient workload based on a projected increase of approximately 174,000 new unique patients, which includes an increase of around 168,000 new priority groups 1-6 veterans, a decrease of 13,000 priority groups 7 and 8 veterans, and an increase of 19,000 nonveterans. This larger-than-usual increase is based on a conservative projection of how many veterans will enroll in VA health care as a result of the PACT Act. The IBVSOs estimate the total cost of new unique users in FY 2024 to be approximately $3.5 billion.
Filling Health Care Vacancies ($2.8 billion)

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

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

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

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

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

Dental Care for all Veterans ($500 million)

VA reported that out of the 9.2 million veterans enrolled in VA health care, only about 1.4 million are eligible for comprehensive dental care. However, in 2020, VA dental services provided care to only 402,000 eligible veterans and an additional 61,000 due to medical necessity. The IBVSOs support efforts to expand dental care to all enrolled veterans and recommend that $500 million be included in the FY 2024 budget to begin that expansion.
Mental Health and Suicide Prevention
(2,438 FTE ≈ $355 Million)

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

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

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

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

Long-Term Care ($1 billion)

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

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

Veteran-Directed Care ($120 Million)

VA's VDC program is an affordable alternative to institutional care. Unfortunately, despite the popularity of this program, it is not currently available at every VA Medical Center (VAMC), often because there is no dedicated funding for it. The VHA has proposed adding 75 new VDC programs over five years. The IBVSOs propose accelerating that rollout schedule and recommend an additional $120 million in FY 2024 that would be specific purpose funding to allow every VAMC to operate a robust VDC program.
Caregiver Program ($100 million)

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

Women Veterans Health Care ($150 million)

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

- $120 million for VA to continue creating and fully staffing high-quality, clinically relevant services for women veterans. COVID-19 has made hiring and training challenging, particularly the hands-on training offered through women’s health mini-residencies. While training and hiring initiatives continue, the growth in women veterans who use VA is outstripping VA’s ability to hire and train providers to meet women’s specialized gender-specific clinical needs.

- $10 million to support strategic planning for meeting women veterans’ health care needs. While women are the fastest-growing subpopulation in the VA (+32 percent by 2030), there is no strategic plan to ensure all service lines in the VHA are focused on adjusting programs to meet women veterans’ unique clinical and supportive services needs. The VHA must develop plans for women veterans’ health programming that respond to changes in health care delivery made since the ongoing COVID-19 pandemic and evaluates other program offices to ensure appropriate services are available to meet the unique needs of the women veterans it serves.

- $10 million to increase the number and quality of peer support specialists, care navigators, and doulas to assist women veterans. Peer support specialists have been very useful in helping veterans with mental health challenges, including those dealing with the aftermath of military sexual trauma, post-traumatic stress disorder, and substance-use disorders. Similarly, care navigators and doulas can assist women veterans with highly complex medical conditions, such as cancer, amyotrophic lateral sclerosis (ALS), multiple sclerosis (MS), post-partum maternal care, and chronic pain management.

- $10 million to create and maintain a dedicated consultative team to assist with managing the care of veterans throughout the maternity cycle. These funds would support VA’s efforts to provide women veterans with access to comprehensive wrap-around services, including help with housing, employment, food insecurity, interpersonal violence, and mental health and prosthetic support. Reproductive mental health issues are prevalent for many service-disabled women veterans and require specialized clinical support. VA is wholly dependent upon its community care network providers to provide quality care and data on outcomes of maternity care. Still, specialized program managers can monitor and influence better results by enhancing services for women and improving coordination and communication between these programs.

Minority Veterans ($10 million)

The IBVSOs recommend $10 million be added to the VHA budget to continue training on diversity and inclusion for all medical staff and ensure adequate resources for minority veteran coordinator assignments and peer support specialists. Additional funding is also needed to support efforts for the PACT Act expansion that includes minority and underserved veterans. All veterans should receive health care tailored to their individual needs.
Homeless Programs ($375 million)
Homelessness among veterans saw a slight increase in 2020 (37,252 in 2020, up from 37,058 in 2019). The pandemic saw a decrease in the number of sheltered veterans in 2021 (19,750 in 2021, down from 22,048 in 2020). Because of the pandemic, the number of unsheltered veterans was not counted in 2021. For FY 2024, the IBVSOS recommend a continued emphasis on the Supportive Services for Veterans Families (SSVF) program, which has been able to provide homelessness prevention and rapid rehousing assistance to veterans through shallow subsidies in every state across the nation. Additional funding is required to accommodate the nationwide expansion of this program (from 11 service sites in 2019), and the increase in rental subsidies for up to 50 percent of “reasonable” rents, which has aided in program flexibility and usability. The IBVSOS recommend adding funding for the Grant and Per Diem (GPD) program by earmarking $10 million to assist growing populations of elderly and women veterans. The IBVSOS also request additional funds for the Health Care for Homeless Veterans (HCHV) Program, which will soon accommodate veterans with other-than-honorable discharges. The IBVSOS recommend an increase of $375 million for homeless programs, targeting $250 million for SSVF, $100 million GPD (including $10 million targeting women and elderly veterans), and $25 million for HCHV.

