

**MILITARY CONSTRUCTION, VETERANS AFFAIRS,
AND RELATED AGENCIES APPROPRIATIONS
FOR FISCAL YEAR 2025**

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

ON

H.R. 8580/S. 4677

MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION, THE DE-
PARTMENT OF VETERANS AFFAIRS, AND RELATED AGENCIES FOR
THE FISCAL YEAR ENDING SEPTEMBER 30, 2025, AND FOR OTHER
PURPOSES

Department of Defense
Department of Veterans Affairs

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MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2025

WEDNESDAY, MAY 1, 2024

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:01 a.m. in Room SD-124, Dirksen Senate Office Building, Hon. Kyrsten Sinema, chairwoman (presiding).

Present: Senators Sinema, Tester, Heinrich, Peters, Boozman, Murkowski, Hoeven, Collins, and Fischer.

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION AND FAMILY HOUSING

STATEMENT OF HON. BRENDAN OWENS, ASSISTANT SECRETARY OF DEFENSE FOR ENERGY, INSTALLATIONS, AND ENVIRONMENT

OPENING STATEMENT OF SENATOR KYRSTEN SINEMA

Senator SINEMA. Good morning. This hearing of the Military Construction, Veterans Affairs and Related Agencies Appropriations Subcommittee, will please come to order.

I would like to welcome Ranking Member Boozman, and I look forward to working with you this cycle.

Senator BOOZMAN. Yeah.

Senator SINEMA. I am excited.

To our witnesses, thank you so much for being here today. I specially would like to acknowledge Lieutenant General Vereen and Lieutenant General Banta who are appearing before the subcommittee for their last Posture Season prior to their retirements; you and me, both.

[Laughter.]

Senator SINEMA. Thank you for your decades of service.

Today, we are reviewing the fiscal year 2025 Budget Request for Military Construction and Family Housing. Overall, the \$17.6 billion request is an increase of \$870 million from last year's proposal, which is a good-news story, particularly under FRA caps. And while it is a nominal increase in the context of the broader DOD budget, the Department is demonstrating a continued focus on buying down our Military infrastructure backlog, and these investments make a difference for our Service members and their families.

Yes, gentlemen, we are not going to start you in, so you can—unless you want to stand the entire time, which is totally—no?

However, we should also recognize that program requirements continue to grow in cost and complexity, and in spite of the top line increase, this year's major construction request includes fewer projects than last year, so while we welcome the investment proposed by the Department and acknowledge that new missions such as the Air Force's Nuclear Modernization, or Navy's Shipyard Infrastructure Optimization Program, are taking a larger share of a relatively small pie to the detriment of many other current mission needs.

Because of the growing cost of doing business, we need to look at how to creatively meet facility needs that more efficiently and cost-effectively accomplish the mission. For example, as the Services execute their sustainable building materials pilot projects, I expect the Department to evaluate if and how cost savings are being derived across the lifecycle of the facility, and to incorporate those lessons into future planning and design. We must also invest in resilient infrastructure that is tailored to the energy and climate needs and installation level.

I am encouraged in the Service's focus of quality of life facilities in their request, which include funding for two dozen on-base community and living quarter projects such as barracks, child development centers, schools, medical facilities, and more. The request also includes an increase over last year's proposal for the Energy Resilience and Conservation Investment Program, which is a critical program for modernizing and securing our installation energy infrastructure.

However, again, because of the increasing complexity and cost of the ERSIP (sic) projects, the increase in the request actually gets us to three fewer new projects than last year because it includes \$100 million in prior-year cost-to-completes. That is only a third of the total unfunded requirement. So I appreciate the Department has not level funded military construction and family housing programs, but with the current and future cost of doing business, we need to think creatively about how to accomplish more with less.

With that, I look forward to hearing our members—our witnesses today.

And I would like to recognize Ranking Member Boozman for his opening statement.

STATEMENT OF SENATOR JOHN BOOZMAN

Senator BOOZMAN. Well, thank you, Madam Chair. And I am pleased to be with you today, with our first outing, and we do appreciate having you around. Senator Murray did a great job. And I know that you are going to step in and do also a great job. You have got a wonderful staff, as do I; that keep us out of trouble.

Senator Sinema and I served on Veterans Affairs together, and she is good about correcting me in a very gentle way.

[Laughter.]

Senator BOOZMAN. So we appreciate that.

So I would like also to extend welcome to our witnesses, and recognize the upcoming retirements. Congratulations General Banta for 37 years of service, and also Lieutenant General Vereen for

more than 36 years of service. I thank both of you for your dedication and service, and I wish you well in your retirement.

This year's budget request is \$17.5 billion, a 6 percent decrease from the fiscal year 2024 enacted level of \$18.7 billion. Although this request represents a 5 percent increase over last year's request, it continues the trend of having more expensive projects rather than a higher quantity of projects. Unfortunately, this isn't a surprise as inflation continues to drive up costs, and we continue to see larger and more complex projects in the budget.

MILCON continues to make up 2 percent of the total DOD budget, even though we see a substantial backlog of requirements continue to increase. This year's MILCON projects on the unfunded priority list exceed \$7 billion, the highest ever submitted. Adding to the backlog is disaster recovery in Guam, with early estimates as high as \$50 billion. A bill like that cannot be absorbed within the traditional MILCON Program.

I would like to hear from our witnesses how they intend to address disaster recovery, and working with us so that we can plan that in the budgeting process. The program has continued to struggle from economic factors, such as inflation, and supply chain delays, and while it can take time for the MILCON process to respond, the changing market conditions, the current environment is not new. While some cost fluctuation is expected, I hope this year's request accounts for the inflation we continue to see.

Additionally, I am concerned about scope and cost increases due to new statutory, regulatory, and policy requirements, although early in their implementation it appears that both electrification and project labor agreements could have significant impacts on project costs.

Early data suggests that projects can increase by 30 percent to 200 percent after accounting for these requirements. That is simply unaffordable, and I am worried about the effect these policies will have on the projects in this request, as well as future budget requests. I hope the Department approaches these matters objectively and takes the waiver process very, very seriously.

I look forward to hearing from our witnesses today, and continue the dialogue, and the work needed for a successful MILCON Program. I yield back, Chair.

Senator SINEMA. Well, thank you, Ranking Member.

We will now proceed with opening statements from Assistant Secretary Owens, followed by each of our Service witnesses. I ask that you keep your remarks to three minutes and then submit your full written testimony for the record.

Assistant Secretary Owens, you may proceed.

SUMMARY STATEMENT OF HON. BRENDAN OWENS

Mr. OWENS. Thank you, Chair Sinema, Ranking Member Boozman, distinguished Members of the Subcommittee, thank you for the opportunity to discuss the President's fiscal year 2025 Budget Request for the Department of Defense's Military Construction and Housing Programs. Our installations are the foundation of our National Security Posture, and I appreciate this opportunity to engage on how this budget request supports critical priorities within this portfolio.

A significant gap persists between installation conditions today and the quality standards that are deserved by, and best support warfighter readiness. We must accelerate our infrastructure investments while also ensuring they are optimized to support the mission.

To that end, the Department is implementing the Resilient and Healthy Defense Community Strategy to guide our infrastructure investments. The RECC is centered on three lines of effort: adopting human-centered requirements, optimizing our footprint, and transforming our portfolio management.

For fiscal year 2025, we are requesting \$15.6 billion for military construction across the Department, including \$1.8 billion for facilities that will directly enhance and support quality of life. To provide ongoing support for our existing facilities, we are requesting \$13.6 billion in facility sustainment funding, and \$6.3 billion in restoration and modernization funding.

To ensure these investments are optimized for readiness and quality of life, we are working with the DOD components to transform our military construction processes and adopting a sustainment management strategy that supports delivery of high-performance assets.

Of all infrastructure we provide, our Service members' housing has the greatest impact on their quality of life. Unfortunately, DOD has, in too many instances, failed to live up to our role in making sure housing dignifies our Service members' commitment, and enables them to bring the best versions of themselves to their mission.

Housing issues were highlighted in GAO's 2023 report documenting poor living conditions in barracks. We anticipate implementing 28 of GAO's 31 recommendations from this report, this year.

The Department established a Tiger Team to prioritize urgent investments to DOD's government-owned housing, these efforts, synchronized with over \$3 billion requested for family and unaccompanied housing, will enhance our oversight of the portfolio. We have a lot of work ahead, but we are all committed to getting after it.

Reliable, adaptable, and resilient energy remains essential to military capability and readiness. The backbone of DOD's efforts to ensure energy security. And thank you, Chair Sinema, for highlighting this. This is our \$732 million request for the Energy Resilience and Conservation Investment Program, but resilient, mission-ready installation is much more than just what is inside the fence line.

Partnership with the communities that support our installations is critical, as is responsible stewardship of on-and-off—both on and off installation environments. As such, we are requesting \$1.6 billion for environmental cleanup, including \$448 million for BRAC environmental.

While we are making progress, EPA's new Drinking Water Rule will significantly increase the costs associated with PFAS-impacted drinking water that DOD must address. As always, we will rely on our partnership with Congress to address these requirements.

We greatly appreciate your sustained attention to and support for our installations. We stand ready to work with this committee to continue aligning our policies and resources to support the National Defense Strategy, and improve readiness and quality of life for our soldiers, Sailors, Airmen, Marines, Guardians, and their families.

Thank you. And I look forward to your questions.
[The statement follows:]

PREPARED STATEMENT OF HON. BRENDAN OWENS

INTRODUCTION

Chair Sinema, Ranking Member Boozman, and distinguished members of the subcommittee: Thank you for the opportunity to discuss the President's Fiscal Year 2025 budget request for the Department of Defense's (DoD) energy, installations, and environment programs. Our installations are the foundations of our National security posture, and I look forward to working with this committee in the coming months to continue aligning our policies and resources to support the National Defense Strategy and the safety, productivity, and quality of life of our personnel.

CREATING RESILIENT AND HEALTHY DEFENSE COMMUNITIES

To meet the objectives of the National Defense Strategy, the Department of Defense must recruit and retain a strong, healthy, and resilient military force. More than two million military and civilian personnel live, work, train, raise their children, and spend time with their families on our 538 installations, supported by extensive built and natural infrastructure. This includes more than 850,000 rotational and permanent Unaccompanied Housing (UH) bed spaces; more than 242,000 Family Housing (FH) units for Service members and their families; more than 280,000 buildings and permanent structures, comprised of workspaces, schools, commissaries, hospitals, and other facilities; and 30 million acres of land, including test and training ranges, parks, protected areas, waterways, and other natural features that contribute to local economies and communities.

These spaces are central to our Service members' military experience, affecting their physical and mental health, their ability to carry out their missions, and the overall recruitment and retention of the force. Therefore, it is both a national security imperative and our moral obligation to ensure that they are effective, positive places for current and prospective Service members, their families, and the civilian workforce.

Over the past 5 years, the Department has invested an average of \$11.4 billion a year to build new facilities, \$15.4 billion a year to maintain and repair infrastructure, and \$2.5 billion a year on environment restoration and conservation efforts. Despite this investment, the Department recognizes that a significant gap persists between installation conditions today and the quality standards that are expected, deserved, and best support Warfighter readiness. The estimated deferred maintenance backlog, which is based on addressing infrastructure condition deficiencies relative to their original specifications, stands at \$134 billion and continues to accrue faster than our pace of investment.

Moreover, this backlog does not account for upgrades needed to accommodate current standards and Service member needs, or ready our infrastructure to be resilient to changing climate and environmental conditions. Over 79% of our installations were established before 1970 and nearly 33% of built assets are more than 50 years old. These assets reflect the needs and policies of the time they were constructed, requiring not just regular upkeep, but potentially significant upgrades or outright replacements to meet evolving requirements and preferences. Additionally, the number of incidents where hurricanes, flooding and wildfire have left billion-plus dollar recovery actions in their wake is increasing at an unsustainable rate (e.g., \$1 billion at Offutt Air Force Base, \$3 billion at Marine Corps Base Camp Lejeune, and over \$4 billion at Tyndall Air Force Base).

It is clear that we cannot continue down this path. Continued infrastructure challenges or failures negatively impact our ability to project power and prepare forces, as well as quality of life of Service members, their families, and the civilian/contractor workforce. This will, in turn, exacerbate the recruiting, retention, and readiness challenges the Department faces.

Given the magnitude of the infrastructure funding deficit and the profound effect that poor living and working conditions can have on readiness, retention, and mo-

rale, it is imperative that we not only invest more but also invest better to achieve our goal of delivering healthy, functional, and resilient spaces. Improving the Department's vast infrastructure footprint will be a significant undertaking and require us to transform how we invest in our installations, with a focus on making them true power projection platforms.

Therefore, the Department is implementing the Resilient and Healthy Defense Communities Strategy, which will guide actions that will ensure that these spaces are healthy-providing spaces that are safe and comfortable, have exceptional indoor and outdoor environment quality, and offer proximity to open space that contributes to overall well-being; functional-enabling the way people want to live and work by offering intuitive, efficient, and user-friendly design and modern amenities and technologies; and resilient-delivering continuous service and resilience against climate change, environmental hazards, and other risks that have the potential to disrupt or displace. This strategy follows a three-pronged approach to our infrastructure investments:

1. Adopt human-centered requirements that will help us create environments that do not just meet utilitarian needs and compliance standards, but promote purpose, productivity, and camaraderie. This includes developing design and maintenance requirements that emphasize people and their needs, preferences, and experiences to create spaces that support and protect them and investing in technologies to empower users with information and feedback mechanisms about their environment that allow installation managers to monitor their performance and deliver high-quality assets.

2. Optimize our footprint to ensure that the scale and scope of our infrastructure footprint is aligned with the needs of our people by consolidating underutilized or underperforming assets and ensuring that new facilities are built to last and are efficient, adaptable, and resilient to evolving demands and conditions. We are also seeking targeted opportunities to upgrade and modernize our existing asset portfolio to increase longevity and reduce operating costs.

3. Transform how we manage our portfolio by adopting a sustainment management strategy that improves asset performance by aligning sustainment funding with asset requirements. This will be enabled by deeper partnerships with private industry, local and State governments, and academic and community organizations to leverage their capabilities in infrastructure financing, design, construction, and management; updated internal construction and maintenance processes to enhance infrastructure quality; and improved oversight and accountability mechanisms that support consistent and sustained delivery of high-performance assets.

Underpinning these three efforts are key strategic enablers: clear and measurable outcomes to track our progress; training and skill-building of our infrastructure management workforce to better deliver on these commitments; and continuous engagement with Service personnel and family members to ensure we are capturing and meeting their expectations. Together, these efforts will drive changes across the defense infrastructure enterprise and ensure that it is managed as a strategic asset to promote the well-being of our Total Force.

ADOPTING HUMAN-CENTERED REQUIREMENTS

Every design, land use, and construction decision we make—from the ability to walk to access basic amenities, to how much natural light is available in their homes, to the systems that ensure the cleanliness of their water, to how often they pass through communal spaces that facilitate social interaction—has consequences for our people's physical and mental health and overall well-being. Similarly, the management and condition of installation lands as well as that of surrounding public and private lands affects air quality, noise pollution, light pollution, fire risk, flood risk, water quality and access to or quality of outdoor education and recreation opportunities. We must therefore put human needs and values at the center of our approach to delivering and maintaining built and natural infrastructure.

A key aspect of this approach is placing "livability" at the heart of our planning and planning principles. We are developing objective and measurable standards of asset performance along four dimensions—health, safety, functionality, and reliability—and integrating them into our policies and Unified Facilities Criteria (UFC). These standards may include: indoor and outdoor environment quality, such as air and water quality and thermal, lighting, and acoustic comfort; availability and reliability of utilities and amenities; walkability and accessibility; prevalence of shared and community-oriented spaces; and proximity to critical services, such as child development centers, school, healthcare facilities, and dining facilities.

We are also working to ensure that installations are equipped with 5G and next-generation communications networks that are responsive to our service members' needs. This digital infrastructure will not only enable key military applications, such as augmented and virtual reality training, but also allow Service members and families to access a variety of digital tools such as virtual healthcare, remote work and education, smart home technologies, and a range of lifestyle-enhancing applications and services. It will also support our efforts to implement and monitor livability standards as we equip installations with an array of sensors that enable remote equipment diagnostics, preventive and proactive maintenance, and overall better-informed infrastructure investment decisions. These tools will enable installation managers to identify and remediate issues, empower users with information about their environment, and increase overall transparency and accountability for the quality of our installations.

OPTIMIZING OUR FOOTPRINT

The scale and scope of assets within installations must be aligned to our mission and our people's needs. Over the years, the combination of new missions, evolving user preferences and tastes, and changing environmental and climate conditions has resulted in a portfolio size and mix that is not optimized to today's demands. Therefore, we are evaluating opportunities to create a more efficient footprint within installations, build high-quality resilient built and natural infrastructure, and invest in targeted upgrades that add to the longevity of our assets, all in service of meeting our people's needs while reducing the total lifecycle cost of our infrastructure.

As a starting point, we will survey the existing footprint to better align supply with demand, identifying opportunities to consolidate, repurpose, and, where applicable, dispose of excess facilities that are no longer necessary to execute the mission or meet our people's needs. We will do so in ways that are safe and sustainable, relying on long-term planning to preserve structures that can be adapted for reuse in the future. We will further leverage lessons from consolidation projects to better plan for the end-of-life of all assets. To ensure the impacts of these decisions on our personnel and the surrounding communities are fully considered, the Department will conduct user experience assessments to better understand how people are using facilities and amenities on and off-base to inform any decision on reducing the size and scope of our infrastructure footprint.

For new construction or major renovations, we are exploring leading practices for modular, open architecture that can be adapted to a variety of purposes to determine where to incorporate it within our inventory and mission sets while leveraging the latest in infrastructure innovation and high-quality, low impact construction materials to build facilities that will be usable for decades to come. We are seeking opportunities to develop assets that can be shared between military units, other government agencies, and with the broader defense community.

We are continuing to improve our installations' resilience. For example, our ongoing expansion of the DoD Climate Assessment Tool (DCAT) with new predictive models, decision tools, and technologies will improve our installation managers' ability to understand the vulnerabilities facing their installations and help them adapt to or prepare for evolving risks. The Department, in partnership with the private sector, is also focused on improving electrical and water system quality, reliability, and resilience through integration of new technologies and improved operational approaches. We are extending our energy resilience investments, through technologies such as microgrids, beyond our most critical operational facilities to include those facilities that most impact our personnel's day-to-day quality of life, including housing, commissaries, and other priority assets. Similarly, the DoD will continue to maintain and create the natural infrastructure needed for water resilience both on and off installation.

Lastly, resilience also includes ensuring installations have robust incident response, management, and recovery capabilities. The demand on and need for these programs and their capabilities is growing due to the increasing severity of weather events and other climate-related impacts. Policies governing these programs are being updated to incorporate climate considerations and infrastructure modernization into hazard assessment, mitigation, response, and recovery planning actions at installations.

TRANSFORMING PORTFOLIO MANAGEMENT

Achieving the ambitious commitments set out in the Resilient and Healthy Defense Communities Strategy requires an effective asset management strategy that leverages the suite of government and external stakeholder capabilities to maximize our return on investment. We must approach design, construction, maintenance,

and project development differently, both in terms of seeking new and innovative ways to partner with industry, communities, and other external stakeholders and reforming internal construction processes and maintenance practices.

The Department has implemented various approaches to design, build, and operate our infrastructure, ranging from full government control across all three dimensions to full privatization, and combinations in between. This gives the Department a menu of options that can be optimized for any given project. In many cases, government ownership and operation is best suited to the Department's needs. In others, outsourcing to private partners or leveraging third party financing through privatization or performance contracting may reduce risk and/or provide solutions at similar or better quality on a more cost-effective basis. We can also draw upon our strong and long-established partnerships with other government agencies, State and local governments, academic institutions, and civil society organizations in the communities in which we operate to develop mutually beneficial solutions.

To ensure we have the full range of options available and are applying those that are most appropriate for each situation, the Department is reviewing authorities and exploring opportunities to expand partnerships with industry, other government organizations, and non-government stakeholders. These may include maximizing the use of Intergovernmental Support Agreements (IGSA) with State and local governments to provide, receive, or share installation-support services; expanding partnerships with academic and research institutions on areas such as ecosystem conservation, sustainable design, and climate change risk assessment; and working on natural infrastructure beyond the fence line through programs like the Readiness and Environmental Protection Integration (REPI) program and the Sentinel Landscapes Partnership.

The Department must also develop more timely and flexible processes and organizational structures to enable more agile delivery of infrastructure needs. Under current processes, a military construction or large-scale maintenance project can take 5 years to be incorporated in a budget request to Congress and once funded, can take potentially another 4 years to obtain beneficial use.

This can and must be improved. The Department has already issued policies that better align roles and responsibilities of project sponsors, installation managers, and construction agents to deliver better outcomes, such as early involvement by DoD construction agents with project sponsors to inform project scope, cost, and schedule. We are also implementing project management agreements for military construction projects that will ensure requirements and stakeholders are properly aligned to deliver modern, high-quality infrastructure. The Department is pursuing facility prototype projects that not only will demonstrate our ability to build efficient resilient buildings but will also guide our efforts on how to streamline our infrastructure acquisition processes. We are improving guidance and training, developing solutions to expedite time-consuming steps like environmental reviews and permitting, and incorporating strategies to not only minimize environmental impacts, but sustain or improve environmental quality.

The Department must also work to provide more confidence, transparency, and standardization in the development of facilities sustainment, restoration, and modernization (FSRM) budgets to ensure infrastructure is properly maintained. We are working with the DoD Components to move away from our current portfolio-level approach and toward an asset management approach that will derive sustainment requirements at the individual asset level and incorporate asset age, functionality, and condition as well as building system, component, and subcomponent condition. This will optimize limited FSRM budgets by recommending investments that maximize condition of facilities in a component's portfolio. Further, the Department will set condition goals for different facility categories to ensure that quality of life is not short-changed at the expense of mission needs.

All of these actions must be supported by meaningful oversight and accountability mechanisms as well as accurate cost and performance data to help balance cost, performance, and risk. To that end, the Department is working to establish authoritative cost and performance data sources to continuously evaluate and update our asset management approach. We are updating condition assessment processes to prioritize human-centered requirements, leverage digital diagnostic tools, and deploy expert inspectors. Together, these will enable a common operating picture of our built and natural infrastructure that can guide decision-making and improve transparency.

TAKING CARE OF OUR PEOPLE

Building resilient and health defense communities requires us to be good stewards of the environment and good neighbors and partners with the communities that sup-

port our installations. As such, the Department must maintain safe and efficient facilities and improve the quality of life for our military personnel and their families by ensuring access to safe, quality, and affordable housing. The Department must also ensure that it has a robust environmental cleanup program to address the effects of releases of hazardous substances, pollutants, or contaminants into the environment.

HOUSING

Family and Unaccompanied Housing

While all of the Department's infrastructure affects our Service members' military experience, none is more impactful than their housing. It is both a crucial quality of life issue and a critical mission-enabling asset. However, we recognize that the DoD has, in too many instances, failed to live up to our role in making sure the housing we provide honors the commitment of the personnel that live on our installations and enables them to bring the best versions of themselves to their critical missions. As the Department's Chief Housing Officer, I am committed to ensuring that all Service member housing—whether it is government-owned, government-controlled, or privatized—meets appropriate life, health, and safety requirements and provides a positive living experience for military personnel and their families.

The Military Departments have privatized 99 percent (approximately 202,000 units) of their FH inventory, as well as 4,700 UH apartment units (8,500 bedrooms), on their installations in the U.S. The Department still owns or controls, operates, and maintains approximately 39,000 FH units, most of which are on enduring bases in overseas locations. In addition, the Department's housing inventory includes more than 846,000 government-owned or -controlled (GovO/C) UH bed spaces worldwide.

Historically, DoD's GovO/C requirements have not competed well for military construction and operations and maintenance funding, leading to significant maintenance backlogs and outdated and deteriorating housing facilities. The Department has begun placing greater priority on funding for its GovO/C housing in recent years, but these investments are challenged by the size of the existing inventory and the cumulative effects of deferred maintenance, insufficient recapitalization funding, and lack resources for oversight. As such, these facilities' rate of degradation is outpacing our ability to address issues despite this increased prioritization. We must therefore place a greater emphasis on bringing the quality of the Department's GovO/C housing to what it needs to be for our Service members and their families to have a positive living experience.