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

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

Medical Support and Compliance

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

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

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

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

Women Veterans Health Care Modifications ($10 million)
The IBVSOs recommend an additional $10 million for non recurring maintenance to continue addressing deficiencies in VA health care facilities to ensure women veterans’ privacy, dignity, and security. These funds will also provide for items like furniture, curtains, kiosks, and supplies to redress deficiencies and create welcoming spaces.
# Medical Community Care

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

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

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VA’s Medical and Prosthetic Research program generates discoveries that significantly contribute to improving the health of veterans and all Americans. The research program also supports VA’s recruitment and retention of health care professionals and clinician scientists. For FY 2024, the IBVSOs recommend a total of $980 million for VA research, which would cover the cost of inflation and increase investments to address COVID-19, veterans’ health disparities, clinical trial access, and veterans’ mental health needs. It would also renew support for groundbreaking programs, like the Million Veteran Program, and VA’s participation in the Cancer Moonshot initiative featuring oncology for the nation’s veterans. The value of cutting-edge research has never been demonstrated more clearly than over the past three years, and as a national leader, VA must continue to aggressively grow this program.

To retain and attract well-qualified scientists to assure a high-quality research program, VA must also have access to state-of-the-art technology, which includes the ability to collect, store and manipulate large databases like the one being created for the Million Veteran Program. It must also have safe and hygienic laboratories and administrative facilities. Investing in the development of enterprise-wide business functions will also ultimately assure cost-effective and efficacious processes that allow VA to more successfully participate in large scale efforts, such as nationwide clinical trials, across multiple sites.◆
The Veterans Benefits Administration (VBA) account is comprised of seven primary service lines: 1) Compensation; 2) Pension and Fiduciary; 3) Insurance; 4) Education; 5) Home Loan Guaranty; 6) Veteran Readiness and Employment; and 7) Transition and Economic Development. For fiscal year (FY) 2024, The Independent Budget veterans service organizations (IBVSOs) recommend approximately $4.1 billion for all the VBA’s operations - an increase of roughly $406 million over the enacted FY 2023 appropriations level, which primarily reflects increases for inflation and federal pay raises, as well as projected increases in workload from the PACT Act.

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

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

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

### Claims Backlog ($100 million)

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

### VA Call Centers ($50 million)

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

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

The IBVSOs recognize that increasing overtime funding and additional FTE alone will not reduce the backlog. The IBVSOs recommend $60 million to enable the VBA to keep pace with Veterans Benefits Management System upgrades, create more digital tools, scan and
digitize records, and increase claims automation. There must also be significant progress to address the backlog of VBA IT projects to improve current claims processing systems, as well as a generational upgrade to the VBA’s overall IT claims processing infrastructure to make it more efficient and timely, particularly as the volume of claims continues to rise. These specific IT needs are addressed in the IT section.

**Veteran Success on Campus Program ($6 million)**
The IBVSOs recommend that the Veteran Readiness and Employment (VR&E) program hire an additional 50 Veteran Success on Campus (VSOC) counselors. VSOC counselors do not require the same level of training as traditional VR&E counselors due to other supports already available to students through their institutions of higher learning (IHL). There are currently more than 60 IHLs awaiting approval for a VSOC counselor. Many more campuses are currently being assessed to see if regional representation would be feasible to address increased need for assistance.

**Technical Support for VR&E Counselors ($38 million)**
The IBVSOs recommend that the VR&E program hire 300 technicians to help reduce the administrative burden faced by its counselors. While the VR&E program has succeeded in maintaining the congressionally mandated 1:125 ratio of counselors to veterans, at the local level, the program falls short. Several regional offices are experiencing caseloads that exceed the 1:125 ratio. The IBVSOs recommend creating a position that would provide technical and administrative support to current VR&E counselors to reduce the administrative burden counselors currently face and allow them more time to foster improved relationships with the veterans they serve. This position would require less experience than a VR&E or VSOC counselor.

### General Administration

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

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

**Minority and Underserved Veterans ($10 million)**
The IBVSOs recommend an additional $10 million be added to the VBA budget for the Center for Minority Veterans (CMV) to continue their efforts with the Veterans Experience Office and PACT Act expansions. The additional funds would also help the CMV to expand regional outreach programs across the country to help increase awareness about VA services and benefits available to underserved minority populations. The CMV should also use the funding to reestablish the Minority Veterans Report and share news and information that is important to this population of veterans.
For FY 2024, the IBVSOs recommend approximately $325 million for the Board of Veterans’ Appeals (Board), an increase of roughly $40 million over the FY 2023 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises, as well as staffing increases to address the hearings backlog and additional PACT related work.

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

Reducing Appeals Backlog ($28 million)
The Appeals Modernization Act (AMA), effective in February 2019, has dramatically changed how veterans appeal decisions on claims for benefits from the VBA, the VHA, and the National Cemetery Administration. At the Board, appeals are separated between legacy appeals, those pending prior to AMA, and AMA appeals. The Board employs Veterans Law Judges (VLJs) to conduct hearings and render decisions. Each VLJ requires support from attorneys and administrative staff.