In September 2023, the Government Accountability Office (GAO) released a report titled *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, documenting poor living conditions in the Department's government-owned and government-controlled unaccompanied housing (i.e., barracks and dormitories). The findings in this report provided even greater clarity to the issues facing our UH portfolio and confirmed that conditions have affected Service member quality of life, recruitment, and retention, as well as military readiness. The report's recommendations have also helped us further refine our ongoing response actions. The Department concurred or partially concurred on all 31 recommendations in the report, and we anticipate implementing 28 of the 31 recommendations in Calendar Year 2024.

The Department's FY 2025 Family Housing budget request includes \$2.0 billion to fund construction, operation, and maintenance of government-owned and leased family housing worldwide; invest in select military family housing privatization projects and provide oversight of privatized housing and lodging projects; and provide housing referral services to assist military members in renting or buying private sector housing. The FY 2025 request sustains our increased focus on ensuring the delivery and maintenance of quality housing for military families, including \$743.9 million for construction to ensure quality family housing for military personnel and their families, to include Army family housing construction projects in Europe (\$164.2 million), two Navy family housing construction projects on Guam (\$197.0 million), and Air Force family housing projects in Europe (\$5.8 million); \$194.0 million for prioritized investments in two Department of the Air Force (DAF) and one Department of the Army (DA) Military Housing Privatization Initiative projects to improve the safety, quality, habitability and/or long-term financial viability of those projects; and \$171.1 million for privatized housing support and oversight, to include the one-time inspections of DoD's privatized housing and government-owned family housing as required by Section 3051 of the FY 2020 National Defense Authorization Act, as amended. The Department's FY 2025 budget request of \$1.2 billion for Family Housing Operation and Maintenance represents a \$86.7 million increase compared to the FY 2024 enacted amount and will continue to

ensure that U.S. military personnel and their families have suitable housing choices.

The Department's FY 2025 budget request includes \$1.093 billion for 11 (11) construction projects that will improve living conditions for unaccompanied personnel. This funding level is \$623.7 million higher than our FY 2024 budget request (\$469.3 million) and takes the right steps towards honoring our commitment to modernize Unaccompanied Housing to improve privacy, provide greater amenities, and address the findings in the September 2023 GAO final report on Military Barracks. The FY 2025 budget request includes \$854 million for seven active Army barracks projects worldwide; \$81.0 million for two reserve Army projects in Parks Reserve Forces Training Area, CA and Fort Buchanan, PR; and \$158.0 million for a DAF Dormitory project at Joint Base (JB) San Antonio, TX and JB Langley-Eustis, VA.

Going forward, we acknowledge that DoD's current GovO/C housing investment levels are insufficient to stop ongoing facility and quality of life degradation. To overcome these challenges and to improve the quality of DoD's GovO/C housing, we must accelerate our investments and ensure they are appropriately prioritized so they have the greatest impact on the livability of DoD housing.

To that end, the Department has initiated a Tiger Team to address ongoing and urgent improvements in living spaces for Service members, initially prioritizing UH for junior enlisted Service members. The Tiger Team will address the FY 2024 National Defense Authorization Act (NDAA) provisions along with the issues highlighted by the GAO's September 2023 report on Military Barracks. Specific objectives include making immediate, ongoing, and urgent UH improvements; determining new configuration and habitability standards; improving the accessibility, availability, and reliability of UH metrics to drive investment decisions; developing standardized preventative maintenance plans and schedules; and identifying opportunities to improve indoor environmental quality and address facility-related energy resilience objectives.

We are also modernizing how we approach designing UH. The Military Departments have four pilot projects in FY 2024 and FY 2025 to recalibrate UH design to optimize energy use and incorporate sustainable building materials to enhance indoor environmental quality, passive design features to improve resilience and reduce maintenance requirements, and modern facility related control systems to allow for data-driven management and sustainment of these critical facilities. Lessons learned from these pilots, combined with the results of the Tiger Team, will help inform our efforts to ensure future UH projects are resilient and optimized to support our Service members.

We recognize that implementation will require significant and sustained investment, improved oversight and use of management tools, and enhanced housing standards to improve the current posture across all unaccompanied housing. Similar to the Department's reform actions to improve the conditions and oversight of MHPI housing, the Department must commit to long-term, organizational investment of resources, and ensure accountability at all levels, from Senior leaders and headquarters staffs to installation commanders and staffs.

I am absolutely committed to ensuring that the Department remains focused and coordinated on this issue. I meet with my Military Department counterparts bi-weekly to monitor UH conditions and improvements and evaluate investment and progress. In addition, my office is working with the Military Departments to finalize new UH metrics to help the Department measure current conditions and progress improving UH livability.

At an installation level, we are improving the day-to-day management of UH. The Department appreciates the FY 2024 NDAA's directive around professional UH oversight that requires UH managers to be civilian employees or dedicated military personnel. This reform will enable managers to focus solely on their responsibilities of assessing and inspecting UH conditions, managing work orders for repairs, communicating with residents regarding repairs, and ensuring that installation maintenance officials conduct needed emergency and preventive maintenance.

Finally, we are continuing to explore leveraging privatization as a tool to improve UH by evaluating the results of the Services' pilot projects and incorporating the lessons learned from the broader Military Housing Privatization Initiative (MHPI).

Military Housing Privatization Initiative

The Department continues to enhance the MHPI program and improve our oversight of the private sector MHPI companies that own and operate MHPI housing projects. As a result of our collaboration with the MHPI companies, all 18 rights set out in the MHPI Tenant Bill of Rights (TBoR) are fully available at all but three of the nearly 200 installations with privatized housing, representing approximately 97 percent of military families residing in MHPI housing. Based on commitments

from the remaining MHPI companies, we expect all 18 Tenant Rights to be available at all of DoD's installations with MHPI housing by the end of CY 2024. We will continue our efforts to educate and engage Service Members and their families to ensure they are aware of and take full advantage of the TBoR.

The Department of Defense is committed to working closely with you and the committee staff to ensure the long-term success of the MHPI program and we will remain diligent in our oversight to ensure DoD's privatized housing projects deliver quality housing and a positive living experience for military personnel and their families.

DEFENSE ENVIRONMENTAL RESTORATION PROGRAM

The Department must take deliberate and sustained action to address risks to human health and the environment resulting from past DoD activities. Our environmental cleanup program includes the Installation Restoration Program (IRP) and Military Munitions Response Program (MMRP). The IRP is focused on cleanup of hazardous substances, pollutants, and contaminants, while the MMRP is focused on responding to unexploded ordnance and munition constituents at former military ranges. These programs encompass active installations, Formerly Used Defense Sites (FUDS)—sites that DoD transferred to other Federal agencies, States, local governments, or private landowners before October 17, 1986), and sites DoD transferred to other entities as part of its Base Realignment and Closure (BRAC) activities. We are requesting \$1.6 billion for these programs, including \$1.2 billion for environmental restoration on our active installations and FUDS properties and \$448 million for BRAC environmental.

Progress Towards Cleanup Goals

To date, the Department, in cooperation with State agencies and the U.S. Environmental Protection Agency (EPA), has completed cleanup activities at 87 percent of Active and BRAC IRP and MMRP sites, and FUDS IRP sites, and is now monitoring the results. During FY 2023 alone, the Department completed cleanup at 176 sites. Of the roughly 40,700 restoration sites, 34,300 are now in monitoring status or have completed cleanup.

Our focus remains on continuous improvement in the restoration program: minimizing overhead, adopting new technologies to reduce cost and accelerate cleanup, refining and standardizing our cost estimating, and improving our relationships with state regulators and affected communities through increased dialogue. These initiatives help ensure that we make the best use of our available resources to complete cleanup.

While the Department continues to make progress on completing cleanups, the remaining sites are some of the most complex cleanup sites. Chemicals of Emerging Concern and others like per- and polyfluoroalkyl substances (PFAS) continue to pose challenges for DoD's cleanup programs as new science requires reconsideration of previous decisions and more expensive solutions to protect our Service members, their families, communities, and the environment. Additionally, some complex sites have either no feasible or only inefficient solutions for cleanup and, as a result, the Department is making significant investments in environmental technology to identify new potential remediation methods.

PER- AND POLYFLUOROALKYL SUBSTANCES

The presence of PFAS in the environment is a national issue due to its widespread use in many industrial and consumer products. The Department recognizes the importance of this issue and is committed to addressing PFAS in a deliberative, holistic, and transparent manner, supported by \$942 million across multiple appropriations. The Department's PFAS Task Force continues to provide strategic leadership and direction on DoD-wide PFAS efforts. To support the Department's commitment to the health and safety of its service members, their families, the DoD civilian workforce, and the communities in which DoD serves, the Task Force's focus areas include:

- Mitigating and eliminating the use of aqueous film forming foam (AFFF);
- Fulfilling our cleanup responsibilities;
- Understanding the impacts of PFAS on human health;
- Expanding PFAS-related public outreach; and
- Supporting PFAS research efforts and ensuring findings are publicly available.

PFAS Cleanup and Drinking Water Mitigation

DoD follows the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the long-standing EPA regulations for all chemicals in our cleanup program, including PFAS. The Defense Environmental Restoration Program statute provides authorities to DoD to perform and fund cleanup actions and requires they be carried out in accordance with CERCLA.

As of December 31, 2023, the Department has completed the initial assessment at 707 (of 715) installations. 133 currently require no further action, while 574 are proceeding to the next step in the CERCLA process. During these initial assessments, DoD evaluates both groundwater and drinking water. In addition, DoD is taking interim actions at over 30 installations to prevent further PFAS migration off-base and plans to take additional actions as more information becomes available from our ongoing investigations.

For the past several years, DoD's approach has been that if DoD identifies perfluorooctane sulfonate (PFOS) and/or perfluorooctanoic acid (PFOA) from DoD activities in off-base drinking water above 70 parts per trillion (ppt), we quickly took action (i.e., a CERCLA removal action) to provide treatment or an alternative water source. DoD has taken this type of action for drinking water wells surrounding 55 installations. Last week, EPA announced a National Primary Drinking Water Regulation (NPDWR) for six PFAS under the Safe Drinking Water Act. The Department appreciates the clarity the NPDWR provides now that it has been finalized and is evaluating its impact on our efforts to address PFAS in drinking water. The Department has reviewed existing PFAS sampling results, plans to expand existing clean-up investigations, and provide drinking water treatment for impacted off-base wells, on a prioritized basis.

AFFF Replacement Progress

Over the past few years, the Department has undertaken an aggressive initiative to develop and demonstrate fluorine-free alternatives for AFFF. In January 2023, the Navy published a Military Specification for a PFAS-free firefighting product. A number of fluorine-free alternative fire suppression products have been demonstrated to achieve acceptable fire extinguishment performance and DoD has completed evaluations of the shelf life, materials compatibility, and toxicity screening of these formulations. As of February 2024, two products have passed the qualification process and are available for purchase. The Military Departments have begun the transition from AFFF for more than 6,000 mobile assets and approximately 1,500 facilities and are following transition plans that include proposed schedules, estimated costs, and strategies to use fluorine-free products and other available technologies, such as water-only systems. Based on current Military Department schedules, the Department will need to exercise the two NDAA- permissible 1-year waivers to extend the Congressional deadline of October 1, 2024 to stop using AFFF to ensure a safe and methodical transition that does not affect mission activities.

PFAS Public Outreach

As the Chair of DoD's PFAS Task Force, I am committed to expanding our outreach efforts as we continue to address PFAS. DoD initiated a robust communication and outreach effort in FY 2023 focused on improving outreach to communities by gathering input from community members and developing communication products that explain DoD's cleanup activities in a comprehensible and transparent manner. The Department has also visited 11 installations and conducted over 100 interviews with community members and other stakeholders. These efforts ensure a cohesive and collaborative approach to communication across DoD, expand public access to information that explains our cleanup progress and initiatives, and build stronger relationships with communities and agency partners.

IMPROVING MISSION RESILIENCE

The National Defense Strategy promotes building a resilient Joint Force and defense ecosystem that can operate in a contested environment at home and abroad. We must work to improve the resilience of our installations and infrastructure to a wide range of challenges, including extreme weather, climate impacts, disruptions to energy or water supplies, and physical or cyber-attacks. The Department requires a multi-faceted approach focused on policy revisions; adjusting how we approach planning, design, and construction; and innovative technologies to counter such a diverse set of threats.

INFRASTRUCTURE RESILIENCE

The Department is addressing mission resilience at the building and installation level by developing policies that establish aggressive performance goals, reduce waste, and improve quality of life. Further, we are improving energy resilience on our installations through increased energy efficiency measures and electrification of our buildings and supporting infrastructure. My office is working with DoD components to leverage the Department's facility data to assist them in performing building level assessments that will inform infrastructure modernization and recapitalization decisions and institutionalize resilience in all of our investments. We are reviewing and updating Unified Facility Criteria against existing and emerging performance standards for resilience, clean and reliable energy, electrification, indoor environmental quality, and facility related control systems. Finally, the Department is pursuing a comprehensive plan and associated investments to deploy the charging infrastructure essential to transition our non-tactical vehicle fleet to electric power. This effort will enable installations to utilize the storage capacity of electric vehicles and add capability that furthers our investments in micro-grids.

Military Construction

Infrastructure resilience is integrated into the military construction (MilCon) program. The MilCon program also places significant focus on quality of life as well as critical mission requirements and life, health, and safety concerns. We are requesting \$15.6 billion in the budget for MilCon across the Department, an increase of 6% from last year's request, which includes infrastructure requirements for the Pacific Deterrence Initiative (\$1.7 billion), investments in the Shipyard Infrastructure Optimization Program (\$2.0 billion), quality of life facilities (including child development centers, barracks and dining facilities, dormitories, and schools—\$1.83 billion), new aircraft beddown (B-21, KC-46A, F-35, T-7A—\$419 million), European Deterrence Initiative and NATO Security Investment Program (NSIP) (\$559 million), hospital and medical facilities (\$464 million), projects in support of the modernization efforts in support of Sentinel Ground Based Strategic Deterrent program (\$700 million), and construction projects in support of special warfare operators (\$355 million).

This request also includes \$3.733 billion for the Defense-Wide Components, including:

- \$386 million for dependent educational facilities;
- \$273 million for incremental funding of fuel infrastructure;
- \$417 million for recapitalization of National Security Agency facilities;
- \$545 million for Missile Defense Agency projects in support of Defense of Guam and an increment of the Ground Test Facility Infrastructure at Redstone Arsenal;
- \$295 million to address, force structure growth disconnects, and antiquated infrastructure for Special Operations Forces;
- \$262 million for Washington Headquarters Services facilities;
- \$636 million for the Energy Resilience and Conservation Investment Program; and
- \$455 million for exercise related construction, unspecific minor construction, and planning and design for defense-wide future year projects.

In addition, the Defense-Wide request contains \$464 million for medical facility recapitalization including \$78 million for the eighth increment (of a \$695 million project) for the Walter Reed Medical Center Addition/Alteration at Naval Support Activity Bethesda, Maryland; \$97 million for the second increment (of a \$257 million project) for an Ambulatory Care Center at Guantanamo Bay, Cuba, and \$289 million for various other Ambulatory Care Center additions and replacements.

We continue to pursue improvements in project development processes to ensure projects are appropriately scoped and priced for successful execution. The Department's Military Construction Reform initiative is primarily focused on early involvement between project sponsors and the DoD Construction Agents (DCAs) responsible for executing the projects. We are working with the DCAs and industry to incorporate their knowledge and expertise earlier into our project planning and design activities to ensure executable projects. We recently finalized a comprehensive policy associated with the planning and design of military construction projects. The policy ensures that all DoD Components clearly understand the difference between planning activities and design activities to consistently apply the appropriate funding to each task. Additionally, DoD is focused on improving information sharing between key project stakeholders, ensuring that critical details such as project requirements,

acquisition timelines, and construction status inform proactive decisions on projects. We are close to issuing policy requiring project management agreements early in the project requirements process that will provide transparency on key project data and change management decision making allowing project stakeholders to manage scope and cost changes to minimize impact to project delivery.

The Department recognizes not only the necessity of, but also the challenges associated with estimating and awarding military construction projects on budget, particularly given the supply chain tightening and significant material price increases over the last few years. We appreciate the additional support Congress has provided over the last few fiscal years to ensure that authorized project costs are better positioned based on market realities. However, the Department acknowledges that it has work to do to ensure that estimates result in executable projects including the recent application of the area cost factor for overseas unspecified minor military construction projects. This year we are further refining our financial risk management processes and policies and will codify our findings in updated policy to ensure that component budget requests reflect known project risks.

Facilities Sustainment, Restoration, and Modernization

The Department's inventory of buildings and structures is the largest within the Federal portfolio. Facilities Sustainment provides for the regularly scheduled maintenance, repair, or replacement of facility components and directly influences the condition of our facilities. Investments must be made throughout the service life of a facility to optimize its performance, maintain indoor environmental quality, and support the safety, productivity, and quality of life of our personnel, while also reducing avoidable costs associated with premature deterioration. In addition to facilities sustainment funding, the Department relies upon its Restoration and Modernization program funding to provide ongoing support to reduce our maintenance and repair backlog and to modernize our facilities to support changing missions and functions.

The Department's FY 2025 budget request includes \$13.6 billion of sustainment funding for the Military Services and the major Defense-Wide organizations. This represents a \$619 million increase from the FY 2024 budget request and will achieve an average of 79 percent of the Department's annual requirement for facilities sustainment (excluding the Marine Corps from the overall calculation). We are working with the Marine Corps to pilot a comprehensive model that would optimize FSRM and MilCon facility investments across their real property portfolio.

In addition to facilities sustainment funding, the Department relies upon its Restoration and Modernization (R&M) program funding to provide ongoing support to assigned missions by countering obsolescence and reversing degraded conditions of existing facilities. The FY 2025 budget request includes \$6.3 billion in Operations and Maintenance appropriations for facilities R&M, a \$259 million decrease compared to our FY 2024 budget request.

The Department has traditionally managed the budgeting for sustainment of assets at the portfolio level with a sustainment model that uses basic data from a component's real property inventory and commercial cost models. This model generates aggregate sustainment requirements that treat facilities similarly for investment purposes regardless of age, condition, or maintenance history. Roughly 10 years ago, the Department instituted a requirement to use a standardized condition management system, the Sustainment Management System. DoD has continued to mature the tool to track more closely the 13 major systems in a building and will roll out a cloud-based SMS this year for DoD Components to manage the condition of the major system in the Department's buildings. However, knowing the condition of an asset and the systems that comprise that asset is just one aspect of proactive infrastructure management. Improving facility condition data and operationalizing other existing investment data sources, enables resource optimization from the Department-level down to the installation with the ability to assess risk-based investment options using future years defense program (FYDP) funding profiles, mission dependency data, and a variety of DoD Component derived assumptions to array strategic investment options that will inform investment decisions. To that end, the Department is investing \$2 million in FY 2024 to initiate development of a facility investment optimization model that will optimize the allocation of facility repair funding to produce the most benefits regarding the condition of our facilities. The system will provide more confidence, transparency, and standardization in the development of facilities sustainment, restoration, and modernization (FSRM) budgets and allow an asset management approach currently lacking in the Department's infrastructure management processes. This initiative is guiding our transition into an asset management approach for budgeting and managing the Department's inventory more holistically and provide DoD with better information to target investments to ad-

dress current and backlog maintenance requirements. It will also provide much-needed data in the building component systems and their maintenance and recapitalization schedules to properly conduct sustainment, which will reduce energy demand. The additional data will also allow the Department to better plan electrification of existing projects, consistent with our energy resilience goals.

We appreciate your support for the \$2 million funding request for optimization model development in the FY 2024 NDAA and the Further Consolidated Appropriations Act, 2024. This funding will allow us to begin development on the technical aspects of the model. The FY 2025 budget request includes \$2 million to continue the maturation of the optimization model.

ENERGY RESILIENCE

Reliable, flexible, and resilient energy remains essential to military capability and readiness. The Department depends on energy-resilient forces, weapon systems, installations, and infrastructure to achieve missions at home and abroad. In FY 2023, the Department consumed 614,787 billion British Thermal Units (BBtus) of all forms of energy, costing a total of \$16.5 billion, to support operations and training across a worldwide set of installations and power thousands of energy consuming platforms.

While our installations utilize commercial, municipal, and host nation power and energy grids for day-to-day operations, we must also have credible and resilient localized installation energy capabilities to sustain critical missions if these sources of energy are disrupted. Similarly, the Department relies on organic capabilities as well as commercial partners to provide operational energy to train, deploy, operate, and sustain globally deployed forces. Our potential adversaries understand the essential nature of energy, and seek to degrade, delay, or deny the Department's ability to deploy forces by disrupting access to energy to reduce our readiness, and undermine our deterrent posture. Enhancing energy resilience and reducing energy demand are essential to achieving Joint lethality, supporting distributed operations, and reducing risks to sustainment in contested environments.

The FY 2025 President's Budget Request responds to clear direction in statute and the 2022 National Defense Strategy to ensure installations and forces are resilient to all hazards—kinetic, cyber, and natural—and ensure the use of energy promotes the readiness of the armed forces for their military missions. This is reflected in our \$3.46 billion request for operational energy (the energy required for training, moving, and sustaining military forces and weapons platforms for military operations) and \$3.80 billion request for installation energy (the energy used to power permanent installations and non-tactical fleet vehicles).

Operational Energy

The operational energy initiatives in the FY 2025 President's Budget request ensure that the Department is postured to fight and win in contested environments and support the priority focus on strategic competition with the People's Republic of China. Investments in advanced propulsion for air, sea, and land platforms, the electrification of on-board systems, upgrades that extend time on station, range, and endurance of current equipment, and long-term research and development on breakthrough technologies illustrate the scope and scale of Department efforts to adapt our use of energy in warfighting platforms to a changing operating environment.

In FY 2023, the Department issued a new Operational Energy Strategy to meet the requirements of 10 USC 2926(e). To ensure the Joint Force can fight and win in contested environments, the Operational Energy Strategy includes the following lines of effort:

- Energy Demand Reduction
- Energy Substitution and Diversification
- Supply Chain Resilience
- Enterprise-wide Energy Visibility

The Department is also adapting its strategy, policy and decision-making processes to better align with the challenges of contested logistics and distributed, austere operations. To assist with the implementation of this new strategy, the ASD(EI&E) leads the Contested Logistics Operational Energy Working Group (CLOE WG), which was established in FY 2022 in accordance with 10 USC 2926(d). With senior leader representatives from the Services, Joint Staff, and Combatant Commands, the working group is shaping the direction and implementation of the Operational Energy Strategy to inform future planning and programming guidance.

The CLOE WG met in FY 2023 to implement the Operational Energy Strategy and begin execution of the near-term (2023–2024) and mid-term (2024–2028) initia-

tives. In FY 2024, the CLOE WG will meet on a quarterly basis as required by Section 343 of the FY 2024 NDAA and subsequent annual energy reports will use the Operational Energy Strategy as the baseline for evaluating initiatives and measuring progress in the implementation of the strategy.

We are also focused on ensuring that requirements and acquisition decision-making reflects challenges of contested environments and the benefits of advancing energy-related technologies and practices. Through the Department's Climate Working Group, the Military Departments adapted policy, processes, and procedures to ensure consideration of energy supportability analyses and evolving operational requirements.

With support from the Assistant Secretary of Defense for Acquisition, my office initiated a pilot program for the application of energy supportability analyses in Integrated Acquisition Portfolio Reviews (IAPRs), starting with one for the Defense of Guam. By focusing on specific groups of platforms, these analyses will better assess overall Joint capabilities, assess any risks related to the provision of energy, and enhance the identification of interdependencies outside of any single portfolio. We will support additional portfolio reviews in FY 2024 and beyond.

Installation Energy

The Department continues to make significant investments to increase the energy resilience of installations and facilities critical to generating, deploying, operating, and sustaining military capabilities. Our FY 2025 request is focused on adapting military facilities to withstand increasingly challenging conditions and deploying advanced technologies to strengthen the ability to recover from disruptions to critical infrastructure; improving installation energy, mission, and water resilience; and modernizing Department operations to keep pace with industry.

These investments are supported by our recent and continuing efforts to develop or update installation energy policy across the Department. For example, we recently updated our policies for energy resilience planning and metrics at installations to reflect the 10 USC 2920 energy resilience requirements. These updated policies set forth energy availability standards for critical missions; directs the Military Departments to promote the use of multiple and diverse sources of energy in their planning, with prioritization of energy resources originating on the installation; encourages the use of microgrids; and favors the use of full-time, installed energy sources rather than emergency generation in their energy resilience solutions.