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

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

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<tr>
<td>FY 2023 Appropriations Enacted</td>
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The Department of Veterans Affairs’ (VA) Office of Information Technology provides day-to-day support and development for all of VA’s IT needs, including those of the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA). VA has a separate appropriation account for Electronic Health Record Modernization (EHRM), which primarily covers the costs for VA and Oracle Cerner to make this massive generational transformation. [See below.] However, VA must continue to support its current electronic health record (EHR) system—VistA—until the conversion is complete, as well as provide adequate development and sustainment of all other VHA, VBA, and NCA programs and services.

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

VBA IT Needs ($225 million)
The IBVSOs believe the VBA must have updated IT systems to ensure efficiency and accuracy in the processing of current and future claims to address the rising backlog. While the current backlog is largely due to operating constraints from the pandemic, the IBVSOs anticipate significant increases in claims over the next few years related to toxic exposures. VA has increased its full-time employee (FTE) levels in this area, though adding more personnel alone will not resolve the issue. It has been more than a decade since the development of the Veterans Benefits Management System (VBMS), which serves as the backbone for disability compensation claims processing. The VBA’s IT systems are overdue for a significant update, which will require substantial investment and a clear action plan. A digital benefits upgrade, similar in scope to the Digital GI Bill modernization in Education Service, would require engaging with industry, reviewing contractors, implementation, testing, and an overall budget of potentially $500 million over five years. The IBVSOs recommend that the VBA immediately begin exploring system requirements and possible vendors to create a single, unified claims processing IT system that includes the latest artificial intelligence (AI) technologies. For FY 2024, the IBVSOs recommend $100 million be appropriated for the first phase of modernizing the VBA’s Compensation and Pension IT systems. In addition, the IBVSOs recommend an additional $125 million to address pending VBA IT projects that have not been funded over the last several years, including many that would address the needs of accredited VSOs working in VA regional offices.

VR&E IT Upgrades ($20 million)
The IBVSOs recommend that Congress guarantee funding for a new client management system (CMS) that allows the VR&E program to support veteran participants and VR&E staff. After several failed attempts to create a successful CMS system, the current VR&E leadership is working to develop an updated platform that will allow counselors to successfully maintain their administrative requirements while easing the frustrations of veterans by removing antiquated systems that are barriers to veteran success. The IBVSOs also recommend that Congress ensure funding is an appropriated line item to guarantee the funding for IT upgrades. Like recent Digital GI Bill appropriations, the IBVSOs request that funding be set aside for the VR&E CMS over the next several years to guarantee a functioning system and the necessary upgrades and maintenance to ensure a successful rollout.
Board IT Needs ($15 million)
The Board uses several IT platforms such as VBMS, Veterans’ Appeals Control and Locator System (VACOLS), and Case Flow. However, VACOLS is the legacy program for tracking and maintaining appeals within the Board. Case Flow is currently used to manage all Board requested hearings and the pilot program for virtual hearings; thus, IT is an integral part of their daily functioning. Case Flow was created to replace VACOLS; however, as Case Flow has many functionalities yet to be implemented, both systems must be used by the Board, which greatly reduces their efficiency. VACOLS allows the Board to store data, specifically their decisions on each case. Case Flow was not designed for data storage; however, to provide similar functionality as VACOLS, it must be interfaced with VBMS to link to documents. VA has made some great innovations to allow veterans to submit Notice of Disagreements directly on VA.gov; however, it does not currently interface directly with Case Flow.

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

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

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

Electronic Health Record Modernization (EHRM)

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

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

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

Cemetery Utilization and Expansion ($75 million)

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

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

National Shrine Initiative ($50 million)

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

Office of the Inspector General

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

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

### Seismic Corrections ($1 billion)

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

### Research Infrastructure ($100 million)

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

### Managing Infrastructure Projects (175 FTE $24.5 million)

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

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

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

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

Women Veterans Health Care ($30 million)

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

Nonrecurring Maintenance Contracts ($190 million)

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

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

Grants for State Veterans’ Cemeteries

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

Other Discretionary Programs

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<tr>
<th>FY 2024 IB Recommendation</th>
<th>$296 million</th>
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<td>FY 2024 Admin. Budget Request</td>
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<td>FY 2023 Appropriations Enacted</td>
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Other VA discretionary programs include the Veterans Housing Benefit Program Fund, the Vocational Rehabilitation Loans Program, and the Native American Veterans Housing Loan Program. For FY 2024, the IBVSOs recommend approximately $296 million for these other discretionary programs, an increase of approximately $12 million over the FY 2023 appropriations level, which primarily reflects current services with increases for inflation and federal pay raises. ◆
Health Care Critical Issues

Ensure VA Remains the Primary Provider of Care

Vacancies and Staffing Shortages
Health care professionals and nonclinical staff are essential to ensuring the Department of Veterans Affairs (VA) remains the primary provider of care to our nation’s veterans. The COVID-19 pandemic has significantly affected the healthcare system and its employees, both clinical and nonclinical. According to VA, the Veterans Health Administration (VHA) employed 371,809 individuals at the end of the fourth quarter for fiscal year (FY) 2022. They had 76,877 vacancies, trending upward from last year. If this continues, a more significant impact will occur in the next five to 15 years as the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act) (Public Law 117-168) increases the enrollment for unique veteran patients.