We are also working to harmonize the planning and assessment processes for critical missions across the Department. Approximately 430 Installation Energy Plans (IEP) are expected to be completed by the end of this fiscal year with 92% of IEPs expected to be completed by the end of FY 2025. Currently, these plans establish the basis for planning energy performance projects and provide a roadmap for integrating appropriated and public-private partnership authorities to close energy resilience gaps. Going forward, the IEPs will also document critical load requirements, lessons learned from black start exercises, and the ability of installations to withstand a 14-day energy disruption.

Black start exercises (BSE) are an important component of the Department's approach to risk assessment and for identifying gaps in our installations' electrical infrastructure. BSEs identify previously unknown interdependencies between various systems, so that we can mitigate vulnerabilities to installation critical missions and best prioritize our resilience resources. The Department is actively executing planned exercises in accordance with 10 USC 2920. To date, the Department has executed 45 exercises with over 30 BSEs planned to be completed by the end of FY 2025.

The Energy Resilience and Conservation Investment Program (ERCIP) is the backbone of the Department's energy and water resilience investments. The FY 2025 budget request includes \$732.2 million (\$636 million in construction projects and \$96.2 million in planning and design funds) to prioritize projects that support energy resilience for critical mission requirements. The Department focuses on investments in microgrids, backup generation, and energy storage. In addition, ERCIP will continue to support a range of technologies and efforts, including clean renewable energy, energy storage systems, advanced geothermal and advanced nuclear technologies, accelerated deployment of air and ground source heat pumps, and infrastructure projects directly supporting distribution infrastructure for electrical vehicle charging stations. The Department appreciates the support Congress has provided to ERCIP as it has evolved from a conservation-focused program to one that emphasizes resilience.

Another significant part of our efforts to enhance energy resilience is improving energy efficiency and increasing the amount of carbon pollution-free electricity (CFE). Energy efficiency bolsters installation energy resilience by helping reduce the

energy demand from distributed energy production resources during commercial grid disruptions. DoD and the Federal enterprise will leverage its scale and assets to spur new CFE development and spearhead the deployment of innovative CFE technologies at scale to accelerate grid decarbonization. Additionally, DoD is currently developing onsite resilient pilot projects for emerging low-carbon technologies, including advanced nuclear energy (small modular and micro-reactors) and advanced geothermal projects to demonstrate both commercial and resilience benefits. These efforts are supported by an array of contracting mechanisms such as energy performance contracts (i.e., ESPCs and UESCs), alternative financing and power purchase agreements, enhanced use leases, and appropriated funding.

The FY 2025 request includes funding to deploy charging infrastructure that supports a transition of the Department's non-tactical vehicle fleet to zero-emission vehicles (ZEVs). The transition to ZEVs is both a response to market forces and a strategy to enhance resilience of the Department's installations and the Defense Industrial Base. While we recognize that China dominates the supply chain lithium-ion batteries-batteries that many of our critical defense systems rely upon-we are working with our partners investing in on-shoring and friend-shoring of key supply chain capabilities to evolve this paradigm and ensure our ability to access these critical batteries.

INNOVATION

Making the right investments in energy and environment innovation expands the Department's operational energy capabilities, reduces fuel burden in an era of contested logistics, keeps trust with the American people, and preserves vital training lands. The Department runs four energy and environment innovation programs which set the technical direction for the Department of Defense by funding the development and demonstration of mission-critical energy and environment capabilities and helping them through the acquisition process. The innovation programs focus on prototyping ahead of transition into Service programs of record and work hand-in-hand with our policy teams to ensure the DoD's defense ecosystem both supports and informs DoD initiatives at the leading edge of technology.

The Strategic Environmental Research and Development Program (SERDP) is requesting \$58.8 million, and the Environmental Security Technology Certification Program (ESTCP) is requesting \$136.5 million for needed investments in land and species conservation to preserve access to training areas, remediating past hazards such as munitions and PFAS, addressing supply chain resilience for key materials, and developing infrastructure adaptation and energy resilience solutions for DoD installations.

The Operational Energy Capability Improvement Fund (OECIF) and the Operational Energy Prototyping Fund (OEPF) are the Department's only joint research efforts dedicated to developing operational energy solutions for the joint force. OECIF and OEPF focus on requirements in all domains, including space, and continue to lead the Nation by solving some of the most difficult problems underlying power for future Directed Energy applications, innovating to use what was once considered waste for power and energy at forward locations, investigating next-generation fuel and power sources and distribution methods for autonomous platforms and dismounted warfighters, and enabling maneuver in space. Our \$166.9 million request for OECIF and \$53.6 million request for OEPF will allow these programs to continue multi-year investments in a range of critical technologies, from hybrid electric tactical vehicles that provide silent overwatch and low heat-signature capabilities, to highly efficient solar cells for extending the operational reach of crewed and uncrewed systems.

RESPONSIBLE AND RESILIENT CHEMICAL MANAGEMENT

Responsible chemical management is critical to the health of our personnel and the resilience of our weapon systems and infrastructure. As such, DoD seeks to adopt innovative approaches to chemical management that result in purposeful selection of chemicals which are less persistent, bio accumulative, and toxic. We are preparing to integrate these approaches throughout the life cycle of chemical use: from the early stages of research and development to the maintenance, operation, and disposal/reuse of our weapon systems.

While we ramp up efforts to optimize the use of alternatives, we must simultaneously ensure existing critical uses are met in the interim. For example, some PFAS compounds are critical to the safe and effective operation of a range of military items from radars to missile guidance systems, medical devices, and jet engines. To understand the challenges to PFAS transitions, we are establishing policies that require improved chemical transparency in our weapon systems, research-

ing and transitioning to safer alternatives wherever possible, engaging with the defense industrial base to understand and manage supply chain vulnerabilities, and responsibly managing the use and disposal of chemicals while seeking orderly transitions to alternatives. Potential impacts from the loss of access to mission-critical chemicals are not yet fully known, but could be both costly to address and potentially leave the Department dependent on supplies from foreign sources (e.g., India and China). We also continue to build on past successes by working with regulatory agencies and private industry to develop strategies to address these concerns, starting with actions such as identifying PFAS-containing products critical to national security and mitigating risk from their obsolescence and foreign dependency.

ENVIRONMENTAL RESILIENCE

The reality of a changing climate poses a range of risks to Department readiness and threatens installation resilience through dangerous heat, flooding, drought, wildland fire, and extreme weather. These conditions adversely impact training, soldier welfare, equipment performance, infrastructure performance and reliability, and place added strain on the Department's resources. The 2022 National Security Strategy recognizes climate change as a strategic challenge that is transforming the context in which the Department operates. Using the DoD Climate Assessment Tool, as required in multiple NDAA's, we identify actions needed to ensure the continuity of missions at (or deploying from) our installations and incorporate those actions into installation master plans, installation resilience plans, installation energy and water plans, and construction projects. This helps us ensure, for example, that new buildings are not being located in known floodplains, that energy resilience projects account for increasing heat, that wildfire management is incorporated in facility planning, and that drought-prone installations improve their water resilience to support their missions. These assessment processes have now expanded to inform Department operational planning considerations for forces and equipment and wargaming scenarios. Additionally, DoD's approach to extreme weather and climate risk assessment has been shared with, and is being utilized by Federal interagency partners, as well as allied nations.

The Department is undertaking a range of measures that reduce risk in contested environments, improve and expand operational capabilities and flexibility, and improve installation resilience, while reducing energy demand and use. These efforts include a range of efficiency measures that reduce energy demand for operational platforms and installations such as winglets on large aircraft and highly efficient heat pumps in buildings. Specific attention is being given to deploying installation-scale micro-grids and tactical micro-grids at the operational level to add resilience to key mission requirements and enhance mission assurance. The Department, in concert with other agencies such as DOE, continues to invest in researching new technologies that promise to reduce vulnerabilities, expand environmental protections, add operational capabilities, and reduce GHG emissions.

Environmental Conservation and Compatible Development

DoD lands contain significant resources supporting our Nation's natural and cultural heritage, including resources important to American Indian, Alaskan Native, Native Hawaiian Organizations, and other Indigenous Peoples. DoD lands provide habitats for over 550 plant and animal species that are federally protected under the Endangered Species Act, contain over 130,000 recorded archaeological sites, and 41 National Historic Landmarks. We are requesting \$703.7 million in conservation funding, which will allow us to manage these resources in compliance with applicable Federal statutes to create healthy and resilient natural landscapes that reduce climate risks such as flooding and wildfire.

The condition of the lands and waters on and off installation affects test and training access, while also impacting numerous mission-essential considerations, including flight hazards, wildland fire resilience, drought resilience, flooding, and water quality and quantity. The lands and waters that enable and support military readiness, the Department's natural infrastructure, are changing rapidly due to changing development patterns and climate change. Without sustained strategic investment and management, DoD natural infrastructure can be degraded or eliminated, resulting in loss of mission-essential support. To address these challenges, the Department is developing a Resilient Natural Infrastructure Strategy which will build on current successes and guide its actions to ensure that the DoD can identify and reduce threats to mission-essential natural infrastructure. Through integrated on and off-installation land management, conservation, and restoration the Department will ensure the natural infrastructure needed for military readiness while optimizing outcomes to create numerous co-benefits including climate mitigation and livable, healthy and resilient defense communities.

The DoD Legacy Resource Management Program, or Legacy Program, plays an integral role supporting the conservation and resilience of the lands and resources under the Department's stewardship. It supports the military's combat readiness mission by ensuring continued access to the 26.9 million acres of military land, air, and water resources needed to accomplish vital testing, training, and operational activities. Since its establishment in 1991, the Legacy Program has funded over 3,300 projects, totaling more than \$400 million, and benefiting over 300 military installations, worldwide.

The Legacy Program works in close coordination with the Military Services, as well as in partnership with other Federal and State agencies, non-governmental organizations and academia, to identify the most pressing conservation challenges. These interactions allow the Legacy Program to strategically invest in targeted projects to support military mission readiness, more efficiently meet regulatory requirements, and improve the effectiveness of DoD conservation programs.

One such partnership is the Recovery and Sustainment Partnership (RASP) with the Department of the Interior (DOI) and the U.S. Fish and Wildlife Service (FWS). Through this partnership, DoD and FWS have identified priority species and conservation actions, resulting in significant improvements to species recovery and conservation, regulatory efficiencies, and mission flexibility. These investments in conservation are making significant progress towards alleviating existing or potential mission restrictions by promoting species recovery. In FY 2023, six endangered species were declared recovered and de-listed from the Endangered Species Act due to the conservation efforts of DoD and its partners. To build on and broaden the numerous successes and innovations achieved to date in enhancing species conservation and recovery while sustaining military readiness, DoD and DOI renewed our Memorandum of Understanding on February 2, 2024 to support the continued partnership and collaboration under the RASP.

The Department has a similar track record as stewards of our Nation's cultural heritage. The National Historic Preservation Act (NHPA) requires that any Federal agency "ensure that historic property under the jurisdiction or control of the agency is identified, evaluated, and nominated to the National Register of Historic Places (NRHP)". To date, DoD has surveyed 49% of its land (approximately 10 million acres) and 71% of its real property assets over fifty years of age (approximately 95,000 assets). Additionally, in the next two decades, approximately 80% of the current DoD building inventory will reach 50 years of age and need to be evaluated for listing on the National Register of Historic Places. To reduce this backlog, DoD launched the Nationwide Approach to NHPA Section 110 Surveys Program in FY 2023 to increase the DoD surveyed land portfolio and meet NHPA requirements. The DoD's Cultural Resources Program, with funding provided by the Legacy Program, has established a partnership with the National Preservation Institute (NPI) to provide funding for a nation-wide effort to identify and evaluate historic properties. This program represents a substantial investment by DoD, with the Legacy Program allocating up to \$13.5M over 5 years. As a result, DoD will be able to survey high priority real property assets and archaeological sites to substantially improve regulatory processes, enable necessary infrastructure improvements, and support mission readiness.

Continued investments in conservation will maximize our flexibility to use our land, water, and airspace for military purposes and to address incompatible land uses beyond our fence lines and will ensure that our military and civilian personnel have the access they need to conduct mission-essential activities. Strategies to address these conservation and climate adaptation priorities can be most effective through landscape-scale initiatives to better capitalize on both our on-installation conservation programs and our off-installation conservation partnerships through the Readiness and Environmental Protection Integration (REPI) Program.

Readiness and Environmental Protection Integration (REPI) Program

The REPI Program safeguards military missions by improving installation resilience to extreme weather events and climactic changes, promoting compatible land use, and preserving critical habitats and natural resources near DoD installations and ranges. REPI is uniquely positioned to support DoD's ability to operate seamlessly across domains by stimulating mutually beneficial and cost-effective partnerships between local communities, Federal and State agencies, and non-governmental organizations.

Our FY 2025 budget request for REPI is \$177.3 million, which remains consistent with the budget for the past two fiscal years. In addition to projects, this year's budget request includes funding for additional capacity to support strategic priorities in the Indo-Pacific Region, focused on partnerships with the governments of

Hawai'i and Guam and local partnerships with counties, non-governmental organizations, and native organizations.

From FY 2003 through FY 2023, the REPI Program has secured over \$1.4 billion in DoD funding with nearly \$1.3 billion in non-Department partner contributions to protect over 1.2 million acres of land at 124 locations across 37 States and territories to preserve key operational assets, infrastructure, and capabilities. In FY 2023 alone, DoD secured nearly \$165.8 million in non-Department partner contributions to protect nearly 395,490 acres, including over \$12.3 million from State and local governments and conservation organizations to preserve key mission capabilities across Hawai'i, Guam, and Alaska. The combination of REPI Program funding and non-Department partner contributions helped expand project planning capacity and execution in the Indo-Pacific region to improve installation resilience, expand innovative partnerships that support mission capabilities, and enhance resource conservation and community benefits. For example, on the island of Kaua'i in Hawai'i, Pacific Missile Range Facility Barking Sands received over \$5.1 million in REPI funding in FY 2023 to mitigate upland flood potential, soil erosion, and wildfire potential while restoring habitat for endangered seabirds. In addition, the restoration and protection of native forests helps to increase Pacific Missile Range Facility Barking Sands' water supply.

The REPI Program also continues to support the interagency Sentinel Landscapes Partnership between DoD, the U.S. Department of Agriculture (USDA), and the DOI. The Partnership promotes shared land use priorities and works to advance conservation outcomes in landscapes across the country where national defense, sustainable agriculture and forestry, and community resilience to climate change intersect. From the inception of the partnership in FY 2012 through FY 2022, projects across sentinel landscapes have attracted nearly \$233.2 million in DoD funds, matched by nearly \$938 million in funds from other Federal agencies, State and local governments, and private entities. These contributions have permanently protected over 677,000 acres of land through FY 2022 and enrolled 1,196,244 acres of land in financial and technical assistance programs in FY 2022 alone. In FY 2023, the Sentinel Landscapes Partnership achieved a significant milestone, celebrating its 10-year anniversary and the designation of three new sentinel landscapes: the South Carolina Lowcountry and the Virginia Security Corridor, which is comprised of the Potomac and Tidewater Sentinel Landscapes.

The REPI Program serves as one of the key tools the Department is using to meet strategic objectives outlined in the DoD Climate Adaptation Plan, including creating resilient natural infrastructure solutions near installations and enhancing climate adaptation through collaboration. The REPI Program helps accelerate the development of nature-based solutions through multiple funding avenues, including programs administered by the National Fish and Wildlife Foundation (NFWF). Through NFWF's National Coastal Resilience Fund and the America the Beautiful Challenge, the REPI Program has dedicated over \$43.6 million in funding from FY 2020 through FY 2023 to projects benefitting DoD installations and ranges, neighboring defense communities, and habitats for fish and wildlife.

The REPI Program has seen significant success in expanding relationships with partners at all levels of government, particularly at the local level. This year, the REPI Program worked closely with State and local governments and organizations, such as the National Association of Counties, the Association of Defense Communities, and the National Association of Conservation Districts to build stronger local partnerships with defense communities to advance climate resilience, quality of life, and community engagement objectives that directly support military readiness.

OTHER PROGRAMS AND INITIATIVES

RETENTION OF CRITICAL TRAINING LAND IN HAWAII

The relationship between the U.S. Military and Hawai'i has been a critical piece of U.S. military and diplomatic strategy for over 125 years. Hawai'i's strategic location in the Pacific, unique training and port areas, and support for critical defense missions make it a cornerstone of our posture in the Indo-Pacific region. In support of this indispensable defense mission, the Military Departments lease approximately 53,000 acres of land across five islands in the chain. These lands, primarily adjacent to U.S.-owned installations, provide ideal locations for specialized defense capabilities, multi-domain operating areas to generate future force readiness, and training ranges that our Joint Force leverages with allies and partners.

The Department recognizes that past incidents, particularly the fuel and concentrated Aqueous Film Forming Foam (AFFF) spills at the Red Hill Bulk Fuel Storage Facility (RHBFSF) and the diesel spill at the Maui Space Surveillance Complex, have resulted in a severe and worsening loss of public trust between the DoD

and Hawai'i's people. This situation presents exceptionally challenging conditions for DoD negotiations with the State to retain the use of these critical training land. Senior leaders are working to engage consistently, respectfully, and transparently to repair relationships and build trust.

As a testament to the Department's commitment to the people of Hawai'i, in December 2023, the Department safely completed the removal of over 104 million gallons of bulk fuel from the Red Hill storage tanks and began the process of removing the remaining fuel from the pipelines and closing the RHBFSF. While there is still a long way to go with removing the residual fuel, tank cleaning, closure, and ultimate decommissioning of Red Hill, the Department is committed to the long-term continued environmental recovery and revitalization of the Red Hill Drinking Water Shaft to ensure safe drinking water at Joint Base Pearl Harbor Hickam.

Additionally, in 2023, in partnership with the Governor of Hawai'i, the Department awarded a \$3.2 million capacity-building grant to the State of Hawai'i. Awarded through the Office of Local Defense Community Cooperation, this effort will aid the State in increasing its capacity to work with the DoD on a range of issues, to include the compatibility of the Department's land retention efforts relative to Hawaiian land use concerns and economic needs.

In January 2024, the Deputy Secretary took measures to enhance our collaboration with the people of Hawai'i to protect and preserve the Hawaiian lands on which we operate and to build and maintain trust with the people of Hawai'i. At her direction, the Department is establishing a Hawai'i Coordination Cell for Energy, Installations, and Environment, which will be dedicated to synchronizing communication and engagements with State and local officials and the public on matters related to DoD's use of the lands in Hawai'i. The Hawai'i Coordination Cell will be integral to strengthening partnerships and relationships that enable the continuation of the critical military missions in Hawai'i, which are vital to the U.S. military strategy in the Pacific and our National strategy to promote stability in the region.

Of the approximately 53,000 acres of land leased by the Military Departments, about 44,000 acres will expire within 7 years. The Military Departments are seeking to negotiate new property agreements for 22 separate parcels, including training areas, main cantonments, support areas, and easements (including ocean area), before their expiration in 2028, 2029, and 2030. The Department is committed to being comprehensive and open with the public as the Military Departments negotiate land acquisitions. On October 27, 2023, the Army provided in-person testimony to the Board of Land and Natural Resources on the Army's proposed training land retention on the islands of O'ahu and Hawai'i. The Navy and Air Force have also begun public outreach for their land retention requirements. The expected timeline for reaching new property agreements is 5–7 years because of the lengthy and robust environmental compliance and real estate due diligence requirements. Through consistent public actions that support and benefit the State of Hawai'i and the military, the Department will continue building relationships and set the conditions today to enable productive negotiations.

CONSTRUCTION ON GUAM

The Department has several upcoming key posture actions in Guam that will require historic levels of military construction, including the relocation of Marines from Okinawa, the Integrated Air and Missile Defense of Guam, and Polaris Point expansion. This massive construction surge for posture initiatives includes repair requirements due to damage sustained from Typhoon Mawar. The rise in military construction requirements, complicated by labor and material constraints and the tyranny of distance, drove the Department to take a holistic look at its approach to supporting construction in Guam.

In the past year, the Department completed a construction capacity assessment examining limitations imposed by workforce, port capacity, and utility constraints, among many other factors. Through the effort the Department determined that sufficient capacity exists to support several billion dollars of construction at any given time. This capacity to execute mission-essential construction was only possible with the help of Congress passing the FY 2024 NDAA provision that provided DoD construction contractors with a stable H-2B visa workforce through December 31, 2029.

The Department is now working towards integrating and synchronizing the Military Department, Defense Agency, and DoD Field Activity military construction to ensure the Department is delivering the right capabilities and quality of life improvements to the warfighter on time. The goal is to have an adaptable tool that identifies mission need dates, mission dependencies, programming and design requirements, environmental considerations, climate, and other requirements to inform the Department's future infrastructure investments.

The Department has additionally made great strides in codifying its oversight structure for all things energy, installations, and environment in Guam. In December 2023, the Deputy Secretary appointed the Under Secretary of the Navy as the senior defense official for Guam and co-chair, with the Under Secretary of Defense for Acquisition and Sustainment, of the Guam Synchronization Oversight Council (GSOC). The GSOC provides the strategic direction and alignment for the various strategic efforts underway in Guam. One of the main tasks assigned to the GSOC by the Deputy Secretary is the oversight of the military construction program on Guam, which the Department's construction synchronization effort will inform.

THE OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION

The Office of Local Defense Community Cooperation (OLDCC), in coordination with the other Federal agencies, delivers a program of technical and financial assistance to enable States, territories, and communities to plan and carry out civilian responses to workforce, business, and community needs arising from Defense actions; cooperate with their military installations and leverage public and private capabilities to deliver public infrastructure and services to enhance the military mission; achieve facility and infrastructure savings, as well as reduced operating costs; increase military, civilian, and industrial readiness and resilience; and support military families.

OLDCC's program portfolio is presently comprised of 250 grants, exceeding \$1.5 billion, and represents partnerships between the Department and most States, territories, and communities, supporting over 260 Department of Defense installations.

The OLDCC Installation Resilience Program assists States, territories, and communities in identifying man-made or natural threats alongside their installations as "one community" and assessing the public and private infrastructure and services necessary to sustain our installations and communities, including housing, education, critical infrastructure, and healthcare. For housing, this program looks at its resilience for Service members and their dependents through targeted business-case studies and planning activities. This effort also includes tabletop exercises to gauge civilian and uniformed first responders' ability to respond to disasters and catastrophic events. In FY 2023, OLDCC enabled 17 of these locally-led exercises. Once an installation-community team performs these assessments, they can collectively identify opportunities for future projects to preserve and enhance mission resilience and assurance. Moving forward, these tabletop exercises will better incorporate Federal partners and installations to help identify and prioritize critical infrastructure needs.

The Department is requesting \$50 million for the Defense Community Infrastructure Program (DCIP), which aims to enhance military value, cadet training at covered educational institutions, installation resilience, and military family quality of life by responding to deficiencies in community infrastructure around military installations. DCIP also incorporated the consideration of Defense Critical Infrastructure (DCI) starting in FY 2024. Between FY 2020 and FY 2023, OLDCC awarded 65 projects representing \$300 million in Federal funding and \$251.7 million in non-federal funding through this program.

OLDCC has also been an active partner with the State of Hawai'i, Territory of Guam, and the Commonwealth of the Northern Mariana Islands (CNMI).

In Hawai'i, programs of assistance include redeveloping 12 public schools on the Island of O'ahu through the Public Schools on Military Installations program; coordinated planning on climate-related resiliency and energy availability through an Installation Resilience project for Marine Corp Base Hawai'i and its surrounding community; and two DCIP infrastructure projects on the Island of Hawai'i in support of emergency response and preparedness for the community and in support of Pohakuloa Training Area.

In Guam, OLDCC works closely with the Territory to seek funding for infrastructure upgrades directly and indirectly associated with the Department's basing needs. This includes identifying and jointly undertaking further enhancements as requirements evolve, and Federal investments in Guam's other socio-economic needs. To date, OLDCC has funded \$490.1 million in Guam civilian infrastructure projects supporting improvements to the Territory's road network, upgrades to Guam's wastewater treatment facility and systems, construction of a cultural repository to curate artifacts unearthed as a result of DoD activities, and the pending construction of a level 2/3 bio-security testing facility, providing the capability on the Territory to test samples and ensuring the health, safety, and general welfare of the Territories military and civilian population.