Identifying severe staff shortages allows for precision recruitment and retention efforts. VA’s Office of Inspector General is charged with auditing critical staffing shortages in each fiscal year. In its FY 2022 report1, across the system, the VHA identified more than 2,600 severe staffing shortages across 285 occupations. The report also found that professional staffing shortages are pervasive throughout the system. For example, 91 percent of VA facilities identified critical staffing shortages in nursing and 87 percent of VA facilities identified shortages in medical officers. Practical nurses, medical support assistants, and custodial workers were also among the most severe staffing needs. Psychologists and other mental health professionals are also in short supply.

1 Department of Veteran Affairs Office of Inspector General; Veterans Health Administration: OIG Determination of Veterans Health Administration’s Occupational Staffing Shortages Fiscal Year 2022, July 2022.
Recruitment

As the nation’s largest integrated healthcare delivery system, the VHA workforce challenges mirror those of the broader healthcare industry. The clinical recruitment market is highly competitive; therefore, VA encounters similar challenges as the private sector. According to VA’s FY 2023 Budget Submission book for Medical Programs and Information Technology Programs, VA plans to spend $3.7 billion on medical staffing. This figure projects Medical Services full-time equivalents are due to increase by 10,886 over the 2023 level. This increase accounts for Federal Employee Retirement System adjustments, wage increases, and changes in the experience of recently onboarded staff. VA offers a recruitment and retention bonus of up to 25 percent of the rate of basic pay for new hires to remain with the department. VA officials also recently stated that they must hire at least 45,000 nurses over the next three years to keep up with attrition.

If fully utilized, the pay and workforce provisions approved by Congress in Public Law 117-103 (RAISE Act) and the PACT Act will greatly improve VA’s ability to recruit and retain the quality medical professionals it needs to care for veterans in the near- and long-term. Oversight of these provisions will be necessary to ensure proper utilization and make essential modifications. Still, additional action will be needed to boost pay caps for those in other provider roles, fill critical medical center director positions, and streamline the department’s hiring practices.

The IBVSOs Recommend

- VA ensure that HR Smart (a VA human resource database) is being used to its full capacity to better understand the true number of vacancies.

- VA identify, and Congress approve, lifting pay caps for hard-to-fill medical positions not prescribed in the RAISE and PACT Acts.

- Congress direct VA to implement a performance management and awards system for directors of medical centers and Veterans Integrated Services Networks (VISNs). These employees’ market rate of pay would be determined on a case-by-case basis, accounting for the employee’s previous experience, the complexity of the assignment, performance, the labor market for similar positions, and recruitment needs.

- VA provide definitive salary information to prospective medical professionals before onboarding. Nurses and other medical personnel are not informed of their actual salary until after they start working. This may make VA less attractive to the medical professional weighing potential income from the department to a known figure offered by a healthcare system in the private sector.
Retention
VA uses several tactics and programs to improve recruitment and retention. Some of these include increased maximum physician salaries; implementation of Stay in VA Touchpoints to strengthen employee engagement and retention through regularly scheduled supervisory-staff conversations; and targeted use of recruitment, relocation, and retention incentives. VA also used the Education Debt Reduction, the Health Profession Scholarship, and the Specialty Education Loan Repayment programs as incentives.

VA should continue working with Congress on ways to enhance employee wages to ensure they are competitive with the private sector, emphasizing personnel providing mission-critical work. Meanwhile, greater investment in employee well-being is needed. VA launched the Reduce Employee Burnout and Optimize Organizational Thriving (also known as REBOOT) Task Force to address professional burnout and promote fulfillment among VHA employees, but few employees seem aware of it.

Also, every credentialed medical position requires a prescribed number of continuing education hours to keep their certification current, but VA only offers modest help with licensing examinations and certifications. Expanding the level of support in this area could serve as a powerful retention incentive while ensuring a higher state of qualification and readiness of VA medical personnel.

The IBVSOS Recommend

- Congress allow VA to waive limitations on pay for all VHA employees who are performing mission-critical work.
- VA raise awareness of programs to prevent employee burnout and improve the quality of their workplace environment.
- VA increase reimbursement of continuing education requirements for all credentialed personnel.

Infrastructure
VA’s healthcare system provides direct medical care to more than seven million veterans every year through an integrated system of over 1,750 access points, including medical centers, outpatient clinics, Vet Centers, and community living centers. VA’s health care infrastructure includes more than 5,600 buildings and 34,000 acres, much of which was built more than 50 years ago. For more than two decades, funding for construction, repairs, and maintenance of VA’s health care facilities has lagged behind even the most conservative estimates of the actual needs.

The recent failure of the Asset and Infrastructure Review (AIR) process highlights the longstanding challenges of adequately planning, funding, constructing, and maintaining VA’s health care infrastructure. While VA’s AIR recommendations documented the need for significant new investments to expand its health care footprint, it failed to accurately and transparently assess the future health care needs of veterans, including how VA and community assets can meet those needs. In addition, there remains a long list of seismic deficiencies VA has failed to address.