OLDCC has also partnered with the CNMI to collaboratively address, resource, and sustain direct and indirect support that enables the Commonwealth, its citi-

zens, and our military to prosper and respond to tactics deployed by the People's Republic of China. Since 2016, OLDCC has provided programs of assistance to the Commonwealth Office of the Governor, totaling over \$18 million in grant assistance. This includes over \$4.2 million last year to support efforts to formulate methods to secure, bolster, and enhance the Commonwealth's Information Technology infrastructure; initiate a structured economic analysis and decision-making methodology to enhance and ensure the Department's resilience in the Indo-Pacific; and enhance capacity of the Commonwealth Office of the Governor that supports, facilitates, and sustains effective and responsive communications.

OLDCC is currently working with the Commonwealth to provide technical assistance to conduct comprehensive needs assessments for infrastructure on Saipan, Rota, and Tinian, with specific focus on seaports, airports and power plants; implement a resilient and secure IT infrastructure; and support whole-of-government collaboration to enhance intermodal transit within the Commonwealth.

Finally, in working with communities across the country, the Department believes there is more that can be done to support the modernization needs of the local defense industrial base and installations. The Department stands ready to work with Congress to find ways to address this need to not only support communities that contribute greatly to defense missions on installations, but also to enhance the capabilities and resilience of the defense industrial base and the defense industrial workforce.

MILITARY AVIATION AND INSTALLATION ASSURANCE SITING CLEARINGHOUSE

The Military Aviation and Installation Assurance Siting Clearinghouse continues to protect the Department's ability to train, test, and operate as the Nation expands its renewable and other commercial energy and power transmission capacity. Among these energy projects, commercial wind development typically poses the greatest compatibility challenge to DoD due to physical obstruction of low-level flight routes and electromagnetic interference with DoD radar systems. DoD resolves project concerns through collaboration between the Clearinghouse, the Military Departments, local communities, States, and energy developers, thereby maintaining the Department's ability to train, test, and operate while enabling development of alternative energy resources. The Clearinghouse negotiates Mitigation Agreements with wind energy developers to minimize the impacts from proposed projects on DoD missions.

The Department works with the DOI, the Bureau of Ocean Energy Management (BOEM) and States to create plans that support aggressive new offshore energy development goals. The Department works with its Federal, State and industry partners at every stage of planning, permitting, and development. DoD is an active partner in the search for compatible leasing off the Central Atlantic Coast, including a new round of leasing just getting underway in 2024. As part of this effort, the Clearinghouse has initiated studies of offshore wind impacts. DoD has also collaborated in offshore development planning throughout the Atlantic, Pacific, and Gulf of Mexico. In each case, the Department collaborates to protect national security while allowing compatible development.

The Department is actively implementing new approaches to protect DoD missions. The Clearinghouse intensified efforts to advocate for State-level legislation to protect military installations and operations from incompatible wind energy development. Although DoD and developers have had success resolving issues related to incompatible energy development, state support is invaluable in the rare cases where developers choose not to voluntarily coordinate with DoD. The Clearinghouse is developing geographic areas of concern that will alert industry to areas of extreme military compatibility challenges.

NATIVE AMERICAN LANDS ENVIRONMENTAL MITIGATION PROGRAM

The Native American Lands Environmental Mitigation Program (NALEMP), codified under the FY 2021 NDAA, addresses environmental effects of Department actions on Indian lands and other locations where the Department, an Indian Tribe, and the current landowner agree that such mitigation is appropriate. NALEMP is requesting \$20 million to mitigate these environmental effects, which are typically associated with hazardous materials, munitions debris, underground fuel storage tanks, unsafe buildings, lead-based paint, asbestos, and abandoned equipment. Most Indian lands are located in rural and remote areas with low population densities; thus, they might not qualify as high priority sites under the Department's more limited environmental restoration programs. NALEMP seeks to bridge the gap between Tribal needs and these traditional risk-based environmental restoration programs and incorporate Tribal priorities to address potential impacts to Indian lands.

To date, over one-hundred sites in the continental 48 States and Alaska have been fully mitigated. Ninety-five percent of the 1,160 potential Tribal impacts reported to the Department have been assessed and 161 have been found eligible for NALEMP and 128 impacts are under review. In FY 2023, the Department executed a total of 14 NALEMP cooperative agreements (CA), of which nine CAs were with Alaska Native Tribes and five with American Indian Tribes in the continental 48. By the end of FY 2024, the Department will execute an additional 14 CAs, of which 12 will be with Alaska Native Tribes and five American Indian Tribes in the continental 48 States.

ENVIRONMENTAL JUSTICE

The Department of Defense (DoD) supports the Administration's efforts to take a more active Federal role to address Environmental Justice (EJ). We have long recognized that in order to sustain the defense mission, we must build trust and community resilience through partnerships that safeguard healthy, secure, and vibrant natural and human environments for our neighbors, our Service members, and their families.

With the issuance of EO 14008 Tackling the Climate Crisis at Home and Abroad and EO 14096 Revitalizing Our Nation's Commitment to Environmental Justice for All, the Military Services have been proactive in revising their policies and guidance to improve early engagement with disadvantaged communities and Tribal Nations affected by Federal actions. In partnership with the Council on Environmental Quality and other Federal agencies, we have developed tools that will enhance our mapping and analysis of climate change impacts to communities and developed a strategic framework for achieving climate change adaptation and resilience that address 5 lines of effort, including EJ. The DoD will take into account equality in our investments in military families and communities, implement training for service members and civilian specialist in EJ literacy, strengthen Government-to-Government relations with Tribal Nations, and leverage existing public-private partnerships to support infrastructure and environmental enhancements in communities adjacent to the Department's installations.

CONCLUSION

Thank you for the opportunity to discuss DoD's Fiscal Year 2025 budget request supporting our energy, installations, and environment programs. We appreciate Congress' continued support for our enterprise and look forward to working with you.

STATEMENT OF LIEUTENANT GENERAL KEVIN VEREEN, DEPUTY CHIEF OF STAFF, DEPARTMENT OF THE ARMY

General VEREEN. Chair Sinema, Ranking Member Boozman, distinguished Members of the Subcommittee, thank you for this opportunity to speak about the Army's fiscal year 2025 Military Construction Budget Request, and thank you for your continued support to our Army soldiers, our civilians, and our families.

The Army's investments in quality of life are critical for the readiness of the Total Force and our ability to recruit and retain the best of our nation. Investing in soldier barracks, family housing, child care, and spouse employment enables readiness because soldiers can focus on their mission. Our requested barracks funding is now an average of \$2.1 billion across all components of the Army, and we have requested 100 percent of the sustainment requirement for all barracks types in the operations and maintenance account.

We are also implementing new processes to improve our costs-to-complete for MILCON projects by involving the U.S. Corps of Engineers and Garrison Commanders early in the process we can provide more accurate costs.

How we invest in barracks to ensure safety, health, and well-being of our residents, demonstrates our commitment to the most basic needs of our soldiers. We recruit soldiers, but we retain fami-

lies, which is why the Army continues to make significant progress to provide high-quality family housing.

This budget requests \$752 million for the operation, maintenance, leasing, privatization oversight, and construction for Army family housing worldwide, and includes investments in the Army-controlled family housing. Privatized housing providers will invest over \$2.5 billion in new construction, renovations, and other development work. When it comes to Army families, investing in the access to affordable child care also makes a difference in supporting a soldier's ability to serve.

Thank you for funding eight new child development centers from fiscal year 2021 through fiscal year 2024 in renovating 11 child development centers, and 12 more in fiscal year 2024. This budget request includes \$174 million for three child care development centers and one youth center. This also includes the Fort Liberty Child Care Development Center, which we would like to thank you for pulling it forward.

We also continue to support spouse employment opportunities. We have implemented and supported many initiatives to help spouses maintain their professional careers. We know that spouse unemployment can lead to potential financial strain with Army life and lead to retention decisions.

Thank you for your efforts to expand the scope and licensure reimbursement with 38 states. When we can provide critical support to the professional spouses and enable them to continue meaningful careers throughout their PCS moves, we also enable that family to continue their commitment to the Army.

The strength of our Army is our soldiers, and the strength of our soldiers are our families. This budget request is an investment in the well-being and readiness of our soldiers and families.

I look forward to answering your questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL KEVIN VEREEN

INTRODUCTION

Chairwoman Sinema, Ranking Member Boozman, and distinguished members of the subcommittee, thank you for this opportunity to present the Army's Fiscal Year (FY) 2025 budget request for military construction and Army housing, and for your continued support and commitment to the Army's Soldiers, Families, Civilians, and Soldiers for Life. This last year, the Army has made meaningful progress building resiliency in our force. But more needs to be done to fulfil our commitments to our soldiers, particularly in the areas of barracks and housing. Working with the Congress, we will continue to build on our efforts in 2025.

With ongoing and emerging threats around the world, building resiliency in our force, infrastructure, and industrial base is a strategic imperative. First, we must ensure our installations adequately support our soldiers and their families around the globe. Second, we must invest in advantages over our adversaries-including modernizing our operational energy capacities. Lastly, we must continue to improve the management of our installations and physical resources to ensure the Army's focus can be mission oriented. The FY 2025 budget request will help the Army make these strategic investments while we continue to remove obstacles to our success. To build the Army of tomorrow, we must make deliberate investments in our installations today.

MILITARY CONSTRUCTION BUDGET REQUEST

The Army's FY 2025 Military Construction (MILCON) budget request across all components is \$3.9 billion, which covers 45 projects. A vast majority of this funding will be used to address critical inadequacies in housing and other quality of life

issues on our installations. Of that request, \$2.3 billion is for the Regular Army, \$362 million is for the Army National Guard, and \$255 million is for the Army Reserve. The remainder of the MILCON request is \$752 million for Army Family Housing and \$213 million for Base Realignment and Closure Accounts.

For the active Army, \$1 billion of the \$2.3 billion is dedicated to projects supporting soldier quality of life—including investments in barracks and childcare facilities. Another \$772 million is for 12 major construction projects supporting various readiness functions, including: \$114 million for live fire ranges and training facilities, \$112 million for upgrades of Army power projection assets, \$262 million for unit equipment maintenance facilities, \$276 million to modernize the Army's aging Industrial Base infrastructure, and \$8 million for a land purchase. Planning and Design funding for \$325 million and Unspecified Minor Military Construction for \$186 million rounds out the active Army MILCON request.

The Army National Guard's MILCON request totals \$362 million, including \$202 million for five National Guard Readiness Centers to improve training proficiency, increase unit readiness, and enhance the quality of soldiers' work environments. The National Guard is requesting to improve readiness with four vehicle maintenance facility projects totaling \$72 million, a live fire training range for \$18 million, \$26 million for planning and Design, and \$45 million for minor construction projects.

The \$255 million Army Reserve MILCON request includes \$81 million for two barracks. The remaining four projects for the Army Reserve support unit and training readiness include two vehicle maintenance facilities for \$45 million, an Army Reserve Center for \$78 million and a Vertical Construction Skills Training Facility for \$16 million. Planning and design for \$31 million and minor construction for \$4 million complete the Army Reserve request.

UNACCOMPANIED HOUSING—BARRACKS

Our first and highest priority is to ensure our soldiers have safe, high-quality living and working conditions. While the health of our soldiers extends beyond our installations into the communities that support our installations, ultimately healthy and ready soldiers start with quality housing. The challenge we face with deferred maintenance and quality of our housing portfolio—as highlighted in last year's Government Accountability Office Report—built up over many years. The Army is proactively building a multiyear plan to address these challenges responsibly over the next few years. However, in situations where the living conditions are unacceptable, the Army is taking immediate action to ensure all soldiers are adequately housed as quickly as possible.

In the last few years, with the help of the Congress, the Army's investment in permanent party barracks has grown from \$718 million in FY 2021 to over \$1.5 billion in the FY 2025 budget request. Across all components, our requested barracks funding is an average of \$2.1 billion over the next 5 years. As part of that funding, the Army is requesting 100 percent of the barracks sustainment requirement in the operations and maintenance account to ensure we maintain our good and adequate barracks. The requested \$935 million for nine MILCON barracks projects—seven for the active Army and two for the Army Reserve—will help expand our barracks capacity. In addition, the Army plans to dedicate a large portion of the requested Restoration and Modernization funding—also provided in the Operations and Maintenance Account—to barracks recapitalization.

We are grateful to Congress for recognizing the Army's need for additional MILCON and Facilities Sustainment, Restoration, and Modernization (FSRM) funding in FY 2024 and look forward to building upon that investment. Our 2025 budget request is part of a multi-year, systematic approach to address deferred maintenance, and to sustain the quality of our barracks once the issues have been resolved. The FY 2025 MILCON and FSRM funding requests provide our best estimates of the total costs of projects needed to put the Army on a path to addressing barracks deficiencies across the Future Years Defense Program.

Modernizing our design and management for new and renovated barracks remains a priority for the Army. The six permanent party barracks projects in the MILCON request will provide 996 beds. Additionally, the Army is actively assessing the potential to privatize barracks where it makes sense to do so. The Office of the Secretary of Defense (OSD) is currently reviewing options to privatize barracks at Fort Irwin, California, where a Life Cycle Cost Analysis shows that it can be more cost-effective to have a private company build and manage the barracks than building government-controlled barracks. The Army currently has five other locations with privatized barracks.

Looking to the future, the Army is aggressively addressing Congress' concerns to deliver the highest quality barracks possible for our soldiers. The Army will continue to look for ways to improve soldiers' quality of life when updating our barracks, including adding security cameras in every new and renovated barracks. In 2025, the Army is planning to hire 75 civilian barracks managers across 56 installations—one for each housing office—that will be principally responsible for barracks maintenance, as required by the FY 2024 National Defense Authorization Act (NDAA). The Army is exploring options to expand this program. Having full time civilian personnel supervising barracks maintenance will help to ensure we maintain our barracks investments made in the FY 2025 request while allowing our soldiers to focus on their warfighting mission. Additionally, the Army is finalizing a total inventory of the work required to fix our below standard barracks to provide Congress with an accurate estimate of the Army's needed funding for barracks going forward. Lastly, we are building a program to use the new Repair by Replacement authority in the FY 2024 NDAA to fund poor and failing barracks projects where estimated repair costs exceed 75 percent of the replacement costs.

ARMY FAMILY HOUSING

In addition to efforts on barracks, the Army continues to make significant progress to provide high quality family housing for our soldiers and their families—both government controlled and privatized family housing.

The FY 2025 budget requests \$752 million for the operation, maintenance, leasing, privatization oversight, and construction for Army Family Housing worldwide. This includes investments in the Army controlled family housing. This funding is vital to improve the quality of family housing. The Army remains committed to effectively maintaining our government-controlled housing, which is mainly located overseas. In FY 2025, the Army is requesting three construction projects for government-controlled housing, including 84 new housing units in Chievres, Belgium; replacement construction of 54 units in Baumholder, Germany; and renovation of another 35 units at Camp Zama, Japan.

In addition to ensuring high-quality government-controlled housing, the Army has made significant progress in improving the quality of privatized housing. Over the next 3 years, private housing providers will invest over \$2 billion in new construction, renovations, and other development work. Over the last 2 years, the Army has implemented several oversight reforms to better hold private housing providers accountable for maintaining the high-quality privatized housing our soldiers deserve. These efforts have included strengthening and clarifying enforcement language in ground leases, conducting house-by-house inspections, implementing quality assurance of construction and renovations, developing a standardized quality assurance maintenance program that will be applicable to all private housing companies doing business with the Army, and conditioning incentive payments based on quality assurance inspections.

This last year, we conducted 100 percent house-by-house third-party inspections at Fort Eisenhower where most of the homes—but not all—were determined to be in safe and habitable condition. The Fort Eisenhower project continues to work on improving the housing experience for soldiers and families. The Army is taking quick, substantive actions when our inspections reveal deficiencies in work performed by the private housing providers. In the FY 2025 budget request, the Army has requested \$34 million to continue these third-party inspections and has targeted completion of the entire housing inventory by the end of FY 2026.

As part of the Army's commitment to providing quality housing, we continually look for feedback from our soldiers and private housing providers. Annually, the Assistant Secretary of the Army (Installations, Energy and Environment) and the Commanding General of Army Materiel Command meet with private housing providers and senior Army leaders to assess the portfolio's status and develop solutions to address prevailing challenges. Additionally, the Commanding General, Installation Management Command, continues to hold weekly meetings with privatized housing providers and stakeholders throughout the installation community to review the physical conditions of privatized housing and to receive an update on the status of displaced families.

OTHER FACILITIES

The Army's inventory includes a wide variety of facilities beyond housing, from equipment maintenance shops to unit headquarter office buildings. We must maintain and improve all Army facilities to enable our mission. With guidance from the Congress, Army senior leaders continue to prioritize investment of limited resources and provide the Congress with a list of unfunded priorities. With construction cost

growth continuing to outpace core inflation by 2 to 3 percent, Army MILCON project costs sometimes end up being greater than amounts authorized and appropriated. In FY 2023, the Army reprogrammed over \$364 million to on-going construction and previously authorized project awards, displacing other funding priorities. We continue to look for cost savings in every project to minimize the need to submit request additional funding in the future. We look forward to working with Congress on options for accounting for project cost growth in our original MILCON requests to minimize these cost-to-complete requests in the future.

CHILD CARE

The resiliency of our force is dependent on more than just housing. Our soldiers and their families need access to safe childcare so that they can focus on their missions. To assist our families finding safe childcare, the Army has a robust Child Care Fee Assistance Program that subsidizes the cost of community childcare for approximately 10,000 children per day when a family has limited access to installation childcare or a family's duty station is off an installation.

For many Army families, Child Development Centers (CDCs) provide important childcare in many places where access may be limited. As the Army is looking to add and improve CDCs and other childcare centers over the next 10 years, the FY 2025 MILCON Budget request includes \$174 million for two CDCs and one Youth Center.

SPOUSE EMPLOYMENT

In addition to child care, the Army supports Spouse Employment through the Military Career Accelerator Pilot Program that allows spouses to intern with industry, ensuring Spouses can transfer professional licenses when their Soldier moved stations. Thirty-eight States have adopted some form of enhanced timely military spouse licensure portability policies, and thus far 29 States have adopted six or more licensing compacts that support military spouse licensure portability. The Army is developing a tool for Army Spouses who are Department of the Army Civilians to explore vacancies at future duty locations and to help reduce gaps in unemployment. The tool is scheduled for launch by the third quarter in FY 2024.

SAFETY AND OCCUPATIONAL HEALTH

The safety of our soldiers and civilians remains at the forefront of our efforts to maintain a resilient force. The Army is undertaking a major evolutionary step forward implementing the Army Safety and Occupational Health Management System, which will move us from a reactive approach to safety and occupational health, where planning was primarily based on historic trends, to a proactive approach. We appreciate Congress' guidance as we move out on a pilot program that will install data recorders on tactical vehicles. These recorders provide critical data to support mishap investigations and give us the capability to proactively improve driver and passenger safety by identifying hazards for mitigation. The recorders will also provide the potential for daily monitoring of each vehicle to provide individual feedback for improving driver confidence and performance.

INSTALLATION RESILIENCE

Ensuring our installations can sustain and protect our Soldiers, their Families, and our operational capacity through any adverse situation remains a top priority. Threats to our installations are more pervasive, diverse, and acute now than ever in history. From securing the land around our training areas to more frequent and severe weather events, the Army must protect our installations from more than just physical threats; we must protect our cyber capabilities, energy infrastructure, and water resources through deliberate investments. For the Army of tomorrow to be able to project force around the world, we must invest in resilient installations today.

To assess risks to our installations, the Army has completed initial Installation Energy and Water Plans (IEWPs) for almost every installation, and we have started developing Installation Climate Resilience Plans (ICRPs). These assessments are valuable tools to inform installation leaders, planners, and senior leaders about short- and long-term risks and vulnerabilities to our infrastructure and other assets on our physical installations. To help mitigate risks to our installations' water and energy, the Army has completed 180 of the 189 IEWPs; we are on track to complete the remaining IEWPs in FY 2024. Additionally, ICRPs help inform how our installations and facilities will specifically mitigate or adapt to the effects of climate change. Since my last update, the Army completed ICRPs for USAG Alaska, Anniston Army

Depot, Fort Bliss, Fort Carson, Fort Cavazos, Fort Liberty, and Fort Stewart. In addition, two new ICRPs are underway at Fort Detrick and USAG Poland. Significantly, we are working with partners in neighboring communities and academia to share essential regional data in determining risks from climate change. The Army, working with the Congress, will be ready to use these plans to prioritize investments that address our most critical climate, water, and energy vulnerabilities.

To test our resilience, Army installations conduct Black Start Exercises assessing installations' ability to respond to an electric grid outage. These exercises have been completed at 10 installations and planning is underway to execute these exercises at seven additional locations in FY 2024. The Army continues to explore a wide array of technologies to bolster our installation resilience. Specifically, the Army invests directly in our infrastructure resilience, by using the authorities Congress has given us. We also enter into private-public-partnerships to bring private sector capital onto installations. For example, there are 33 active technology demonstrations projects underway at 28 Army installations as part of the Department of Defense's Environmental Security Technology Certification Program. Working across the government, the Army leverages expertise of other Federal agencies, such as our four geothermal energy pilot projects with the Department of Energy. Congressional funding for Army research labs has also increased installations' ability to test and leverage resilient technologies. In February 2024, a ribbon cutting was held for a new microgrid at Fort Cavazos, Texas, which will support 43 facilities and was made possible, in part, by \$9 million in congressional research funding provided to the U.S. Army Corps of Engineers' Engineering Research Development Center.

Microgrids are a central feature of the Army's resilience planning. They can include on-site power generation, controllable distribution systems, and energy storage. Microgrids promote resilience by islanding on-base power in the event of an off-base power interruption. The carbon neutral energy that they can provide for our installations also supports the Army's Climate Strategy goal to be net zero by 2050. To date, the Army has 29 operational microgrids, with 9 in construction, 29 in design, and over 50 in early stages of planning. To continue this effort, the FY 2025 MILCON budget request includes \$248 million to invest in these types of energy resilience projects.

Installation resilience is about more than just fortifying our energy and water supply and distribution. The buildings we construct must last longer and use less energy over the long term. This is especially important for the Army which has more buildings on our installations than the other military services combined.

INDUSTRIAL BASE AND SUPPLY CHAINS

The security of our defense and industrial base is critical to support our soldiers on the front lines. The Army's FY 2025 MILCON request includes \$276 million to invest in the capacity of our organic industrial base. These investments will pay dividends for years to come, increasing the Army's capacity to meet every size and type of mission.

INSTALLATION MANAGEMENT INNOVATION

The Army continues to improve and innovate to efficiently manage the financial and physical resources entrusted to us by the American people. Beyond using the existing authorities provided by the Congress to improve management of housing, the Army is exploring how geospatial information technology and analysis can optimize our use of land. These innovative tools and methods, as authorized in the FY 2021 NDAA, provides us detailed insights about how we are occupying our property, and where we are not fully occupied, allowing the Army to advertise available land for use by other agencies.

In addition to making efficient use of land, the Army is actively reducing our holdings, when appropriate. During FY 2023, the Army disposed of over 9,000 acres of surplus property. We have completed transferring all surplus acres at Fort Gillem, completed a long-awaited transfer at Fort Ord, California to the Bureau of Land Management, and are close to completing an Economic Development Conveyance that will transfer 5,400 acres at Pueblo Chemical Depot, Colorado. We are also close to completing major real estate transactions at Stratford Army Engine Plant, Connecticut and Riverbank Army Ammunition Plant, California.

The Army's use of Energy Savings Performance Contracts (ESPCs), Utility Energy Savings Contracts (UESC), and Intergovernmental Service Agreements (IGSAs) continue to improve installation efficiency and lower facility operational costs across all utilities and services. In FY 2023, the Army awarded two ESPCs and four UESC projects totaling \$156 million, delivering the Army 3.5 megawatts of onsite carbon-free energy generation with 7.5 megawatt hours of battery energy storage. The

Army is working to award nine ESPCs and UESCs totaling \$354 million in FY 2024, with more to follow in FY 2025 and FY 2026. The Army's 160 IGSA's include agreements for environmental services, waste management and dozens of other community partnerships. The Army is ready to sign an IGSA with Sourcewell, a service co-op of the Minnesota State government, for blanket Purchasing for Municipal Supplies and Services. This exciting approach to obtaining goods and services is anticipated to initially save the Army approximately \$3.75 million per year. Going forward, we continue to innovate on our use of ESPCs, UESCs, and IGSA's to reduce the long-term cost of our facilities.