VA also supports aging and severely disabled veterans by operating 131 Community Living Centers and providing grants and per diem support to 157 State Veterans Homes, as well as hundreds of community nursing facilities. VA has unique challenges maintaining adequate numbers of long-term care (LTC) facilities for veterans with spinal cord injuries and disorders (SCI/D). While VA must continue to expand its noninstitutional, home-based services and support, it also needs to expand capital investments in new institutional care for the growing number of aging veterans.

Even with a comprehensive strategy and adequate infrastructure funding, VA’s internal capacity to manage a growing portfolio of construction projects is constrained by the number and capability of its construction management staff. To manage a larger, more complex capital asset portfolio, VA must have sufficient personnel with appropriate expertise—both within VA Central Office and onsite throughout the VA system.
Given the high cost of constructing new facilities, coupled with the increasing integration of nonVA providers into VA community care networks, VA should consider leveraging existing health care relationships with other federal agencies, such as the Department of Defense and the Indian Health Service, and academic affiliates, as well as exploring new models of sharing arrangements with private providers in VA’s community care networks.

The IBVSOS Recommend

- Congress and VA work together to develop and implement a new comprehensive strategy to build, repair, and realign VA’s health care infrastructure to meet current and future demand. This strategy should specifically address the specialized care needs of veterans, including LTC and SCI/D program needs.

- Congress increase resources to expand VA’s internal capacity and expertise to build, repair, maintain, and manage facilities by hiring additional personnel and implementing training curriculum and certification programming required by the VA MISSION Act.

- VA explore additional opportunities to expand partnering arrangements to supplement VA’s health care infrastructure.

VA’s healthcare system provides direct medical care to more than seven million veterans every year through an integrated system of over 1,750 access points ...
Increase and Expand Extended Care Services and Supports

Long-Term Services and Supports
The Department of Veterans Affairs’ (VA) Veterans Health Administration (VHA) faces several critical challenges as it develops its long-term care (LTC) strategy for an aging veteran population to include workforce shortages, geographic alignment of care, and the specialty care needs of our veterans. VA estimates that by 2039, the number of elderly veterans will double and the number of enrolled veterans who are 85 years or older will grow by almost 40 percent. More alarming, VA estimates the number of veterans in priority group 1A who are at least 85 years old is expected to grow by 588 percent. As a result, there will be a tremendous need for both institutional and noninstitutional care for these veterans in the near future. A wide range of long-term services and supports (LTSS) must be available to help veterans as they age, from occasional help around the house to around-the-clock clinical care.

VA has six spinal injury/disease (SCI/D) LTC facilities, but only one is located west of the Mississippi River, in Long Beach, California.

Currently, VA must provide LTSS to veterans in priority group 1A, regardless of age, who are rated 70 percent disabled or greater and need LTC for any reason. It also must provide LTSS to service-disabled veterans who need care because of their service-connected disabilities, as well as such care to all veterans based on need and availability.

To meet the needs of this population, VA should pay more attention to the geographical availability of care, particularly for disabled veterans who require specialized care. For example, VA has six spinal injury/disease (SCI/D) LTC facilities, but only one is located west of the Mississippi River, in Long Beach, California. This facility has only 12 SCI/D LTC beds available. Although projects are underway in San Diego and Dallas to provide more SCI/D LTC beds, the need far outweighs the supply.

Home and Community-Based Services
VA provides home and community-based care services (HCBS)—referred to as noninstitutional care—through programs like Veteran-Directed Care (VDC), home-based primary care, adult day health care, respite care, medical foster homes, and homemaker and health-aid services. Most aging veterans prefer to receive care through these types of home-based programs. Current law limits what VA can pay annually for noninstitutional care to 65 percent of the cost of nursing home care. When veterans reach this cap, they must seek other payment options or be personally liable for the cost.

Many veterans are also seeking better access to HCBS programs, such as VDC. VDC supports veterans and their families in a way that puts their needs first. Rather than asking families to navigate different benefits and applications, veterans in this program are given a flexible budget for services that can be managed by themselves or their caregivers. However, this program is not available at every VA health care facility. VA announced in 2022 that it intends to expand the program in the coming years, but veterans need access to care now.

The IBVSOs Recommend

- Congress eliminate the annual cap on noninstitutional care.
- Congress expand the availability of institutional and non-institutional care, but grow HCBS at a faster rate than institution-based care.
- Congress mandate that all HCBS, including VDC, be made available at all VA medical centers.
The Independent Budget › Critical Issues

Caregiver Support Program
VA’s Program of Comprehensive Assistance for Family Caregivers (PCAFC), which began in 2010, provides much-needed assistance to severely disabled veterans and their caregivers. While the program has been life-changing for tens of thousands of veterans and caregivers, VA has been unable to consistently, transparently, and equitably administer the eligibility, reassessment, and appeals processes associated with the program. While The Independent Budget veterans service organizations (IBVSOs) are pleased the PCAFC was expanded to cover caregivers of veterans from all eras, the current regulations, which were adopted in 2019, have not addressed the longstanding, systemic problems related to eligibility. As a result, VA Secretary McDonough suspended reassessments and removals from the program until better solutions could be found.