NATURAL RESOURCES STEWARDSHIP AND RESTORATION

Preserving and restoring natural resources enables the Army to provide realistic warfighter training environments and recreational areas for our soldiers and families. Through the Army's Readiness and Environmental Protection Integration Program (REPI), we have preserved over 760,000 acres in 29 States. The Army and its partners have invested over \$1.2 billion to support the protection of natural resources.

The Army is also taking responsibility for our past actions that caused releases of hazardous substances, pollutants, or contaminants to the environment. We must continue to invest in these remediation efforts, because the environmental issues will not go away on their own and the cost to clean up these releases only continues to grow. Among these chemicals, the Army recognizes that exposure to unacceptable levels of per- and polyfluoroalkyl substances (PFAS) poses a risk to our soldiers and surrounding communities. While PFAS was used in many industrial and consumer products around the country, the Army is evaluating the extent to which its prior use of PFAS containing materials has impacted soils and ground water. The Army has been taking action to address PFAS in a transparent manner by testing for and mitigating risks from PFAS in drinking water, characterizing and remediating past releases, and transitioning to PFAS-free alternatives to aqueous film-forming foam (AFFF).

CONCLUSION

The Army's FY 2025 Budget Request demonstrates a commitment to Soldiers quality of life through investments in building, sustaining, maintaining barracks; Army Families through investments in Family Housing and CDCs. These efforts increase quality of life for Soldiers and enable them to focus on their warfighting mission. Thank you for your time today and I look forward to your questions.

STATEMENT OF VICE ADMIRAL JEFFREY T. JABLON, DEPUTY CHIEF OF NAVAL OPERATIONS FOR INSTALLATIONS AND LOGISTICS, UNITED STATES NAVY

Admiral JABLON. Chair Sinema, Ranking Member Boozman, distinguished Members of the Committee, thank you for the opportunity to testify on the importance of our infrastructure, its resiliency, and the entirety of support required to meet the Navy and Joint Force mission.

It is an honor to appear before you to represent the sailors and civilians who work and live at our 70 installations around the world.

The Chief of Naval Operations recently issued America's Warfighting Navy, outlining the Navy's goals in alignment with the National Security Strategy and the National Defense Strategy through the framework of warfighting, warfighters, and foundation. Enabling that framework begins with the principle that all sustainment starts from the shore. The Navy's PB-25 submission maintains our momentum for achieving a sustainable, resilient, and ready foundation of installations that deliver fleet readiness and combat logistics capability.

In PB-25, the Navy requests \$3.4 billion in MILCON for 11 projects in fiscal year 2025, including Shipyard Infrastructure Optimization Program, or SIOP projects, for the first increment of Dry

Dock 3 modernization in Portsmouth, Virginia, and planning and design for a multi-mission dry dock in Naval Base Kitsap, Washington.

Equally essential, quality-of-life investments include \$206 million in fiscal year 2025 for restoration and modernization of unaccompanied housing, and \$437 million for child and youth programs, including fee assistance subsidies, additional child care providers, and pay increases.

Through prior investments, the wait list for Navy Child Development Centers is 3,500. This is down from 5,300 at the start of fiscal year 2023. Additionally, we continue to implement quality-of-life initiatives, including the High-Speed Wi-Fi Pilot initiated in the Hampton Roads, Virginia area, provided to our sailors free of charge.

Our request also includes \$826.7 million in fiscal year 2025 to improve installation cybersecurity, energy efficiency, climate change modeling, and other installation resiliency investments. I would like to express my sincere thanks to Congress for the passage of the Indo-Pacific Security Supplemental, which adds \$282 million to our fiscal year 2024 MILCON account to address two critical SIOP Projects.

Thank you for the opportunity to testify before you today. And thank you for supporting our uniformed personnel, civilians, and their families, who are all over the world doing incredible work on behalf of the security of this country.

I understand and embrace the depth of my responsibilities as Deputy Chief of Naval Operations for Installations and Logistics, and I look forward to working with you in the pursuit of warfighting capability, readiness optimization afloat and ashore, and support for our sailors, civilians, and their families.

Thank you. And I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL JEFFREY T. JABLON

INTRODUCTION

Chair Sinema, Ranking Member Boozman, distinguished members of the Committee, thank you for the opportunity to testify on the importance of our infrastructure, its resiliency, and the entirety of support required to meet critical Navy and Joint Force missions. It is an honor to appear before you and represent the thousands of Navy Sailors and civilians who work and live at our 70 installations around the world. Backed by strong support from Congress, the Navy continues driving improvements in our installations to maximize the operational readiness of our forces as well as the Quality of Service for our Sailors and their families. Thank you for your trust, confidence, and commitment to ensuring our Navy's ability to preserve the peace, respond in crisis, and win decisively in war.

EVOLVING OUR STRATEGY TO OPERATE AT SCALE

The Chief of Naval Operations recently issued America's Warfighting Navy, outlining the Navy's goals and priorities in alignment with the National Security Strategy (NSS) and National Defense Strategy (NDS). Through the framework of Warfighting, Warfighters, and Foundation, the Navy will deter aggression, defend our National security interests, and preserve our way of life. Our Naval Logistics Enterprise (NLE) is an essential part of our operations to address strategic challenges including the People's Republic of China as the pacing threat, Russia as an acute threat, support for Ukraine's fight to remain a democratic, independent, and sovereign nation, and AUKUS, a generational opportunity to strengthen military capabilities and the prosperity of the United States and two of our vital allies. America's Warfighting Navy conveys the CNO's direction to deliver power for peace while

remaining postured and ready to fight and win as a part of the Joint Force. The CNO's guidance directs the Navy to view everything we do through a warfighting lens to ensure our Navy remains the world's preeminent fighting force. Additionally, the Navy will employ principles of mission command to empower leaders at all levels to operate in complex environments and take bold action with confidence, while earning and reinforcing the trust and confidence of the American people every day. The NLE delivers critical capabilities that underpin America's Warfighting Navy through our priorities of Warfighting, Warfighters, and the Foundation that supports them.

Our success in delivering decisive combat power depends on sustainment—our ability to maintain and prolong operations until successful mission accomplishment. The Maritime Sustainment Strategy: Sustaining Naval Forces Across the Competition Continuum (MSS) outlines the CNO's strategy for moving with purpose and urgency to improve the Navy's capabilities, capacity, and competencies relative to this critical warfighting function. An evolutionary document, the MSS introduces 'sustainment in depth'—a layered, systemic approach designed to build genuine agility and resiliency into our logistics enterprise.

The MSS begins with the principle that all sustainment starts from the shore. Ultimately, the end state of the MSS and sustainment in depth is a Navy capable of providing the right materiel and services, at the right place and right time, across the competition continuum, regardless of operational tempo and level of demand from distributed operational forces. Ashore platforms (our installations or "decks") and payloads (installation capabilities) form the foundation of this goal. From this baseline, the MSS establishes four lines of effort, aligned with the Joint Staff's Joint Warfighting Concept—Operationalize the Shore, Integrate Logistics Command and Control, Enable Assured Power Projection, and Strengthen Sustainment for Distributed Operations, integrated across the five Maritime Sustainment Vectors: Rearm, Refuel, Repair, Resupply, and Revive, and three crosscutting enablers of Data, Distribution, and Decks. The MSS illustrates the criticality of deliberate, impactful infrastructure investments that fully integrate the shore enterprise as a warfighting capability.

The Navy's FY-25 budget maintains our momentum for achieving a sustainable, modern, resilient, and ready network of installations and contingency locations that deliver Fleet readiness and combat logistics capability across the continuum of peacetime, competition and conflict to effectively sustain warfighting and our Warfighters at scale.

MILITARY CONSTRUCTION

The Navy's MILCON budget optimizes Navy installations to enable global logistics and Force development, generation, and employment from the shore. PB-25 MILCON requests \$3.4B for a total of 11 projects, MILCON Planning and Design, and Unspecified Minor Construction. PB-25 also continues to invest in projects supporting the Shipyard Infrastructure Optimization Program (SIOP) and other critical infrastructure requirements. PB-25 funds the first increment of Dry Dock 3 Modernization, Portsmouth VA (P1062) and continues to fund increments for previously awarded SIOP projects at Portsmouth and Pearl Harbor naval shipyards. PB-25 funds 6 projects required to establish new infrastructure to support fielding of new warfare platforms. The Navy included additional Planning and Design funding to accommodate for SIOP MILCON project Multi-Mission dry dock, Naval Base Kitsap, Washington (P454). PB-25 also funds Fallon Range Training Land Acquisition (P445), which was authorized in FY23 but had not yet received appropriations.

Our PB-25 MILCON request reflects the Navy's top priorities—investment to support new Warfighting platforms, SIOP and other critical facilities/infrastructure that contribute to readiness. MILCON investment, together with Restoration and Modernization (RM), and Facilities Sustainment (ST) funding is critical to restore and sustain Fleet Readiness. CNO Guidance, Fleet and Combatant Commander input, and installation readiness requirements informed the prioritization of funds.

SIOP

The SIOP will deliver dry docks to support current and planned classes of nuclear-powered warships, optimize workflow through significant changes to the shipyards' physical layout, and replace obsolete capital equipment with modern technology that increases productivity and safety. Recapitalizing century-old infrastructure improves the Quality of Service for our 37,000+ shipyard employees and Sailors. The shore support and resilient infrastructure delivered by SIOP sustains the US Navy's nuclear powered platforms and Warfighters. The Navy's four public shipyards, which maintain both nuclear and non-nuclear-powered ships and sub-

marines, are critical to National Defense. Recapitalization of shipyard infrastructure, to include dry docks, is also critical to maintain throughput and ensure our ships can deploy on time, putting more players on the field. SIOP's planned execution is closely coordinated with Fleet maintenance schedules and integrated with regular shipyard operations to ensure synchronization.

The PB-25 budget submission for SIOP invests \$2.8B in FY25 and a total of \$9.0B across the FYDP. PB-25 funding will support ongoing work for the replacement of Dry Dock 3 at Pearl Harbor Naval Shipyard, utilities upgrades at Norfolk Naval Shipyard, a Multi-mission Dry Dock at Portsmouth Naval Shipyard, and modernization of Dry Dock 3 at Norfolk Naval Shipyard. As the SIOP program matures, the Navy is mindful of the need to control costs to the greatest extent possible and coordinate with Congress for shared success. To these ends, the Navy has implemented a standard cost estimating system for SIOP to maintain fidelity and history across projects, sites, and time. Additionally, the Navy published a "Shipyard Design Specification" that serves as common design criteria for all forthcoming SIOP projects to drive standardization, maintainability, and cost predictability. I remain committed to working with Congress in this generational effort to improve both the Navy's ability to maintain our nuclear platforms and support Quality of Service improvements for our Sailors and shipyard workforce.

QUALITY OF SERVICE (QOS)

Our Navy continues to face challenges with recruiting new Sailors and the overall health and welfare of the force. Our sailors, civilians and their families are the backbone of our Navy, the true source of our Naval Power, and the Navy cannot operate without a proficient, innovative and motivated workforce. We rely on our Warfighters to protect the Nation and its interests. As you may know, the Navy—and our Naval Reservists, in particular—are providing much of the logistics support to Freedom of Navigation operations in the Red Sea. Additionally, the Navy activated three Reduced Operating Status (ROS-5) Sealift vessels, one Ready Reserve Force (RRF) Large Medium Speed Roll-on/Roll-off (LMSR) and two Maritime Prepositioning Force (MPF) Roll-on/Roll-off Container (ROCON) ships, to support Army Joint Logistics Over the Shore (JLOTS) Foreign Humanitarian Aid (FHA) operations in Gaza. Navy Sealift will transport a floating pier, equipment, and personnel to support the JLOTS FHA mission. Quality of Service (QoS) is the combination of Quality of Life, which is the experience of a Sailor and their family outside the workplace, and Quality of Work, which is the Sailor's experience in the workplace. We owe it to our Warfighters to care for them and their families, providing a QoS that meets or exceeds established standards.

The Navy is committed to enhancing QoS for our Warfighters at work and at home through an integrated and comprehensive approach, which aligns with the CNO's recently released Culture of Excellence (COE) 2.0. COE 2.0 is the foundation by which our Navy builds its Warfighters—our people, leaders, and teams—as a key enabler of delivering decisive combat power. Alongside the QoS-related funding of SIOP projects and MILCON in support of operations, are the equally essential Quality of Life investments in Unaccompanied Housing (UH) and Child and Youth Programs (CYP), the combination of which will maximize the QoS experience of our personnel. In PB-25, the Navy increased Restoration and Modernization (RM) funding for UH to address critical repairs. The FY-25 budget requests \$206M to effect repairs for facilities at NAS Lemoore, NAS Oceana, Joint Base Pearl Harbor Hickam, NSA Bahrain, SUBASE Kings Bay, and NAVBASE Kitsap. Through the rest of the PB-25 FYDP, additional UH investments are planned for NAVBASE Coronado; NAS Pensacola; Portsmouth Naval Shipyard; Camp Lemonnier, Djibouti; Lackland Air Force Base; and Naval Station Rota, Spain. In addition to these plans, the Navy continues to implement, evaluate, and expand other Quality of Life initiatives including the high-speed Wi-Fi pilot initiated at 12 permanent party Navy UH sites in the Hampton Roads, Virginia area. Provided to our Sailors free-of-charge, the Wi-Fi pilot will run through September 2024, at which time performance metrics and feedback from our Sailors will inform follow-on implementation plans.

CYP provide affordable, quality child and youth program services and are a workforce enabler that directly enhances the readiness, efficiency, and retention of Navy personnel. Our PB-25 submission requests \$437.4M in FY-25, which fully funds Navy child and youth programs and services for ages 0-18. The Navy is expanding access to childcare by enhancing efforts to recruit and retain childcare professionals, seeking innovative partnerships, expanding community-based fee assistance, and increasing on-base capacity through military construction projects.

The quality of CYP is high, but the Navy experiences capacity shortfalls. This is most prevalent in the fleet concentration areas of Norfolk, San Diego, Kitsap, Pearl

Harbor, Jacksonville, and the National Capital Region. The current total waitlist for Navy Child Development Centers (CDCs) is 3.5K (down from 5.3K at the start of FY23). With 88% of CYP direct care billets filled, staffing shortages have an impact on childcare capacity. The Navy increased pay, recruitment bonuses, childcare discounts, and expedited onboarding to increase staffing levels. Military Child Care in Your Neighborhood (MCCYN) fee assistance is available to geographically dispersed families or families in locations with long waitlists for on-base care. In FY23, the Navy expanded fee assistance to over 6.5K spaces. The Navy continues to pursue MILCON, facility sustainment (including equipment), and playground funding to improve or maintain the condition of our CDCs and School Age Care facilities. Solving care capacity issues requires a multifaceted approach between the Navy and the community, which the Navy will continue to pursue.

While funding for these critical programs remains a challenge, we are committed to working with Congress to target investments that deliver the highest QoS dividends. We welcome continued collaboration to include this subcommittee and the House Armed Services Committee's Quality of Life panel to improve programs in support of our Sailors and their families including childcare, compensation, housing, and spousal support programs.

INSTALLATION RESILIENCE

The Navy works to ensure installations and infrastructure are resilient to a wide range of challenges, including extreme weather events, water scarcity, sea level rise, recurrent flooding, wildfires, and other environmental considerations and threats that can affect operations and present significant risks to mission.

PB-25 continues our focus on resilient, mission ready installations by improving our climate resiliency and energy security. Our PB-25 request includes \$624M over the FYDP to improve installation utility infrastructure to support resiliency electrification of facilities and mobile assets. From a FY15 baseline, the Navy reduced facility energy use intensity by 8.2%, reduced water use intensity by 20.7%, and avoided one million metric tons of carbon dioxide equivalent (CO₂e) through energy savings initiatives.

PB-25 continues our previous year investments in nature-based solutions aimed at minimizing risks from erosion, extreme temperatures, flooding, drought, storm surges, and other climate hazards; upgrading our building control systems to improve cybersecurity and energy savings, and transitioning our vehicle fleet to zero emission vehicles. In addition, we continue to explore opportunities to expand third party financing, leveraging private capital to improve reliability and resilience with minimal investment. This past year, as part of a third party financed contract, we commissioned a 20 Megawatt Liquefied Natural Gas Power plant at NS Guantánamo Bay, projected to save an estimated \$10M in annual fuel costs and curtail 20,000 metric tons of CO₂ emissions annually.

PB-25 includes various energy security investments to include \$21M across the FYDP for conducting carbon footprint assessments to identify energy savings opportunities, \$2M in FY25 for supporting energy security at main operating bases, and \$10.7M across the FYDP for increasing installation energy resilience workforce. We remain focused on identifying vulnerabilities and increasing resilience via our black start exercises which test an installation's ability to continue its mission upon total loss of commercial power. We completed 13 exercises in FY23 with 12 planned in FY24. Lastly, we continue to work to strengthen our partnerships with communities, States, and allies and partners outside our fence line, increasing our capability to respond to and recover from climate-caused, or manmade disruptions that impact our fleet operations.

BASE OPERATING SUPPORT AND FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION

A balanced infrastructure investment strategy requires focused, stable investment to address mission requirements supporting the Warfighter and warfighting, along with the core infrastructure that is the force enabler and multiplier for all supporting missions. Our Shore installation platforms require Facility Sustainment, Restoration and Modernization (FSRM) funding, in addition to MILCON, to accomplish planned workload. Navy Base Operating Support (BOS) comprises Fleet Operations, Safety and Security, Facility Support, Quality of Life, and Mission Support and Management programs provided to 70 Navy Installations.

I would like to thank Congress for the \$268M increase in our FSRM funding for FY24. These funds will enhance our ongoing efforts to improve utility infrastructure, safety, and repair projects on our Navy installations. We look forward to further col-

laboration with Congress to fund other critical sustainment, restoration, and modernization projects.

The FSRM PB-25 budget outlook demonstrates a slight increase in RM funding in FY25, followed by a general decrease in RM funding across the FYDP. Sustainment funding, which maintains facilities at their current state, is projected to remain relatively constant across the FYDP between 77% to 80% of the overall OSD modeled sustainment requirement. However, in FY25, sustainment funding has been targeted to 100% for Nuclear Deterrence, Naval Operational Architecture, Unaccompanied Housing, and fitness centers.

Restoration and Modernization (RM) funding is key to revitalizing critical infrastructure that has experienced degradation and investments are targeted towards the most impactful warfighting enablers. Increased funding for the utilities and fuels programs is critical to account for recent volatile global markets and to ensure “must pay” bills do not take funds at the expense of fleet modernization RM projects.

The PB-25 BOS program is prioritized across the FYDP to support non-inflationary utilities requirements in support of third party financing agreements, new facilities, and revised utilities cost sharing with the government of Japan, as well as fire and emergency services and all-hazards response to Navy ports and other shore locations. Funding for the BOS program remains essentially flat across the FYDP, which translates to reduced buying power.

CONCLUSION

Our PB-25 budget request is a strategy-driven submission that will sustain the most lethal, resilient, survivable, agile, and responsive Navy in the world. As we built our request, we made difficult choices across the spectrum of requirements. We believe our submission strikes the most effective balance of investments to ensure a free, open, prosperous, and secure international order, build a resilient defense ecosystem, and deliver power for peace while remaining postured and ready to fight and win.

Thank you for the opportunity to testify before you today, and thank you for supporting our uniformed personnel, civilians, and their families who are all over the world doing incredible work on behalf of the security of this country—a world that is dangerous, complicated, and interconnected. I understand and embrace the depth of my responsibilities as Deputy Chief of Naval Operations for Installations and Logistics, and I look forward to working with you in the continued pursuit of warfighting capability, readiness optimization both afloat and ashore, and support for our Sailors and their families.

STATEMENT OF LIEUTENANT GENERAL EDWARD D. BANTA, DEPUTY COMMANDANT, INSTALLATIONS & LOGISTICS, UNITED STATES MARINE CORPS

General BANTA. Chair Sinema, Ranking Member Boozman, and distinguished Members of the Subcommittee, thank you for the opportunity to discuss the Marine Corps’ fiscal year ’25 Military Construction Budget Request.

I would like to thank you for funding last year’s budget request and the unfunded priority list. Congress’ support will accelerate improvements for the quality of life of our Marines, enable Marine Corps modernization initiatives, and improve our INDOPACOM posture.

In this year’s budget, we are requesting \$1.2 billion for nine military construction projects, unspecified minor construction, and planning and design funds. This request aims to modernize our installations and reflects a balanced investment approach to support our Marines and our families, viewed through an operational lens, these investments allow us to posture ourselves in the best manner to serve the nation.

First, I want to highlight our Barracks 2030 Initiative, the most consequential barracks investment plan we have ever undertaken. In February of 2023, the Commandant of the Marine Corps directed the Service to review our barracks portfolio and identify op-

opportunities to improve the quality of life for our Marines. From this review, we began our Barracks 2030 Initiative and identified three areas to focus our efforts; management, modernization, and material. These investments will include the professionalization of our barracks management workforce with the addition of 347 full-time civilian employees.

Next, we will modernize our infrastructure through the levers of repair, reconfiguration, recapitalization, and right-sizing the number of buildings in our portfolio. We will do this using the levers of military construction, restoration and modernization, and demolition. Your support will be critical in this long-term strategy to right-size our portfolio.

Lastly, we will prioritize available funds to provide functional and updated furnishings for barracks rooms by taking advantage of the current centralized procurement contract. Also of note, we recently completed a 100 percent wall-to-wall barracks inspection of nearly 58,000 rooms, enterprise-wide. This comprehensive assessment provides us with a good sight picture of where we are and where we need to improve, and it will further inform these investments.

Finally, I would like to underscore the Marine Corps' investment into the Indo-Pacific. Five of our nine projects in this year's budget are in the region. These critical projects in Hawaii, Guam, and Australia bolster our presence in the region and continue our investments to begin the movement of Marines from Okinawa to Guam this year. Funding modern and resilient infrastructure and housing in the Pacific is critical to posture Marines in a fighting stance for campaigning and crisis response.

Thank you for the opportunity to testify before you today, and for your continued oversight, input, and support.

I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL EDWARD D. BANTA

INTRODUCTION

Chair Sinema, Ranking Member Boozman, and distinguished members of this subcommittee; I appreciate the opportunity to discuss the Marine Corps' Fiscal Year 2025 (FY25) military construction budget request. Thanks to support from Congress, the Marine Corps continues to improve our installations and bases as power projection locations that train and deploy Marines while providing high quality services and housing for our families.

First, I want to express sincere gratitude for the funding provided for the Marine Corps' FY24 military construction program. These funds will assist in improvements to our barracks and family housing, support Marine Corps modernization initiatives, and continue the rapid growth of our Indo-Pacific Command (INDOPACOM) posture. Seven FY24 projects are located west of the International Date Line and within the Second Island Chain. These critical infrastructure projects are necessary for the Marine Corps to meet the challenges presented by current and future threats and enable the movement of Marines from Okinawa to Guam. The Marine Corps projects to save \$1.5B with the Congressional authorization to extend the H-2B Visa "temporary need waiver" through 2029. Thank you for your support of this extension.

Additionally, Congress provided funding for one barracks project in FY24 aboard Marine Barracks Washington; this is in addition to the six barracks appropriated in the FY23 budget. These barracks will improve the living conditions for thousands of our single Marines and make a positive impact on our talent management initiatives. The Marine Corps also thanks Congress for the additional \$15M included in the Department of the Navy's FY24 budget for barracks planning and design to as-

sist in our modernization effort. Finally, Congressional funding for the Hawai'i Water Reclamation Facility in the FY24 budget is critical to supporting environmental stewardship aboard an important installation in our priority theater.

I also want to highlight the recent third-party audit we completed this year. As we invest in new platforms, barracks, and training, it is our responsibility as good stewards of taxpayer funds to continue to prove that when the Corps is provided a taxpayer dollar, we can show exactly where and how it has been invested—a responsibility we take very seriously. Following a rigorous 2-year audit, the Marine Corps achieved an unmodified audit opinion, the best possible outcome—and the first time in the Department of Defense's history that any service has received an unmodified audit opinion. These results demonstrate how seriously the Marine Corps takes its stewardship of taxpayer funds and our ability to account for and put to best use every dollar trusted to the service. This audit supports what we have believed for a long time—when Congress provides the Marine Corps a dollar, we invest it wisely, and we can tell you exactly where and how it was spent to further our Nation's national security objectives. The Marine Corps worked with Independent Public Accountants to validate budgetary balances and records and to audit physical assets at installations and bases across the globe. These actions included counting military equipment, buildings, structures, supplies, and ammunition held by the Marine Corps and our DoD Partners. The audit's favorable opinion was only possible through the support and hard work of numerous dedicated Marines, civilian Marines, and many other partners across DoD. Nonetheless, we will not rest on our laurels; the audit report pointed out some areas for improvement, and we will use these recommendations to make our fiscal practices even better.