In April 2021, the Court of Appeals for Veterans Claims, in the Beaudette v. McDonough decision, determined that veterans and caregivers had the right to appeal unfavorable decisions related to the PCAFC program to the Board of Veterans’ Appeals, which included full due process rights under the Appeals Modernization Act (AMA). For the past two years, VA has been working with caregivers and VSO stakeholders, as well as Congress, to develop new eligibility criteria, reassessment rules, and appeals processes to address problems with the program, with the goal of adopting new regulations.

The IBVSOs Recommend

- Congress enact legislation and VA promulgate regulations to create more consistent, transparent, and equitable eligibility criteria and reassessment rules for the PCAFC.
- Congress enact legislation to appropriately grandfather eligibility for veterans in the program before enactment of any new eligibility regulations and guarantee the continuation of full due process, notification, and appeal rights provided by the Beaudette decision and the AMA legislation.
Monitor Implementation of the PACT Act

With the passage of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act) (Public Law 117-168) in August 2022, monitoring the implementation of this comprehensive legislation will be key to ensuring veterans can access their benefits and services. The PACT Act added more than 20 presumptive conditions related to toxic exposures, expanded health care for toxic-exposed veterans, and created a process for the Department of Veterans Affairs (VA) to consider additional presumptive conditions for any toxic exposure. Veterans from around the country advocated for the successful passage of this historic legislation. It is now just as important to ensure the PACT Act is implemented properly and VA has the resources to do so effectively.

The IBVSOs are concerned that some veterans exposed to burn pits and other environmental hazards would have to wait up to a decade before becoming eligible for VA care...

Claims, Exams, and Adjudication

Congressional oversight of VA’s disability claims process will be critical throughout the implementation of the PACT Act. Transparency and data sharing are key to understanding VA’s ability to carry out the provisions of the legislation. It is important to monitor the number of PACT Act claims filed, how these claims impact workload, how many are approved and denied, and why. Understanding how VA manages the increase in claims will help Congress understand where resources are needed. In addition, resources must be used efficiently. For example, for many of the new PACT Act presumptive conditions, a service record and a current diagnosis should be sufficient to determine service connection. In these and other applicable cases, it may be unnecessary to require additional medical exams, which could further delay veterans claims. Using resources efficiently can ensure veterans receive their benefits without adding unnecessary delays.

Additionally, the Independent Budget veterans service organizations (IBVSOs) have witnessed an increase in predatory practices by unaccredited claims agents since the COVID-19 pandemic and with the recent passage of the PACT Act. Veterans may be vulnerable to companies that charge high fees to assist with claims, offering promises of increased disability ratings. Outreach and communications to veterans and raising awareness about these companies and how VA-accredited representatives can provide better assistance will be important in protecting veterans and their earned benefits.

The IBVSOs Recommend

- Congress conduct oversight of all disability claims, including those related to the PACT Act, and require VA provide data on claims granted and denied, quality of exams and processing, as well as transparency regarding quality assurance.
- Congress pass legislation to reinstate penalties to crack down on bad actors that charge inappropriate fees for claims assistance.

Improve IT Systems, Develop and Monitor Claims Automation

To manage the increase in disability claims at VA, the Veterans Benefits Administration (VBA) and the Board of Veterans’ Appeals need funding and resources to develop new IT systems and reprogram existing ones. While VA has increased its staffing levels for claims processing, adding more personnel alone will not resolve the growing workload. It has been more than a decade since the development of the Veterans
Benefits Management System (VBMS), which serves as the backbone for disability compensation claims processing. The VBA’s IT systems are overdue for a significant update, which will require substantial investment and a clear action plan.

Congressional oversight over VA’s use of automation will be necessary to ensure that claims are processed promptly and accurately. Automation will be particularly helpful with PACT Act presumptive conditions that require less development, such as active cancers, where there is a need to process claims more quickly. While automation can assist in a faster claims process, the IBVSOs strongly advise that ratings specialists continue to provide the final review and decision even after a claim has been processed through an automated system. IT systems alone should not determine a rating decision without VBA staff reviewing for accuracy.

The IBVSOs Recommend ✔
★ Congress provide VBA and the Board of Veterans’ Appeals the necessary funding and resources to improve IT systems and monitor claims automation processes.
★ VA ensure that disability rating decisions are reviewed by a ratings specialist, particularly if any part of the claim has been through an automated process.

Health Care Eligibility
The PACT Act also extends health care eligibility to toxic-exposed veterans covered by the law but does so in five phases over the next 10 years. The IBVSOs are concerned that some veterans exposed to burn pits and other environmental hazards would have to wait up to a decade before becoming eligible for VA care, particularly when early detection and treatment might prevent serious negative health outcomes.

The IBVSOs Recommend ✔
★ VA and Congress work together to make the administrative, regulatory, and statutory changes necessary to accelerate the phase-in of health care eligibility for all toxic-exposed veterans covered by the PACT Act.

Training and Resources
Provisions within the PACT Act require VA to develop and provide toxic exposure training for claims specialists and health care providers. Reports in 2021 and 2022 by VA’s Office of Inspector General indicated that many of the identified errors that led to unfairly denied claims were a result of a lack of training.

The IBVSOs Recommend ✔
★ Congress conduct oversight to ensure VA’s toxic exposure training is effective and conducted annually.
Reform Survivor Benefits

The rate of DIC payments has only been minimally adjusted since 1993. In contrast, monthly benefits for survivors of federal civil service retirees are calculated as a percentage of the civil service retiree’s Federal Employees Retirement (FERS) or Civil Service Retirement System (CSRS) benefits, up to 55 percent. This difference presents an inequity for survivors of our nation’s heroes compared to survivors of federal employees.

Additionally, the IBVSOs are greatly concerned by the negative economic impact felt by survivors and their families over the past two years. The inflation rate in 2020 was 1.23 percent compared to 8.25 percent as of October 2022.

The IBVSOs Recommend

✔ Congress index the rate of compensation for DIC to 55 percent of a 100 percent disabled veteran with spousal compensation on par with what federal employee survivors receive.

Reduce the 10-Year Rule for DIC
If a veteran is 100 percent disabled, to include unemployable, for 10 consecutive years before death, their surviving spouse and minor children are eligible for DIC benefits if the death is not considered service-connected. Conversely, if that veteran dies due to a nonservice-connected condition before they reach 10 consecutive years of being totally disabled, their dependents are not eligible to receive the DIC benefit. This happens even though many surviving spouses put their careers on hold to act as primary caregivers for the veteran, and now with the loss of their loved one, they could potentially be left destitute. The IBVSOs agree that the requirement of 10 years seems arbitrary.

The DIC program would be more equitable for survivors if there were a partial DIC benefit starting five years after a veteran is rated totally disabled and reaching full entitlement at 10 years. This would mean if a veteran is rated as totally disabled for five years and dies, a survivor would be eligible for 50 percent of the

Increase DIC Rates
While DIC helps many survivors of disabled veterans, the value of the current benefit is insufficient to provide meaningful support to survivors of severely disabled veterans. A veteran who is married and rated 100 percent service-connected receives approximately $3,800 a month in disability compensation, whereas the current DIC benefit is a little over $1,500 a month. When a veteran receiving compensation passes away, not only does the surviving spouse have to deal with the heartache of losing their loved one, they also have to contend with the loss of nearly $28,000 of income annually. This loss of income to a survivor’s budget can be devastating, especially if the spouse was also the veteran’s caregiver and reliant on that compensation as their sole income source.
total DIC benefit, increasing until the 10-year threshold and the maximum DIC amount is awarded.

**The IBVSOs Recommend ✔**

★ Congress replace the current 10-year period for eligibility for DIC with a graduated scale that begins at five years and reaches full entitlement at 10 years

**Waive the 8-Year Requirement for Surviving Spouses to Receive the “DIC Kicker”**

Title 38, United States Code, Section 1311(a)(2) allows an additional DIC monthly payment to survivors, in the case of a veteran who at the time of death was in receipt of or was entitled to receive compensation for a service-connected disability that was rated totally disabling for a continuous period of at least eight years immediately preceding death. This monetary installment is referred to as the “DIC kicker.” Amyotrophic lateral sclerosis (ALS) is an aggressive disease that leaves many veterans incapacitated and reliant on family members and caregivers. Veterans diagnosed with ALS have an average lifespan of two to five years and are frequently unable to meet DIC’s eight-year requirement. VA already recognizes ALS as a presumptive service-connected disease and automatically rates any diagnosed veteran at 100 percent once service-connected, due to its progressive nature.

**Improve Dependents Educational Assistance**

Spouses and surviving spouses eligible for educational benefits under Dependents Educational Assistance only have 10 years to apply for and complete these education programs, beginning either from the date the veteran is rated permanently and totally disabled or the date of the veteran’s death. Due to circumstances, such as the demands of raising children alone or needing to re-enter the workforce to supplement the loss of the decedent’s income, many survivors are unable to apply for or complete their education in a timely manner. Far too often, when a spouse is ready to utilize the benefit, the time period has lapsed, leaving them unable to further their education and improve their living circumstances.◆

**The IBVSOs Recommend ✔**

★ Congress extend increased DIC payments to surviving spouses of veterans who die from ALS regardless of how long they were service-connected with ALS prior to death.
Ensure Long-Term Success of Military-to-Civilian Transition

The Independent Budget veterans service organizations (IBVSOs) believe a proper and well-rounded transition from the military is one of the most critical things our service members need to ease back into civilian life with minimal hardships. To that end, the IBVSOs place great emphasis on ensuring transitioning service members receive comprehensive counseling and mentoring before they leave military service. Veterans, who experience smooth transitions by properly utilizing the tools and programs available, will face less uncertainty regarding their transition from military to civilian life.

A robust transition program, providing opportunities for upward mobility through education, training, vocational rehabilitation, or benefits will increase the number of those positively contributing to society...

Enhance the Benefits Delivery at Discharge Program

Utilizing Department of Veterans Affairs (VA) health care and benefits will help ease common challenges veterans face during the transition from active duty to civilian life. Readjustment benefits such as the G.I. Bill and VA Home Loan are incredibly transformative benefits. Both can be applied for and utilized while veterans are still in uniform and after separation.