Marine Corps installations and logistics underpin the Service's statutory obligations to organize, train, equip, and sustain combat-ready Marine Forces. Installations are the places from which the Marine Corps develops young Americans based on the Service's legendary ethos and values and generates readiness by preparing units for combat under demanding, realistic training conditions. They provide indispensable positional advantage while assuring allies and deterring adversaries with more than 23,000 Marines living and operating from bases in the Western Pacific. These same bases enable allied, Joint, and interagency capability and interoperability with an array of training venues and support, stock, and maintain mission essential equipment, munitions, and supplies for use in training and contingencies. Installations demonstrate an unshakable commitment to our Marines and their families by providing safe, healthy, and supportive environments in which to live and train, and they foster trust with our local communities. As our Commandant stated in his initial guidance, we will focus on improving our barracks, base housing, gyms, chow halls, child development centers, and personnel policies. These quality of life improvements are direct contributors to a more capable and lethal force.

BARRACKS 2030, FAMILY HOUSING, AND CHILD DEVELOPMENT CENTERS

In February 2023, the Commandant of the Marine Corps directed the Service to review our barracks portfolio and identify opportunities to improve the quality of life for our Marines. From this review, we began our Barracks 2030 initiative, the most consequential barracks investment plan we have ever undertaken, and identified three areas to focus our efforts—management, modernization, and material.

First, we will professionalize our barracks management workforce with the addition of 347 fulltime civilian employees. They will streamline and improve oversight processes and decrease collateral duties for Marines who lack the required training to execute these responsibilities effectively. We will also implement a resident advisor program, like a college dormitory, to allow senior non-commissioned officers to reside in each barracks. This will provide mentorship and leadership to young Marines navigating their transition from home to the Marine Corps.

Next, we will modernize our infrastructure through the levers of repair, reconfiguration, recapitalization, and right sizing the number of barracks in our portfolio. Service wide, 17% of our barracks are in poor or failing condition. To right size the number of barracks in our inventory, we will first determine the required number at each installation and begin targeted demolition to remove buildings not suitable for long-term investment. While new construction will contribute to our plan, a greater need will be in leveraging restoration, modernization, and demolition of our existing inventory. For example, we currently renovate about nine barracks annually. Under our new process, we will now mirror private industry practices and begin in-stride room renovations instead of waiting 15–20 years to renovate the entire building.

Finally, we will prioritize available funds to provide functional and updated furnishings for barracks rooms. We will do this by taking advantage of the current cen-

tralized procurement contract currently in use by the Army and Navy. Previously, furniture acquisition varied by region and limited our economies of scale. By changing to this centralized mechanism, we will improve our refresh cycle to 10 years and estimate a 20% cost savings through enterprise procurement.

While we implement this plan, the Marine Corps is already acting. In March, we concluded our 100% wall-to-wall Environmental, Health, and Safety (EHS) inspections of every barracks room to establish the baseline conditions of habitability. Of the over 58,000 rooms inspected, we directed the immediate relocation of 118 Marines due to EHS concerns. Overall, more than 50% of the rooms inspected had deficiencies requiring corrective actions which we are addressing.

These inspections will inform and refine our Barracks 2030 initiative. By improving the barracks through professionalizing management, modernizing infrastructure, and providing better furnishings, the Marine Corps will deliver its warfighters with a home appropriate to the professionalism and readiness we demand. While we improve the barracks for our single Marines, we will continue to emphasize the importance of our families, particularly through the Family Housing portfolio.

This year, the Marine Corps requested over \$205M in family housing construction and operations for FY25. This request sustains funding for the 169 Base Housing Management professionals, who provide the necessary oversight of over 23,000 PPV homes in CONUS and Hawai'i for our Marine families. To ensure our partners are meeting the requirements to a level we expect, the Marine Corps will complete third-party inspections of PPV homes this fiscal year. These inspections hold our housing partners accountable and provide our Marines and their families with safe, livable homes. We are reviewing the results of the initial third-party inspections to develop corrective action plans for implementation in FY25. The Marine Corps continues to identify specific areas to focus on in conjunction with the partner to improve the family housing inventory. For example, our West Coast partner executed a \$34M recapitalization project to provide 60 new homes at Marine Corps Air Station Yuma, AZ. Providing quality homes is one pillar to our quality of life investments for our families. Another important pillar is childcare facilities.

High-quality childcare is a family-readiness priority for the Marine Corps. The adage "we recruit Marines, we retain families" remains as true today as ever. In FY23, our child development programs served more than 30,000 children across the globe. The Marine Corps has 57 childcare facilities (38 Child Development Centers [CDCs] and 19 School Age Care facilities) at 16 installations. To meet the rising demand for childcare, the Marine Corps will begin construction on two new CDCs at MCB Camp Pendleton, CA and Guam. These new facilities will serve 350 children and provide relief to waitlists in those locations. The service's biggest challenge with respect to CDCs remains the ability to obtain and retain a stable workforce for these facilities.

Congressional funding and authorities in support of various workforce initiatives are critical to help recruit and retain the best employees. As an incentive tool, civilian staff receive a 50% discount on childcare fees for their first child enrolled at the CDC and a 20% discount on subsequent children. Beginning in FY23, we added over \$100M to the Child and Youth portfolio to hire more employees at increased wages to help retain a professional workforce. We are proud to highlight that 40% of our staff is comprised of military spouses, which is possible through our non-competitive childcare employee military spouse transfer program. Additionally, to provide additional options for our families, the Marine Corps offers community-based childcare fee assistance to families stationed at installations with extensive waitlists. In FY23, families enrolled nearly 1,600 children in the fee assistance program at a cost of over \$6.1M.

For the FY25 budget, the Marine Corps is requesting \$133M in Child and Youth Program funding to sustain these initiatives and account for increased participation. We thank Congress for their continued support in building, staffing, and maintaining high quality childcare facilities for our Marines and their families.

FY25 MILITARY CONSTRUCTION BUDGET REQUEST

To posture ourselves in the best manner to serve the Nation, the Marine Corps has requested \$1.2B for military construction projects and \$149M for family housing construction projects in FY25. This budget request supports the National Defense Strategy, SECNAV's Strategic Guidance, and our Commandant's direction. It is a balanced approach and includes the following investments:

- Important infrastructure in Guam to include a new Youth Center for the families of our Marines, and Earth Covered Magazines to store modern weapons systems and ordnance.

- A new aircraft hangar on Marine Corp Base Hawai'i identified in the recent Environmental Assessment to support the home basing of KC-130J and MQ-9 aircraft.
- Modernized maintenance facilities and aircraft hangar space at MCAS Cherry Point, NC. This includes a sustainment center to accommodate F-35 aircraft, maintenance and storage space, and secure data network areas. Additionally, a Composite Repair Facility will provide a depot-level facility for advanced composites and rotor blade repair.
- A new Parachute Survival Training Facility at Joint Base Lewis-McCord for our reserve units in the State of Washington. This facility provides maintenance, repair, and storage of parachutes, and storage and maintenance of arms for USMC Forces Reserve.
- Significant investments to our infrastructure in Darwin, Australia in support of the Marine Rotational Force-Darwin. This includes maintenance support facilities and an aircraft maintenance hangar to provide maintenance, storage, and other support functions. Today, more than 31,000 Marines are forward-deployed or stationed across 42 countries.

More than 23,000 of those Marines are currently forward-postured west of the International Date Line and positioned to respond to activity by our pacing threats. To reaffirm our commitment in the Indo-Pacific, the FY25 MILCON budget includes five projects in the region, valued at over half a billion dollars. One example of a significant quality of life investment is the Youth Center in Guam, which is a part of a larger investment designed to accommodate the first phase of Marines and their families moving from Okinawa to Guam beginning in CY24. Funding modern and resilient infrastructure and homes in the Pacific is critical to posture Marines in a fighting stance for campaigning and crisis response.

As stated earlier, barracks are among the most clear-cut quality of life investments we can make for our single Marines. The Marine Corps possesses 658 barracks with approximately 155,000 bed spaces. In FY22 and FY23, we renovated 30, improving the quality of life of 8,116 Marines. In FY24, we will renovate 13 barracks to improve the living conditions of 3,517 Marines. We are leveraging a tier-based readiness approach to lifecycle management to prioritize investments for the most critical facilities. Every dollar spent will be targeted to where it will have the greatest impact. The PB25 budget does not reflect the full Barracks 2030 planning strategy. However, it is the starting point. The Marine Corps allocated \$274M in FY25 (an additional \$61M above previous years) to address barracks modernization, and if additional funds are made available, the Marine Corps can execute additional FSRM requirements of \$230M for FY25.

INSTALLATION RESILIENCE AND ENVIRONMENTAL STEWARDSHIP

We must properly maintain our facilities and infrastructure to prevent degradation of our capability to train and generate readiness for global employment to support mission-essential tasks. The complex contested operating environment we face today challenges our ability to perform these tasks effectively from our installations. Natural and human-caused events can disrupt or degrade key operating and support capabilities, presenting an omnipresent risk to unrestricted operations, both at home and abroad. Addressing the risks to preserve tactical and strategic advantage is essential for Marines to remain a ready, relevant force.

Resilience rests in the ability to maintain critical functions, such as a reliable power grid, access to safe drinking water, and redundant communications capabilities, as well as the ability to train and equip Marines, and care for Marines and their families. We must ensure our installations can continue to operate effectively in the face of all hazards and threats to include changing environmental conditions. In October 2023, the Marine Corps published the Installation Campaign Plan for Environmental Resilience and Energy Readiness, framing our approach to plan, build, and sustain climate-resilient installations and outlining three primary objectives: Promote Environmental Resilience; Achieve Energy Readiness; and Build Partnerships and Rally Support.

One part of this solution includes programs like the Office of the Secretary of Defense- managed Readiness Environmental Protection Integration (REPI) Program. For every dollar committed by the REPI program, outside partners provide a nearly equal match. The Marine Corps encroachment partnering program protected nearly 113,000 acres of land from FY05 through FY23 by leveraging nearly \$165M in DoD funds and nearly \$147M in conservation partner funds. The Marine Corps consistently has highly rated REPI proposals and has used REPI effectively to safeguard our missions by improving installation resilience to extreme weather

events and fluctuating climatic landscapes, promoting compatible land use, and preserving critical habitats and natural resources near our installations. We are also partnering with the U.S. Army Corps of Engineers (USACE) Engineering with Nature (EWN) program, a collaborative effort across Federal, State, and local agencies with input from the public, to use nature-based solutions to mitigate the effects of severe weather. In places like the Carolinas and Hawai'i, the Marine Corps is planning to leverage EWN to develop wetland and dune restoration, artificial reef construction, and stormwater management and erosion control. We will continue these efforts to build long-term and sustainable solutions at these and other installations.

In terms of energy resilience, or the ability to withstand and recover rapidly from power disruptions, Marine Corps installations will operate and maintain effective energy infrastructure to avoid and recover from anticipated and unanticipated energy disruptions to sustain mission essential functions and critical installation services. Marine Corps Logistics Base Albany, GA became the first Marine Corps Net Zero Installation in 2022 and continues to be the gold standard for energy resilience. To build on this achievement, we are leveraging lessons learned from Albany and multiple authorities to build resilient bases. For example, the Marine Corps is successfully utilizing congressionally authorized third-party financing to accelerate the delivery of energy resilience and utilities infrastructure modernization projects in support of critical missions. In FY23, Marine Corps Air Station (MCAS) Cherry Point, NC completed a \$47M utility energy services contract (UESC) project to enhance energy security with a focus on installation electrical and wastewater system upgrades. This state-of-the-art project, in partnership with the local utility company, took 2 years to complete and is projected to deliver more than \$2.2 million in annual energy cost savings. Additionally, this year's budget request includes the F-35 Sustainment Center at MCAS Cherry Point, NC. This net zero emissions project will incorporate passive design for load reduction, electrification, sustainable materials, and efficiency to mirror the benefits found at MCLB Albany, GA.

Finally, I want to highlight the Marine Corps' work to adhere to the FY20 NDA direction to phase out aqueous film-forming foam (AFFF) at our installations. The Marine Corps is working with USACE on task orders to remove, rinse, and dispose of AFFF from all facilities, tactical vehicles, and non-tactical vehicles. Our current plan is to complete the contract with USACE by the end of FY24. We intend to implement water fire suppression systems where we can, and use the replacement fluorine-free foam only where necessary to protect the safety of our personnel and mission critical assets.

CONCLUSION

The Marine Corps' significant transition in how it is organized, trained, and equipped, to meet current and evolving threats from our adversaries, cannot be accomplished without Congressional support. The foundation of these efforts starts at home. Our Barracks 2030 initiative is instrumental in improving the quality of life of our Marines, while improving the quality of family housing and childcare facilities are important for Marines and their families.

Evolving threats demand evolving capabilities and improved resilience, and your Marines are ready for the challenge. The Marine Corps will continue to modernize our infrastructure to ensure we are postured to support our Nation's interests. Thank you for the opportunity to testify before you today, and for your oversight, input, and support as we make the necessary changes to best position the Marine Corps for mission accomplishment. I look forward to working with you to improve the lives of our Marines and to maintain the fighting stance of the Marine Corps to be ready at a moment's notice.

STATEMENT OF LIEUTENANT GENERAL TOM D. MILLER, DEPUTY CHIEF OF STAFF FOR LOGISTICS, ENGINEERING, AND FORCE PROTECTION, UNITED STATES AIR FORCE

General MILLER. Good morning, Chair Sinema, Ranking Member Boozman, distinguished Members of the Subcommittee. I am honored to appear before you today to discuss the fiscal year 2025 Air Force Military Construction and Family Housing Programs.

I would like to begin by thanking the subcommittee for your steadfast support of our Nation's Air Force. The generous construction funding you provided with the fiscal year '24 Military Construction Veterans Act, multiple projects to include basic military training chapel for American airmen, a fire station, and a host of

planning and design of current military MILCON projects, all benefited from the \$775 million in additional appropriations. Thank you.

Last year, Congress provided a permanent increase to the minor military construction threshold from \$6 million to \$9 million, and authorized the use of area cost factor adjustments up to \$14 million. These changes greatly help restore and establish the buying power across the enterprise. Thank you for these changes.

Our Nation is facing the rise of great power competition, with the pacing threat of China and the acute threat of Russia, multi-domain threats, and competition for access to resources. In the face of these challenges, the Air Force continues to prioritize the modernization of our nuclear enterprise at home and support for combatant commanders, especially in the Indo-Pacific and European theaters.

Direct support to combatant commander accounts for 20 percent of the Air Force's fiscal year 2025 MILCON request. Two projects supporting the Pacific Deterrence Initiative will improve infrastructure and facilities in the Indo-Pacific. The critical infrastructure provides our allies, partners, and potential competitors, a clear indication of the United States' long-term commitment to this area of responsibility.

In preparation for the Sentinel Missile System, the Air Force is continuing the largest at-land acquisition effort since the original Minuteman. Additionally, the request prepares Ellsworth Air Force Base to welcome the first B-21 Raiders and begins efforts at Dyess Air Force Base. Once online, these weapons systems will be the future mainstay of two-thirds of our Nation's nuclear triad, which is entrusted to the United States Air Force.

Equally important, is support for the well-being of our airmen in the form of affordable, accessible child care and safe, high-quality housing. Generous congressional support in fiscal year 2022 through 2024 accelerated the progress of 14 CDCs and dormitory projects.

In closing, the Air Force's continued partnership with this subcommittee's members, your dedicated staff is essential to modernizing our assets, the safety of our installations, and the welfare of our airmen and their families.

I look forward to your questions, and the opportunity to testify before you today.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL TOM D. MILLER AND MR. BRUCE E. HOLLYWOOD

INTRODUCTION

Chair Murray, Ranking Member Boozman, and distinguished members of the subcommittee. Thank you for the opportunity to discuss the Department of the Air Force (DAF) Fiscal Year 2025 (FY25) Military Construction Program.

Our installations remain the platforms from which we enable and project combat power in and through the air, cyber, and space domains. DAF installations serve as key nodes in a global network of operating locations that enable Joint Force mission success around the world; making the readiness, resiliency, and sustainability of installations matters of strategic importance. Our installations are where we train and equip for joint operations, control, and sustain air and space weapon systems, test new weapon systems, generate readiness, and provide safe, healthy communities that many of our Airmen, Guardians, and their families call home. How-

ever, after decades of operating our installations with nearly unprecedented freedom of action, the homeland is no longer a sanctuary—as the National Defense Strategy (NDS) clearly describes.

Our Nation faces the nexus of complex challenges: the rise of great power competition with China and Russia; the increasing complexity of multi-domain threats; the competition for access to resources; and the increasing rate of technology change. We must ensure our installations are resilient, optimized, and operationally efficient to successfully defend the homeland; prevail against the full range of man-made and natural threats; deter strategic attacks against the United States, our Allies, and our partners; deter aggression and be prepared to prevail in conflict when necessary; and build a resilient Joint Force and defense ecosystem. We recognize the foundational capability our installations provide in advancing these priorities through integrated deterrence, campaigning and building enduring advantages.

In the face of these challenges, we made hard choices to prioritize efforts focused on integrated deterrence in an environment of shrinking advantage against aggressive competitors, operating in an evolving security environment. Last year, in a continued effort to meet the challenge of pacing adversaries, we focused on seven operational imperatives. This year's budget reflects continued modernization efforts in a resilient, effective space order of battle; operationally optimized Advanced Battle Management System; achieving Moving Target Indication at scale; development and fielding of a Next Generation Air Dominance family-of-systems; cost-effective, resilient forward basing; global strike capabilities built around the B-21 Raider; and expeditious transition to a wartime posture.

In support of these imperatives, the DAF Military Construction (MILCON) program continues to prioritize nuclear enterprise modernization and Combatant Command (CCMD) infrastructure support with an emphasis on the Pacific and Europe. The Facilities Sustainment, Restoration and Modernization (FSRM) portfolio remains focused on sustaining our existing infrastructure. Furthermore, we preserve the well-being and quality of life of our service members and their families through investments in housing, dormitories, and child development centers (CDCs). We remain committed to sustaining the DAF's power projection, enabling platforms, and searching for operational energy improvements to increase range and operational capability. We appreciate the continued partnership with Congress to ensure Air and Space Forces are well-postured to compete, deter, and win.

UNITED STATES AIR FORCE

INSTALLATIONS

We advance our commitment to optimizing installation investment through implementing the Infrastructure Investment Strategy (I2S), increasing senior leader oversight of the portfolio, and pursuing reforms within our MILCON program. First introduced in 2019, the I2S is the Department's long-term strategy to restore readiness of our power projection platforms by guiding investment decisions at the enterprise and installation level. We are taking the lessons learned from the I2S and building an action plan to ensure our installations are ready, right sized, and resilient to enable the DAF to compete in Great Power Competition.

We oversee I2S implementation efforts through recurring Infrastructure Councils and Infrastructure Program Management Reviews to assess resourcing and asset management practices on infrastructure readiness. The Council developed a series of metrics that quantify the impact of I2S policies and investment decisions on infrastructure condition, facility space use, and MILCON cost growth. Regular assessments of the I2S allow senior leaders to make timely decisions, which affect program execution and future budget decisions.

INSTALLATION RESILIENCE

Ruggedizing our installations against evolving natural and man-made threats to continually project power and compete in an era of Great Power Competition is paramount for overall installation resilience and Department of Air Force mission assurance.

Our Installation Energy Program focuses on ensuring Air and Space Force installations are truly resilient to the broad range of threats from adversaries, cyberattacks, and changing climate. We define resilience within the "5 Rs" of robustness, redundancy, resourcefulness, response, and recovery. Installation Energy Plans apply the "5Rs" to assess gaps and prioritize energy and water projects to ensure mission readiness. The "5Rs" help describe how a system is prepared for crises using the preventative attributes of robustness, redundancy, and resourcefulness, as well

as how the system functions during crises using the performance attributes of response and recovery.

Installation resilience is not “one size fits all”—it is multifaceted, context specific, and spread across different domains, including people, infrastructure, and the environment. To incorporate risk-informed installation resilience planning into the Department’s existing policy and planning structures, the Department developed the Clean, Agile, Secure, Efficient (CASE) Framework, a comprehensive approach to identify, prioritize, and put forth competitive climate-informed resilience initiatives and investments and complements the “5Rs.”

Adversarial threats and natural hazards pose a growing risk of prolonged power outages for installations. Using a mission thread perspective, we are working to identify key nodes on and off installations that, in a denial-of-service scenario, may result in a significant impact on our ability to deliver key capabilities. A comprehensive understanding of mission requirements, current system operations, accurate reporting, and historical outage data assist in identifying possible service vulnerabilities. We strive to mitigate operational impacts from disruptions to energy and water through increasing investment in and improving maintenance of energy systems.

SPECIAL INTEREST ITEMS

NATURAL DISASTER RECOVERY EFFORTS

The Natural Disaster Recovery (NDR) program has greatly benefitted from Congressional support over the last several fiscal years and we are seeing the results of this sustained and significant investment. The program is substantially complete with Planning and Design (P&D), nearly complete with acquisition, only two projects remaining to award, pending the availability of funding. The DAF will make use of the \$150 million Congress provided in FY24 to address the remaining disconnect at Tyndall AFB, Florida. To date, we awarded 94% of the NDR program, totaling over \$4 billion of investments to improve mission readiness, resilience, and efficiency at Tyndall AFB, Florida, Offutt AFB, Nebraska, and Joint Base Langley Eustis, Virginia.

TAKING CARE OF PEOPLE: CHILD DEVELOPMENT CENTERS AND DORMITORIES

We strive to provide a high quality of life for our members and their families. At the heart of that goal is affordable, accessible childcare for our Airmen and Guardians and safe, high-quality dorms for our unaccompanied members.

The inability to access affordable and quality childcare can impact a service member’s ability to report for duty and his or her decision to stay in the service. To this end, the DAF is using a two-prong programmatic approach to improve Child Development Centers (CDCs): targeted investments in FSRM to address facility condition concerns, and posturing MILCON projects to increase capacity. The DAF continues to invest in CDCs through our MILCON and FSRM, of the 134 CDCs in the DAF inventory none are in poor or failing condition.

In FY24, we are spending \$46 million in FSRM funding on 11 CDC projects, and in FY25 we intend to commit \$50 million in FSRM funds for CDC requirements.

Generous Congressional support in FY22 through FY24 funded most of the CDC MILCON projects currently at an executable design stage, and the DAF is actively working the design of CDC projects for inclusion in future President’s Budget and Unfunded Priority List submissions. The Child and Youth Facility Master Plan facilitates project advocacy by identifying CDC MILCON and FSRM projects that address child and youth facility condition and capacity challenges. The FY25 President’s Budget includes a \$40 million dollar CDC at Mountain Home AFB, Idaho which will also serve as the Department’s first use of mass timber.

Equally important to us is providing unaccompanied service members high quality housing in our dormitory campuses. We will meet the FY22 NDAA Quality of Life requirements for permanent party dorms and are committed to investing \$1.1 billion, nearly a three-fold increase over the previous 5 years, to address facility and living conditions through FY26. The Government Accountability Office report on barracks identified many issues; however, problems with our dorms are limited and we remain committed to providing safe and adequate living conditions.

In FY25, 99.3% of permanent party beds assess as adequate. From FY22 through FY23, we funded 67 projects totaling \$341 million to repair and renovate dorms rooms. The DAF plans to spend approximately \$216M for 31 projects in FY24 to repair and improve dormitory facilities. We are planning \$300 million in FY25 FSRM to repair and improve the condition of our dorms.

The DAF investment strategy for unaccompanied housing focuses on restoration and modernization of dorms in their existing configurations using FSRM funds, which allows MILCON funds to address capacity shortfalls and facility recapitalization. Additionally, the DAF appreciates the pilot program authority provided in the FY24 NDAA allowing the replacement of dormitories using FSRM funds when needed repairs exceeds 75% of the MILCON project to replace it. Though the DAF has few dormitories which meet the replacement criteria, we can certainly make great use in some high-need areas. The FY25 President's Budget includes a request for two new dorm projects, one at Joint Base Langley Eustis, Virginia, \$81M, and the first increment of a Medical Education and Training Campus dormitory at Joint Base San Antonio, \$77M.