Transitioning service members can face many hardships, including unemployment, financial difficulty, homelessness, feelings of lack of purpose, and separation anxiety. Several programs have been established to support veterans during this transition. The IBVSOs believe programs like the Transition Assistance Program (TAP) are paramount in successfully transitioning from military life into the civilian world. The information provided to service members regarding VA benefits, financial management, higher education, and entrepreneurship is invaluable. If a separating service member does not have access to pre-separation counseling and accredited claims representation, an inequity is created, compared to those who do have access to these services.

The IBVSOs Recommend

Congress must mandate that pre-separation briefings be included within TAP curriculum to increase access to VA health care and benefits. By administering pre-separation briefings, active duty service members can apply for VA benefits before they transition to civilian life thereby reducing the number of veterans experiencing gaps in critical support.

Increase Access to Accredited Claims Representatives

The accredited service officers of the Benefits Delivery at Discharge (BDD) program have been a resource for transitioning service members since 2001. The IBVSOs employ a combined 55 claims representatives who can provide pre-discharge claims representation at military bases around the country and are available for transitioning service members. While the primary role of the accredited representatives in the BDD program is to help service members navigate their VA disability claims, they are also able to assist with many other available benefits and opportunities. Last year, between individual meetings and classroom briefings, our accredited representatives met with over 30,000 service members, accounting for almost 15 percent of all transitioning service members. These interactions resulted in 28,000 claims for benefits.
The IBVSOs Recommend ✔

★ VA should expand the eligibility for all service members to have their claims adjudicated as BDD claims regardless of how far out they are from separation. Currently, only service members who are 90-180 days from separation are eligible to have their claims reviewed as BDD claims. Service members who are less than 90 days from separation must go through the same process as everyone else. To ease the burden of transition, VA should treat every claim by an active-duty service member as a BDD claim to help all those transitioning out of service.

The goal of TAP is to ensure those who have served receive the appropriate support and resources once their term of service is complete. Whether they become part of the approximately 40 percent that engage with education benefits, the 17 percent who become entrepreneurs, or simply if they attain retirement status, every veteran has the right to understand what benefits they have earned and how to obtain them without falling victim to predatory companies who do not have their best interest at heart. Veterans often need purpose after the military. A robust transition program, providing opportunities for upward mobility through education, training, vocational rehabilitation, or benefits will increase the number of those positively contributing to society and reduce adverse outcomes such as homelessness, involvement in the justice system, and suicide.

The IBVSOs Recommend ✔

★ Congress should pass legislation to ensure that only accredited service officers be included in the formal TAP curriculum and programming. Allowing accredited service members at TAP classes should help ease the transition for service members, and reduce the wait time before benefits are provided.

★ Congress should establish a fourth administration to focus on readjustment programs. With the implementation of the PACT Act and the expectation of increased claims, the IBVSOs recognize the Veterans Benefits Administration’s (VBA) priorities are claims and appeals. Creating a fourth administration would ensure readjustment and transition programs have the leadership and attention necessary for sustained success.

Improve and Expand Access and Delivery of TAP

While the IBVSOs are pleased the five-day TAP classes were restructured within the past few years, there are concerns about the inconsistency of information provided to service members. Inconsistencies in TAP’s delivery spotlight an inequity among service members and their access to VA health care and benefits before they leave service. The IBVSOs recommend Congress pass legislation that would mandate accredited service officers be included in the formal TAP curriculum where available. Such provisions would help reduce the number of transitioning service members unfamiliar with VA benefits and care they are eligible for and ensure veterans can succeed after leaving military service.
Addressing Veteran Suicide

Transitioning from military to civilian life can be challenging for many veterans. Dealing with post-deployment mental health and readjustment challenges, as well as employment, housing, and benefits can be stressful. For veterans who are struggling, access to mental health services is essential to VA’s successful transition. Data consistently shows that individuals who engage in social determinants of health, such as those administered by the VBA are less likely to suffer suicidal ideations. One of the higher cohorts of veterans who die by suicide are veterans who have recently separated from service, according to a 2022 National Veteran Suicide Prevention Annual Report. The data in this report also showed veterans who engage with VA benefits are less likely to die by suicide than those who do not utilize these services.1 Because of this, ensuring transitioning service members have access to the benefits and care they earned is critically important. Not only will this connection set up transitioning service members for success in civilian life, but also serve as a preventative factor against mental health challenges, which could lead to suicide.◆

The IBVSOs Recommend ✔

★ Congress should ensure pre-separation claims be mandated in TAP curriculum to help service members successfully transition into civilian life, and help mitigate suicide.

Dealing with post-deployment mental health and readjustment challenges, as well as employment, housing, and benefits can be stressful.

1 Department of Veteran Affairs; 2022 National Veteran Suicide Prevention Annual Report, VA Suicide Prevention, Office of Mental Health and Suicide Prevention, September 2022.
For nearly 40 years, The Independent Budget veterans service organizations (IBVSOs)—DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW)—have worked to develop and present concrete recommendations to ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future. Throughout the year, the IBVSOs work together to promote their shared recommendations, while each organization also works independently to identify and address legislative and policy issues that affect the organizations’ members and the broader veterans’ community.