FY25 AIR FORCE MILCON PROGRAM

In FY25, the active-Duty Air Force and Space Force MILCON request is \$3.19 billion. This funding supports the DAF's commitment to fulfilling NDS requirements, postures us for the future high-end fight, and ensures we continue taking care of our Airmen, Guardians, and their families. The program supports Combatant Commanders with a focus on the Pacific and European theaters and modernizing the nuclear enterprise. Additionally, the MILCON program continues efforts to bed down new weapons systems and seeks to recapitalize facilities that have outlived their useable life or no longer meet mission requirements. Our request also focused on Planning and Design to reinforce the Air Force's MILCON program stability and consistency. Program stability continues to be a major focus, ensuring mature projects are included in the budget and improve confidence they will award within programmed amount in the year of appropriation.

COMBATANT COMMANDER INFRASTRUCTURE

The FY25 MILCON program prioritizes Combatant Commander requirements with a particular emphasis on the Indo-Pacific and European theaters. Direct support to the Combatant Commanders accounts for 20% of the FY25 MILCON request and aligns with the National Defense Strategy to Build a More Lethal Force, while directly Prioritizing Preparedness for War. Our FY25 program addresses some of the urgent U.S. Indo-Pacific Command (INDOPACOM), U.S. Strategic Command (STRATCOM), and U.S. European Command (EUCOM) facility priorities.

Support to INDOPACOM will enhance the United States defensive posture in the region, reassure allies and partners, and increase readiness capabilities. The investment of resources to improve infrastructure and facilities throughout the Indo-Pacific Theater provides our allies, partners, and potential competitors a clear indication of the United States' long-term commitment to the Pacific. Two projects support the Pacific Deterrence Initiative (PDI) totaling \$247.7 million: a Runway extension at Yap International Airport (\$96M), Federated States of Micronesia; and a Theatre Corrosion Control Hangar, Kadena AB, Japan (\$132.7M).

The Air Force remains committed to European Defense Initiative (EDI) efforts to reassure North Atlantic Treaty Organization (NATO) allies and other European partners of United States commitment to collective security and territorial integrity. In FY25, the Air Force requests \$110 million for EDI to support the prepositioning of equipment in Denmark. This project will further improve deterrence efforts in the theater and enable joint and coalition forces to quickly respond to aggressive regional actors. The Air Force request also supported Combatant Commands within the United States to include a continued focus on Weapons Generation Facilities directly supporting STRATCOM at Ellsworth AFB, South Dakota and Malmstrom AFB, Montana.

NEW MISSION BED DOWNS

The NDS directs the Department of Defense to build a force that is lethal, resilient, sustainable, survivable, agile, and responsive through modernization of key capabilities; the first of which are nuclear forces. The FY25 budget request continues the focus on modernizing the nuclear enterprise by supporting the bed down of new weapons systems and missions. The request includes three projects at Ellsworth AFB, South Dakota, for a total of \$177 million, and two projects at Dyess AFB, Texas, totaling \$31.3 million to beddown B-21 Raiders. It also includes three projects at F.E. Warren AFB, Wyoming, totaling \$403 million, a project at Malmstrom AFB, Montana, totaling \$20 million, and two projects at Vandenberg SFB, California, totaling \$277 million, to support transition from the Minuteman III intercontinental ballistic missile weapon system to the Sentinel Weapon System.

Sentinel will develop and deploy modern Aerospace Vehicle Equipment, Command and Launch infrastructure (e.g. launch facilities, launch centers, and other ground

infrastructure), and Support Equipment & Trainers. The Sentinel program is the largest Air Force land acquisition effort since the original Minuteman, primarily to acquire temporary construction easements for utility corridors in the missile fields. Minuteman III-to-Sentinel conversion must occur on a precise timeline to maintain the operational readiness of the nuclear deterrent and deliver Full Operational Capability to the warfighter by 2036. We will continue to inform Congress on the Air Force's progress during design, construction, and commissioning of Sentinel facilities. Once on-line, the B-21 Raider and Sentinel weapons systems will ensure the Air Force can effectively deliver two-thirds of the Nation's nuclear triad well into the future, should the need ever arise.

Approximately 41% of the program, \$1.42 billion, supports New Weapon Systems to ensure the DAF remains the world's premier Air and Space Force. These systems include the Sentinel Ground Based Strategic Deterrent, B-21 bomber, C-130J, F-35 fighter, T-7A training aircraft, Long Range Stand Off facilities, F-16 fighter, Combat Rescue Helicopter, Over the Horizon Radar System, and the E-11A Battlefield Airborne Communications Node aircraft.

EXISTING MISSION RECAPITALIZATION

The FY25 request also includes \$719.2 million funds current mission projects, focusing on the most critical recapitalization of existing infrastructure. The funding request includes a new dormitory in Virginia, a dormitory in Texas, a Child Development Center in Idaho, research facilities in Massachusetts, Joint Integrated Test and Training Center in Alaska, Security Forces facility in Georgia, a Fire Station in Ohio, the U.S. portion of a NATO Airlift Hangar in Spain, and support for infrastructure in the United Kingdom.

PLANNING AND DESIGN

Planning and Design (P&D) remains a central focus of the DAF program to reinforce program stability and consistency. Sufficient P&D enables projects to progress rapidly through design and meet maturity criteria for admissibility into the program, provides more accurate cost estimates, and maximizes the opportunity to award projects in the year of appropriation. Without sufficient P&D, the Air Force must award designs by design phase, adding risk associated with costs and timely delivery of design. The FY25 P&D request is \$451.3 million, which is consistent with last year's request to maintain a robust Space Force P&D program (\$84.9 million of the request) and includes weapons system specific P&D supporting B-21, Over the Horizon Radar, Sentinel, and other programs.

FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION (FSRM)

We view the FSRM and MILCON programs as interdependent. Together, these two funding streams serve as the foundation of sustainable Air Force installations. FSRM provides a non-MILCON pathway to repair facilities and infrastructure, maximizing their lifespan. The FSRM program prioritizes projects based on mission risk and commander prioritization. In FY23, the Department of the Air Force's Deferred Maintenance and Repair (DM&R) backlog surpassed \$46.8 billion. This represents a significant increase compared to previous years as is contributable to a confluence of economic factors such as inflation, increased labor and material costs, and continuation of post-pandemic supply chain issues. The FY25 request includes \$4.91 billion in FSRM funding. Our priority for FSRM continues to be sustaining our existing infrastructure with increased emphasis on quality-of-life projects (i.e., dormitories, CDCs) and our operational and training infrastructure. To maximize the near-term impact of current funding levels, the Air Force will also continue to assess mission threat vulnerabilities and prioritize infrastructure repair requirements which directly affect an installation's primary mission. Our I2S drove changes in how we execute FSRM funding distributed directly to installations (considered decentralized FSRM), empowering Commanders to make the right local investment decisions, including day-to-day maintenance and smaller scale repair and sustainment projects, based on mission requirements and I2S guidance.

HOUSING CONSTRUCTION, OPERATION AND MAINTENANCE

The Air Force prioritizes providing safe and healthy homes to our families. The FY25 DAF Housing President's Budget requests \$548 million for housing construction, planning and design, and operations and maintenance while focusing on eliminating inadequate housing from our inventory and correcting health and life safety deficiencies. The Air Force Housing program provides for housing construction, P&D, and operations and maintenance using the Family Housing Master Plan

(FHMP) to posture a comprehensive investment strategy to execute projects at the right time, scope, and cost.

The FY25 Family Housing construction request includes of \$222M funds \$6.6 million for planning studies and design for future construction projects, \$65 million for two separate projects at Yokota Air Base, Japan, providing whole house improvements of 51 homes for Senior Non-Commissioned Officers, Company Grade Officers, and Field Grade Officers, and \$5.7 million to construct two deficit General Officer Quarters and replace five garages at Ramstein AB, Germany. Additionally, our request supports \$144 million for restructures of privatized housing Phase III at Joint Base Elmendorf-Richardson, Alaska, and Lackland AFB, Texas.

The military family operations and maintenance request of \$326 million supports the day-to-day operations and administration of our military and privatized family housing, correcting health and safety deficiencies, and provides for the alterations and major repair projects to sustain and modernize the housing inventory of approximately 15,200 government-owned family housing units and provides enhanced oversight of over 52,000 privatized homes. The Air Force continues to focus investment in the Air Force housing inventory to provide adequate housing for all service members and their families.

PRIVATIZED HOUSING

Quality, affordable housing has a direct correlation to recruitment, retention, and readiness. Hence, we remain focused on improved oversight, long-term financial health, and sustainment of the housing inventory. We are committed to ensuring Military Housing Privatization Initiative (MHPI) projects provide safe, quality, and well-maintained housing where military members and their families and caregivers will want and choose to live.

We continue our efforts to improve our privatized housing portfolio and address the remaining elements of the MHPI reforms set out in the FY 2020–23 National Defense Authorization Acts (NDAA). We made significant progress to implement reforms to enhance our oversight of privatized housing and hold MHPI companies accountable for providing quality housing. Specifically, several congressionally mandated provisions were implemented throughout various DAF housing programs including:

- FY 2020 NDAA Section 3011: We collaborated with the private-sector MHPI companies to universally agree to adopt 18 rights set out in the MHPI Tenant Bill of Rights. As Congress has recognized, applying many of the Tenant rights at existing MHPI housing projects requires voluntary agreement by the MHPI companies. All companies will implement the 18 rights by the end of this calendar year (2024).
- FY 2020 NDAA Section 3036: We implemented the amended section 606 payments to MHPI Projects to focus on the most urgent needs of underfunded MHPI projects and ensure the projects invest these funds investing appropriately to safeguard long-term project viability.
- FY 2020 NDAA Section 3051: We began the process to complete standardized privatized housing and government-owned housing inspections and assessments at all locations. Using the DoD's uniform housing standards, we completed a total of 45 inspections in FY23 and plan to complete the remaining 14 by end of CY24.
- FY 2022 NDAA Section 2813: We verified the appropriate application of Disability Laws and Collection of Modification Costs requirements are documented in existing MHPI projects' transaction documents. These requirements ensure the projects make reasonable accommodations for any resident with a disability.

In 2020, we added 218 government positions across the privatized housing program, increased inspections, provided additional training to housing personnel, and revamped housing governance. We continue to maintain Resident Councils for two-way communication between the residents and installation and project owner leadership. We then utilize feedback from tenant satisfaction surveys to develop action plans for improving the residents' experiences and encourage our Airmen and Guardians, and their families to engage with Resident Advocates to help resolve any disputes and improve communications among all relevant DAF stakeholders.

We also expanded our metrics for assessing the health of the privatized housing portfolio, particularly with regards to resident satisfaction, maintenance quality and responsiveness, and property management operations. Most of our private partners meet or exceed DAF standards as prescribed in our metrics. However, when we identify concerns with operational performance, we have placed a small number of private partners on Community Action Plans, or if more systemic, on Performance

Improvement Plans with milestones and schedules. The goal is to remedy deficiencies and ensure our military families receive quality service and housing.

Some privatized housing projects require financial restructuring to continue to remain financially stable and market comparable. The restructure goals are to ensure the projects can fully fund operational expenses, debt servicing, and sustainment of the homes for the life of the lease and also fund reinvestment needs during the mid-term reinvestment period. The FY25 President's Budget request includes \$144 million to support two such restructures for the phase III project at Joint Base Elmendorf-Richardson, Alaska, and the Lackland AFB, Texas project.

ENVIRONMENTAL STEWARDSHIP

The safety and health of the servicemen and women who work and live on our installations, their families, and the surrounding communities remain our highest priorities. We appreciate congressional support for our efforts to address per- and polyfluoroalkyl substances (PFAS) and facilitate further progress in our Environmental Restoration Program.

ENVIRONMENTAL RESTORATION

We are focused on being good stewards of the environment while also meeting our cleanup obligations under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA). Investigation objectives and environmental response actions performed under these statutes aim to reduce risk to human health and the environment in a risk-based, prioritized manner at the approximately 15,000 restoration sites at our active and closed installations. Currently, much of our restoration program focus is on chemicals of emerging concern, most notably, PFAS.

The DAF PFAS response framework is built on the following lines of effort: (1) protecting human health and the environment, (2) fulfilling our cleanup obligations, (3) proactively communicating and collaborating with stakeholders (local communities, States, Federal agencies, and Congress), and (4) mitigating and eliminating aqueous film forming foam (AFFF) use in accordance with NDAA requirements.

As of 30 September 2023, we've spent \$2.1 billion to identify, investigate, prevent, and respond to PFAS releases. Drinking water response actions are complete at nine Base Realignment and Closure (BRAC) installations and 31 Active, Reserve and Air National Guard (ANG) installations. Response actions include providing bottled water, installing point-of-use filtration or whole-house filtration systems, and connecting residents to municipal water supplies.

The generous FY23 appropriations provided \$216.4 million above the budget request, of which \$68 million is allotted to address PFAS at BRAC installations. FY24 appropriations have also provided an additional \$5 million for PFAS, \$15 million for RDT&E for PFAS Destruction Technologies, and \$23 million for PFAS at BRAC installations. As of January 2024, we completed 100% (204 installations) of our CERCLA Preliminary Assessments and Site Inspections and initiated 68% of our Remedial Investigations for 191 DAF installations. We are investigating the potential for other non-AFFF PFAS sources in cleanup process and have leaned forward to take prompt actions under CERCLA by implementing 23 interim remedial actions to address drinking water impacts.

The FY24 budget includes \$259 million to continue to identify, investigate, mitigate, and respond to PFAS releases across our Active, Reserve, Guard, and BRAC installations and we received an additional \$26 million to transition from AFFF to the new fluorine free foam (F3). The FY25 budget request includes \$362 million to further that effort.

On April 10, EPA announced a final proposed a national primary drinking water regulation for six PFAS. We appreciate the clarity that the final regulation provides and we remain committed to align our PFAS research and remediation efforts with the state of the science and State and Federal regulatory frameworks.

We proactively engage with community members concerned about the environmental and health effects from PFAS and collaborate with our local Restoration Advisory Boards (RABs) as we constantly strive to improve our community outreach programs to be more inclusive and responsive.

ENVIRONMENTAL QUALITY

We manage our natural and built infrastructure to reduce risks to human health, the environment, and the mission; comply with applicable regulations, executive orders, and DoD policies; and continuously improve our environmental stewardship. Specific efforts to ensure compliance include detailed air quality assessments, management and inspection of underground and above ground storage tanks, hazardous

and solid waste management and disposal, and environmental planning and permitting procedures. Through these compliance programs, we continue to protect the health of our Airmen, Guardians, and the environment by making investments to meet regulatory requirements and promote efforts to prevent non-compliance through pollution prevention programs and routine inspections.

We remain firmly committed to a robust program of integrated conservation management covering a full suite of environmental, natural, and cultural resources. Conservation funding has allowed us to invest in natural and cultural activities on and around our installations and training ranges that provide direct support to mission readiness. The conservation program FY24 budget of \$106.2 million and the FY25 budget of \$106.7 million supports ongoing habitat and species management for 123 threatened and endangered species found across 54 DAF installations and provides for continued cooperation and collaboration with the other military Services, Federal Government agencies such as the United States Fish and Wildlife Service, and applicable State fish and game agencies. The DAF Cultural Resources Program supports mission needs through maintaining our Integrated Cultural Resources Management Plans. These 117 plans work to preserve 6,910 historic buildings and structures and 22,377 archaeological sites.

Recent efforts carried out at Eglin AFB, Florida exemplify integrated natural and cultural resources management and effective partnerships. Archaeologists at Eglin teamed with biologists and conservationists from the Choctawhatchee Basin Alliance to construct a series of “Living Shorelines” to protect sensitive archaeological sites from shoreline erosion while also enhancing natural habitat and water quality.

We remain committed to responsible environmental stewardship. As trustee for more than 8.3 million acres of land including forests, prairies, deserts, wetlands, and coastal habitats, we understand the important role natural resources play in maintaining our mission capability. DAF collaborated with the U.S. Fish and Wildlife Service (USFWS), through the DoD Recovery and Sustainment Partnership, to enhance mission operations and increase range access while protecting at-risk species. In 2023, the USFWS officially removed the Okaloosa darter from the Federal List of Endangered and Threatened Wildlife after more than thirty years of successful recovery efforts and proposed down-listing of the red-cockaded woodpecker from Endangered to Threatened status after nearly 20 years of recovery efforts. These great collaborative accomplishments were made against the backdrop of the celebration of the 50th Anniversary of the Endangered Species Act. As part of the recovery efforts in 2023, the AF Wildland Fire program worked with USFWS, Bureau of Land Management (BLM), Colorado State and Montana University Cooperators to treat 147,000 acres (of which 145,000 acres were treated with prescribed fire activities) in support of habitat management for at risk species as well as to increase training land availability. In addition, this collaboration assisted with managing 14,000 acres of wildfires on DAF managed lands to reduce impacts to daily training missions in support of the warfighter. FY24 funding and investments will allow us to continue to support our robust conservation program.

BASE REALIGNMENT AND CLOSURE (BRAC)

BRAC received a generous \$23 million plus-up for PFAS in FY24, which will facilitate the execution of Interim Remedial Actions to remove or treat PFAS and prevent its migration. The FY25 request for BRAC cleanup and property transfer is \$122 million. This funding will facilitate environmental restoration and property transfer activities at 34 former DAF installations closed through prior BRAC law and keep us on-track to transfer the remaining four former installations by 2027.

UNITED STATES SPACE FORCE

The Space Force was built specifically for Great Power Competition as a lean, agile, and mission-focused military Service. To enable a laser focus on primary missions, we have a partnership with the United States Air Force for infrastructure, logistics, security, medical services, and a host of other support functions at our Space Force installations. Formal agreements, directives and instructions codify stakeholder roles and responsibilities for support to the mission and the Guardians, Airmen, Civilians, and their families who work and live on Space Force installations.

Most of the combat-ready space forces that we field are “Employed-in-Place,” meaning they execute Combatant Command missions from their home station. Mission-ready, resilient installations and facilities are integral to our readiness and effectiveness. Both the Space Force Military Construction (MILCON) and Facility Sustainment, Restoration, and Modernization (FSRM) programs prioritize power resiliency within the Future Years Defense Program (FYDP). Additionally, assured ac-

cess to space procures launch services and delivers on-orbit capabilities used by joint warfighters, combatant commands, intelligence agencies, civilian services, and the commercial space industry. Over the next 5 years, our Spaceport of the Future program invests over a billion dollars into our aging launch infrastructure to guarantee the Department of Defense's ability to provide world-class launch capability to public and private partners.

The Space Force receives, prioritizes, and obligates an independent appropriation for Facility, Sustainment, Restoration and Modernization (FSRM) funding. We have shown a commitment to resourcing infrastructure requirements by identifying those projects that directly impact the performance of weapons systems and prioritizing them for funding consideration. The Department of the Air Force provides an allotment of military Construction (MILCON) funding to the Space Force based on the Space Force's portion of the total plant replacement value. This approach provides flexibility to resolve resource challenges due to the Space Force's prioritization of requirements as an independent Service. We prioritize projects balancing weapons systems, quality of life, and force support infrastructure requirements to reduce risk to mission and address the requirements of an independent military Service.

MILITARY CONSTRUCTION

MILCON increases capacity and readiness for the Space Force. In FY24, the Space Force requested and was appropriated \$132.3M. Projects include a \$15M Commercial Vehicle Inspection Facility, \$12M for Final Denial Barriers at the South Gate, and \$15M to complete the Consolidated Communications Center at Patrick Space Force Base, Florida; and \$90.3M for General Planning & Design (P&D), including \$24M for assured access to Space (Spaceport of the Future). This significant P&D request was necessary for projects to rapidly develop, providing accurate estimates and maximizing opportunity to award future MILCON projects in the year of appropriation.

The Space Force's FY25 President's Budget Request includes \$24.9M for three Unspecified Minor Military Construction (UMMC) projects to include two projects that support our Spaceport of the Future initiative. Notably, the Space Force also requested \$84.9M for P&D, including \$62.8M for Space Port of the Future.

FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION (FSRM)

We view the FSRM and MILCON programs as interdependent. Together, these funding streams provide the sustainable foundation for 14 Space Force installations and more than 70 smaller geographically separate units, sites, and ranges. FSRM provides flexibility to repair facilities and infrastructure, maximizing lifespan. The FY25 budget request of \$417M reflects a 39% decrease from FY24 requested levels. The Space Force requested \$679M in the FY24 President's Budget request. The large increase in the FY24 request compared to FY23 includes funds repair of a Pituffik Space Base Power Plant that powers the Missile Warning/Missile Defense weapons systems, and electrical distribution projects supporting both the Eastern and Western Space launch ranges. The decrease in the FY25 request reoptimizes funding; it is a 42%/\$124M increase from the FY23 appropriated amount.

Thank you for the opportunity to discuss the Department's FY25 MILCON program. We appreciate Congress' continued support for our enterprise and look forward to working with you on our FY25 priorities.

STATEMENT OF MR. BRUCE E. HOLLYWOOD, ASSOCIATE CHIEF OPERATIONS OFFICER, UNITED STATES SPACE FORCE

Mr. HOLLYWOOD. Chair Sinema, Ranking Member Boozman, and distinguished Members of the Subcommittee, thank you for the opportunity to testify on behalf of the United States Space Force for our Military Construction Program.

The Space Force was established to organize, train, and equip Space Forces to secure our Nation's interests in, from, and to space. The majority of our capabilities were built and fielded in an era when our space systems were unchallenged and our installations were safe havens.

Now, in this era of great power competition, our challengers are aggressively fielding capabilities to contest and control the space domain, fundamentally shifting space from a peaceful expanse to a

warfighting domain. They are also challenging our installations at home and abroad. It is impossible to overstate the importance of our Space Force installations, and we work hard to be good stewards of the resources you provide.

Our installations serve as home to our guardians, airmen, mission partners, and their families, who work, live, rest, and recuperate there. Most of our combat-ready guardians are employed in-place, meaning they execute, they are combatant-command-directed, and service missions from their home stations, using that infrastructure and equipment across the entire spectrum of conflict to provide essential capabilities to the Joint Force.

We are strategically examining our bases that may be impacted by climate change and planning resilience into our mission operations while protecting the guardians and airmen stationed in potentially vulnerable locations. The Department of the Air Force provides an allotment of military construction funding to the Space Force, providing flexibility to our capacity to prioritize projects balancing weapons system, quality of life, and Force support infrastructure. Assured access to space is a key to the Space Force providing our capabilities and support to national security.

We thank Congress for the \$24 million in planning and design appropriated in fiscal year 2024 for Spaceport of the Future that will help keep our launch enterprise globally competitive, and provide for the exponential increase in launch activity, further protecting vital United States interests.

Space Force Military Construction Programs are critical to performing our mission and to the well-being of our guardians, supporting airmen, and their families. Notably, the Space Force requests \$84.9 million in fiscal year 2025 for planning and design, including \$62.8 million for Spaceport of the Future requirements.

This Space Force's fiscal year 2025 President's Budget Request also includes \$24.9 million for three unspecified minor military construction projects to include two projects supporting Spaceport of the Future.

Thank you again for your generous support for our people and our missions through the Military Construction Programs. I look forward to our dialogue. *Semper supra.*

Senator SINEMA. Thank you, Mr. Hollywood. We will now begin a round of five-minute questions for our panel. I ask all my colleagues to please keep track of your clock and stay within those five minutes. I will start with the first round of questions.

My first question is for Assistant Secretary Owens. DOD is undertaking several significant concurrent infrastructure programs on Guam, requiring extensive inter-department and interagency coordination, not to mention base and emergency funding. It is critical that these efforts do not get bogged down in bureaucracy, preventing the services and agencies from making timely decisions aligned with the budget cycle. The Department also needs to determine requirements, particularly for the Defense of Guam Program, to inform the MILCON Design and Construction time line.

Could you describe OSD's role in this process, and how are you balancing serving a coordinating function with ensuring speed and decisiveness in developing requirements and executing on them?

General OWENS. Thank you, Chair Sinema, for the opportunity to talk about this. I have been to Guam one time, and we are going back again this year because it is such a critical node in INDOPACOM. One of the things that our office is doing is working through a series of governance structures. One of them is the Guam Infrastructure and Community Support Working Group. This group was pulled together under my office to work through construction capacity and sequencing. There is a tremendous amount, as you just pointed out, of work that is going to be happening there, and the tool that we built to understand serves as a central repository for all of the things that are going to be happening.

So the buildings, the operational projects, the infrastructure, all of those projects need to be executed in order to do the mission on Guam. And the sequencing tool enables us to be able to have a common operating picture and allows us to be able to look at limitations in terms of construction capacity, project interdependency, mission need date, budgeting, and it enables us to run scenarios to be able to understand how we lay down various things.

Because the reality is that projects that are the most critical might be one or 2 years down the line. What are we doing now to take up the available construction capacity that we have in order to implement things that maybe aren't as high on the list from a criticality standpoint?

So our office is coordinating all these things, and we are reporting up through the Senior Leader Installation Council and the Guam Synchronization Oversight Council, which is chaired by Undersecretary LaPlante and Undersecretary Raven from the Navy, to be able to bring all these things together and make sure that we are not going to be having a significant pileup of projects that are unable to execute in out years.

Senator SINEMA. Thank you. Lieutenant General Miller, the Air Force is still carrying out its recovery program from prior year hurricanes, and flooding has had a \$200 million shortfall, all while planning and programming for significant needs on Guam following Typhoon Mawar in May 2023. What is the likely impact on the Air Force MILCON Program if you were forced to fund the Typhoon Recovery Program out of base funding rather than emergency funding, as we typically do for natural disaster recovery?

General MILLER. Thank you, Senator, for the question. In my view, Senator, there is no ability for the Air Force baseline budget to absorb a level of magnitude of the disaster that happened from this typhoon.

For parallel, we have spent \$300 million in immediate direct FSRM dollars to hit the immediate requirements, but this is on a scale close to twice what the national disaster recovery requirement was when a Cat 5 hurricane directly hit Tyndall Air Force Base in 2018. And then also, of course, for the flood, the national disaster recovery process, that was through a supplemental through this subcommittee showed great flexibility in being able to execute the projects in the sequence. Much like Honorable Owens is describing, the sequencing is so important, and there is—dependencies between—we found multiple dependencies a year into the construction, which weren't immediately available. But to get to

your point very rapidly, supplemental, I think, is the only path to be able to absorb this.

Senator SINEMA. Thank you. Lieutenant General Vereen, this year's request is heavily focused on training and maintenance infrastructure and quality of life facilities. At the same time, Army Test and Evaluation Command has numerous unfunded minor and major MILCON requirements, including at the Yuma Test Center at Yuma Proving Ground. Could you just briefly discuss how you are prioritizing test and evaluation infrastructure requirements against all the other facility demands across the Army enterprise, and are you addressing those needs in other ways?

General VEREEN. Chair Sinema, thank you for the question. So of course, we are absolutely trying to balance our budget with some other competing requirements. I think there is a testament to the Army on our focus on barracks, and barracks is consuming quite a bit of our budget when you look at our MILCON and our infrastructure requirements. It is consuming a lot of our dollars and resources. So we are having to make some tough decisions on what we choose to fund versus what we will have to defer to another year.

But part of that is balancing both our barracks infrastructure, where we are investing \$2.1 billion, as you well know, and then balancing it with our operational MILCON, which is where the other facilities fall in line, and the test and evaluation is part of that.

So we are going to continue to look at where we can provide trade opportunities, and our Army senior leaders, and we will be committed to ensuring that we both balance what we are trying to do for soldiers and families, versus trying to ensure that we continue to have an Army that can train and prepare for its combat mission.

Senator SINEMA. Thank you. I would like to yield to Vice Chair of the Full Committee, Senator Collins, for her five minutes.

Senator COLLINS. Thank you very much, Chair Sinema, and my thanks to the Vice Chair Boozman for his typical graciousness in allowing me to proceed.

Admiral, let me start with you. This year's request includes \$401 million for the fifth increment of the Multi-Mission Dry Dock No. 1 Extension at the Portsmouth Naval Shipyard in Kittery, Maine. Along with New Hampshire's Senator Jeanne Shaheen, I have visited the shipyard many times to see the dry dock construction. I am always struck by the complexity of this monumental task, but I am also impressed with the progress that is being made.

And of course, modernizing the Dry Dock No. 1 is absolutely essential to maintaining fleet readiness. Too many of our submarines are not able to be deployed because they are waiting for maintenance that is critical. This will help to eliminate deferred availabilities and provide the capacity necessary to maintain the Navy's Virginia-Class submarine fleet.

The recently passed National Security Supplemental, I am pleased to say, included \$100 million to support this modernization effort. Could you give us an update on the project's progress, and some time line for when you think this will be completed? And my second question to you, is the project on track, is it on schedule?

Admiral JABLON. Senator, thank you for that question. As you highlighted, our Shipyard Infrastructure Optimization Program is critical to the national defense of our nation. It addresses our four public shipyards for our nuclear-powered aircraft carriers and our submarines, increasing the efficiency of getting those platforms out of maintenance in a quicker time period to get more players on the field. In fact, the SIOP investments will get submarines out 8 percent quicker, aircraft carriers out 10 percent quicker.

As you mentioned, Dry Dock No. 1 in Portsmouth, New Hampshire is really a complicated endeavor—I am sorry, Portsmouth, Maine. I am sorry.

Senator COLLINS. Kittery, Maine, even though it is called the Portsmouth Naval Shipyard.

Admiral JABLON. Yes, ma'am. I was stationed up there for about 3 years of my career, so I have had two submarines in the shipyard myself. And I enjoyed it very much. But a very, very complicated endeavor, Dry Dock 1 is split into north, west, and east. They are doing the construction with a submarine in Dry Dock 1 East right now, and I thank Congress for the supplemental that added \$100 million for that construction effort.

As far as whether it is on-plan or off-plan, it is slightly off-plan right now by about 1 percentage point off-plan with respect to time. But the \$100 million supplemental will add flexibility for the project management team to get us back on plan, and that will meet a mission need date in fiscal year 2027 for our submarine that is going to enter that dry dock. So we are following this program very closely. It is critical to our national defense. And again, I thank Congress for that supplemental.

Senator COLLINS. Thank you very much. Didn't mean to tease you about the location, about half the workers are from New Hampshire, half are from Maine, but it is located in Kittery, Maine, an issue that went all the way to the Supreme Court at one point.

Admiral JABLON. Yes, ma'am. I lived in York, Maine, while I was there.

Senator COLLINS. That showed good judgment.

[Laughter.]

Senator COLLINS. General Miller, your unfunded priority list includes a fuel cell hangar at the Bangor Air National Guard Base, which is home of what we call the Maineiacs, the Maine Air National Guard's 101st Air Refueling Wing. I don't think I need to tell you how critical that wing has been in doing refueling of so much of our military aircraft. At one point, it was doing more refuelings than any active duty base on the East Coast.

So could you explain why this project for the fuel cell hangar is important and how it can support legacy airframes like the KC-135, while also preparing for future refueling tankers?

General MILLER. Vice Chair Collins, thanks for the question. Air refueling is the difference in the reach the United States Air Force and Navy and Marine Corps has with its air power. So the tanker mission throughout the globe and the mission there in particular is absolutely vital. I am an aircraft maintenance officer, it is what I have done my entire life. So the maintenance on weapon systems is critical, and the fuel cell in particular for a tanker mission is

open fuel cell, explosive-proof lighting, air handling equipment, because the mission of the airplane is to refuel other airplanes.

That agile common hangar that is being planned can accommodate multiple KC-46 and KC-135. We have evolved in our thinking on facilities so that when we recapitalize to different airplanes, we don't have the dimensions restricted down to the legacy airplane. So thinking forward is going to help us there. And thank you for that question.

Senator COLLINS. Thank you. Thank you, Madam Chair.

Senator SINEMA. Thank you. Senator Tester, you are recognized.

Senator TESTER. Thank you for holding the hearing, Madam Chair, and Ranking Member. Thank you all for your testimony.

I want to start with the Sentinel project. General Miller, probably not a surprise to you. Wyoming, North Dakota, Montana, and Montana has got Malmstrom Air Force Base. Can you give me—has there been a timeline for when this project is to start? I am not talking about Montana. I am talking about Sentinel, in general, when is it going to start?

General MILLER. Senator Tester, thank you for the question. Sentinel being everything from land acquisition, which requires that—

Senator TESTER. Yeah. It is a big project.

General MILLER. A very big project.

Senator TESTER. When is it going to start?

General MILLER. So right now, as you know, I know you are very well aware, the Nunn-McCurdy breach review process is ongoing.

Senator TESTER. And it should be done in probably June, I hope. So when is it going to start?

General MILLER. Yes, sir. I am hearing early July.

Senator TESTER. Okay.

General MILLER. So there is—separate from Sentinel, there is other weapons generation facility and other—

Senator TESTER. Yeah, but Sentinel, when is Sentinel going to start?

General MILLER. So Sentinel, once the review process, which we are supporting through the Office of Secretary of Defense, I think in early July is what I am hearing. If there is any recalibration of the way forward, we are going to learn it from that OSD support.

Senator TESTER. Sure. But when is the project going to start? Is it going to start in 2029, 2028, 2027, 2026, and 2025?

General MILLER. Senator, I will have to take that for the record. I will get you an answer.

Senator TESTER. Okay. So this is a \$96 billion project. When I came on the committee, the Defense Committee, I was informed that China and Russia, and you talked about in your opening statement, are incredible threats. I can tell you from a deterrent standpoint, the ICBMs have been an incredible deterrent for the bad guys in this world. I have also been told and educated, mostly by the Military, by the way, that this is an essential project if we were going to have it done.

It is going to be over \$100 billion, I believe. Probably well over that. But if there is one thing that you need to know, and the people above you need to know, and the people below you need to know, is this project will never happen unless we have a date to

start. And then we have a time line, and we move forward with that time line.

This is essential. I have been talking about this for years. Everybody that I have talked to that has come into my office, and you probably know this, I have asked about the Sentinel Project. When is it going to start?

If we continue not to have a starting date, this will never start. And it puts this country at a tremendous risk. I don't need to tell you that. You are dealing with this every single day.

So hopefully you can get folks back to me, because we put \$200 million in fiscal year 2024 for Sentinel, which by the way, I could go down the list and ask you what that is being spent for, because if we don't know when this project is going to start, I don't know how you can spend that money in a way that is cost-effective to the taxpayer and for our Nation's security.

So if you could get that for me, because the next issue is workforce. This has an opportunity to do a lot of good things in Wyoming, North Dakota, Montana, and for the country. But the worst thing that could happen, and I have told Bechtel this, and I have told Northrop Grumman this, is if they bring in 4,000 or 5,000 workers, or however many it is going to take to do this, from outside the state to do this project, it will create a tremendous animosity towards the Air Force on this.

Montana has built Sentinel 1, and they will build this one, too, if you give them an opportunity to do that. And I can help. Montana can help. Our trade schools can help. Our high schools can help. We can all help. We have people who work with their hands all the time, and so we do that.

So I would hope that once we get a time line, then we can start talking about workforce, and start getting this done. There is \$700 million in this proposal for Sentinel, what is it going to be used for if we don't know when the starting date is? Okay?

This is really important stuff. And to be honest with you, I have not been able to, and I sat as chair of the Defense Appropriations Committee, I have not been able to get a time line. And people say, well, you know, Nunn-McCurdy is coming out. Look, there wasn't a time line before Nunn-McCurdy. There needs to be a time line. There needs to be goals. We need to get this done. This is a big project. We cannot plan until we get a time line. Okay? Appreciate that. I appreciate your service, too, by the way. Go ahead.

General MILLER. And the Air Force completely recognizes that this leg of the triad is the most responsive. It is the most complicated target, and telegraphing effectively to communities on the workforce that will be needed enable them to work through trade schools, all the things that you were just describing. I believe the program office is looking at a study specifically on that. I will get with them and——

Senator TESTER. But here is the point, and I will get off this, and I will turn it over to the next questioner. We are going to study with Nunn-McCurdy, we can study, study, study, study, study.

If we study, the Chinese are going to eat our lunch. We have got a plan. We have got to do it right. But this isn't nuclear physics. It is a lot of damn work, and so we need to get on it. Please, please, please, please, please do that.

Thank you, Madam Chair.

General MILLER. Thank you, Senator.

Senator SINEMA. Thank you. Ranking Member is recognized for his questions.

Senator BOOZMAN. Thank you, Madam Chair. I mentioned that the chair corrected me in a gentle way on Veterans Affairs; as my Chairman over here, Senator Tester, not so gentle.

Senator TESTER. He never makes mistakes.

[Laughter.]

Senator BOOZMAN. Yeah. So thank you all again for being here and thank you for your service, very much. I want to follow up on the Guam question. I know how important it is.

And Admiral Jablon, the Navy submitted 1.3 billion in the domestic supplemental for MILCON recovery efforts on Guam as a result of the typhoon. Guam is an important strategic hub we all agree that plays a crucial role with INDOPACOM. Can you explain the impact the typhoon had and why it is critical that we address the infrastructure damage? And if your fiscal year 2025 request addresses any of the requirements or do they remain unfunded?

Admiral JABLON. Senator, thank you for that question. As a former Commander of Submarine Force Pacific, my previous job to this job, I was in charge of the submarines that were forward deployed, stationed in Guam. So I visited Guam every quarter to observe my submarine operations and also the infrastructure. The strategic importance of Guam is not only important to the Navy, but also the Joint Force, and the Mawar Typhoon that ravaged the islands did a lot of damage to our critical infrastructure, and our projects that we were planning to work on.

Two of the projects that you referenced on the unfunded priorities list, the Breakwater, Glass Breakwater and the HSC-25 Hangar, that is an expeditionary helicopter squadron that flies MH-60 Sierras. Those really need to be repaired and they are going cost a lot of money as you say, \$600 million for the breakwater, \$580 million for the hangar.

The breakwater itself will come out of a restoration and modernization funds. And the importance of that breakwater is that if that breakwater fails, and due to the typhoon, there is greater than 20 percent damage that occurred to the breakwater. And if that breaches the inbound and outbound traffic going to Apra Harbor will not be allowed to go in. And so that includes our submarines, our Navy surface ships, our submarine tenders that are stationed there. So it is very vital to operations in Guam.

That is, comes out of Restoration Modernization funds. The Navy will have to get this going, we are going have to use \$300 million of our current restoration modernization funds from other projects to get a bid out there for funding of this. With respect to the hangar, right now we are using the Marine Corps hangar for our helicopters, but we are not going be able to use that forever. It is located on the Anderson Air Force Base, and that will use MILCON dollars to repair that hangar, which is of vital importance.

So it has a substantial affect on Navy's MILCON and restoration modernization funding if we do not receive supplemental funding for that.

Senator BOOZMAN. No, I think that is very helpful. Thank you. As I mentioned earlier, I am concerned about the mandatory use of the project labor agreements, which can result in cost overruns and higher construction costs.

I know we are in the early stages of implementation, but Lieutenant General Miller, can you share some early examples what the Air Force has seen, and what the impact would be on the program if this data proved to be an accurate representation of the PLAs?

General MILLER. Thank you, Ranking Member Boozman, for the question. Effective in February of '24, so as you described, it is early and we don't have the details. It is still—the first project for the Air Force that would be affected by this is a basic military training dorm at Joint Base San Antonio in Texas. Early indications from the Corps of Engineers is there will be significant cost increases, unfortunately, at this point in the stage, we don't have the granular difference between what is the PLA-affected inflation cost, cost of construction in that area. Early indications are it is a significant increase. Unfortunately, at this time, don't yet have the granular details of it.

Senator BOOZMAN. Well, we look forward to following up as time goes by and understanding that better. Again, it sounds like that is going have a major impact.

General MILLER. Yes, sir.

Senator BOOZMAN. And with that, I yield back, Madam Chair.

Senator SINEMA. Thank you, Ranking Member.

I recognize Senator Peters for his questions.

Senator PETERS. Thank you, Madam Chair. And gentlemen, welcome. And again, thank you for your service as well.

Secretary Owens, my first question is for you, and it is very local in nature, but it also has a major impact in states all across the country. We are hoping to include additional planning and design funding for the fiscal year 2025 Bill for several important projects in my home state of Michigan, including a new National Guard Readiness Center at the Olympia Armory in Detroit. I would like you to speak, if you would, to how important these investments are, investments like the new National Guard Readiness Center in Detroit, and why it is critical for the Army to make these investments to ensure that we have the readiness we need?

General OWENS. Thank you for the question, Senator, and thank you for the advocacy on behalf of Michigan in this instance. I think that as with all the training centers that we have around and deployed throughout the Department of Defense, they are critical to be able to generate the people that we need to execute the mission. Beyond that, I would be happy to get back to you on the specifics for the projects that you are interested in.

Senator PETERS. Right, well, I look forward to working with you in the future on that.

General OWENS. Absolutely. Yes.

Senator PETERS. And to have your commitment to do that. I appreciate it.

General Miller, the Air Force is investing \$8.9 billion over the next 5 years to research and build up to 1,000 unmanned collaborative combat aircraft, as you are well aware. As part of this proc-

ess, the Air Force recently down-selected the two competitors to build the initial versions of this innovative platform. Given these significant investments in the rapid fielding time line, what funding is needed to prepare for the CCAs?

General MILLER. Thank you, Senator, for the question. The collaborative combat aircraft, really, especially for this subcommittee, I think it is going to look differently than a traditional, say, fighter operation. Part of the Force design work that needs to be done is to understand, you know, what would be the maintenance facilities that are required for that? What is the crew ratio? Not only for operators, because they will clearly be uncrewed in the aircraft, but what is the maintenance turn time, weapon storage areas?

So right now, they are still in the Force design of how best to use collaborative combat aircraft. I think that will have implications for the subcommittee when looking at MILCON, modifications to current facilities, and if there is new facilities that are required that don't exist today, it really needs to be informed by that design.

Senator PETERS. Yeah. And it is going to be a work in progress, but critically important. It is going to look different. And given it is going to look different for our active duty bases, my question for you is, how is the Air Force allocating funding to Guard and Reserve components to ensure that they, too, are prepared for the CCAs, both from a basing perspective, maintenance perspective, and a training perspective?

General MILLER. Yes, sir, great point on—for Guard, Reserve, and Active Duty, all three components, whether it is a change to an existing mission or a new mission is ongoing, feathering through the changes that occur in a unit, and what MILCON requirements within the Air Force budget has to be done in a sequenced manner across many years, which I am sure you have seen over and over and over again.

When the current—the new mission MILCON that is consuming quite a bit of active duty Air Force MILCON requirements right now, is a sequence now for Sentinel, as described, B-21, as that comes online, of course for the Guard, Reserve, and Active Duty F-35 MILCON requirements, I think the Force design piece of what this really will mean for a construct for Guard, Reserve, and Active Duty is not yet known until the Force design is there. But it has to be feathered together with the other new military construction that we are doing. So work for us to do, Senator.

Senator PETERS. Um-hum. And I think there is a certain role, a very important role for Air Guard units when it comes to CCAs, would you agree?

General MILLER. Absolutely, yes, sir.

Senator PETERS. Yeah, good.

Secretary Owens, the Army and Air National Guard play a critical role in supporting Total Force, as you mentioned in the previous question. However, due to chronic shortfalls in funding, they often lack modernized facilities to support their training, their readiness, emergency response, as well as homeland defense missions, which is a critical part of what they do. And without these modern facilities, our National Guard Service members are struggling to meet both global as well as local challenges. So with this

in mind, how does your fiscal year 2025 budget request support National Guard construction efforts specifically?

And also a very important follow-up question to that, how is the Department undertaking to ensure that there is actual equitable distribution of those funds for Guard and Reserve components around the country?

General OWENS. Thank you, Senator Peters. I think those two questions are linked very directly. And I think I would start by saying that the fiscal year 2025 budget is focused on creating the conditions to implement the Sustainment Management System that we have been working towards over the course of the last several years.

What this gives us is granularity in an understanding of where our FSRM backlog lies. So instead of looking at the entire facility Sustainment, Restoration and Modernization backlog as one big chunk, we are looking down at a specific asset and understanding what risk we are taking in the underfunding or shifting the funding around. Because a training center, versus a child development center, versus a warehouse, has very different profiles when you underfund them, and I think that in terms of the way that we are going to be able to get much more granular in our understanding of what risk lies where and how to trade off that risk when—while we are making our determinations will give us the ability to have much more visibility into where the—where we need to surge money in certain instances and understand what the ramifications of the risk that we are taking when we are pulling back in certain circumstances.

Senator PETERS. Very good. Thank you. Thank you, Madam Chair.

Senator SINEMA. Thank you. Senator Fischer.

Senator FISCHER. Thank you, Madam Chairman.

General Miller, I am pleased to see that the Air Force awarded the SAOC Program contract last week. Our existing fleet of E-4Bs must be replaced and there can be no gap in operational capability. These aircraft are a central component of our MC-3. In all contingencies, including the worst case scenarios, the SAOC will ensure continuity of government and provide national leaders with the ability to command U.S. Military Forces and execute emergency war plans.

While the President's budget request included significant funding for the program itself, I was deeply concerned to see that it did not include any funding for the military construction projects that are needed to support the SAOC. As you know, these aircraft and the airmen operating the aircraft, they need hangars, and maintenance, and supply storage, on and on. If we expect these new facilities to be ready by the very early 2030s, we need to start planning and designing for them as soon as possible.

The Chief of Staff of the Air Force's unfunded priorities list does include a request for \$158 million for planning and design funding to support SAOC Military Construction projects; and that is a good start. And I look forward to working with this committee to include that funding in our fiscal year 2025 Appropriations Bill.

However, General Miller, to be clear, I expect funding for these Military Construction Projects to be included in the base budget re-

quests in the future. There is a clear requirement for these projects, and they must be ready by the time the SAOC reaches initial operating capability. Clear?

General MILLER. Yes.

Senator FISCHER. Thank you, sir, very much. And I appreciate all that you have done in working for Offutt and making sure that we are moving ahead there. This subcommittee has worked closely with the Department to reconstitute much of the capability that we lost in the Indo-Pacific after the Cold War, while many of these projects will be on Guam, we are also looking at projects in the Marshall Islands, and throughout the region.

Secretary Owens, how would you describe the investments proposed by this budget request to improve our posture in the Indo-Pacific?

Mr. OWENS. Thank you for the question, Senator, on this critical area. We are investing almost \$10 billion in PDI this year to posture ourselves well. Much of that is going to Guam, Hawaii, CNMI, throughout the region. We are also investing money through exercise-related construction, and other forms, to help bolster our partnerships in the Indo-Pacific, specifically with the Philippines, for example. And then also with other places to be able to make sure that we have the resources that we need to make sure that we have the support for all the PDI that is going — that we need to work on.

Senator FISCHER. I think all of us are very concerned about the pace with which we are moving on any project, any project that is out there. We see delays, very few are able to meet their schedules. When we look at these, are there any authorities that Congress can help you with? How do we accelerate, let alone meet deadlines, how do we accelerate the construction projects across the board, but specifically in the Indo-Pacific?

Mr. OWENS. Senator, if you could shrink the entire AOR that would be great. I don't think that is a realistic request, so I would——

Senator FISCHER. Do we need to shrink the bureaucracy?

Mr. OWENS. I think that the challenges are tyranny of distance in many instances. Guam is a very difficult place to get cement to, to get steel to, and the challenges that we have in addition to just the tyranny of distance are the limiting factors of the construction capacity—or sorry, the port capacity. So Admiral Jablon mentioned that this is something that is problematic from a warfighting perspective, it is also problematic from a construction perspective.

If that breakwater fails, then our ability to bring the things that we need to bring to Guam, to build the infrastructure, to defend Guam is compromised as well. So I think there is much more.

Senator FISCHER. Besides the AOR and the distances involved specifically in the Indo-Pacific, are you seeing continuing issues with supply chain?

Mr. OWENS. Continuing issues with supply chain——

Senator FISCHER. Can you get the stuff you need?

Mr. OWENS. There are challenges that we are working to overcome. I think part of what the Deputy Secretary did in putting the Undersecretary of the Navy as the Senior Defense Official on Guam, for example, was in order to make sure that the synchroni-

zation of all of these efforts was something that could happen expeditiously.

Senator FISCHER. Thank you. Thank you, Madam Chair.

Senator SINEMA. Thank you. Senator Heinrich, you are recognized.

Senator HEINRICH. Thank you, Chair Sinema.

Mr. Hollywood and General Miller, as you both know, New Mexico is home to many of the Nation's core space assets. We have Air Force Research Labs, Space Systems Command, the Space Rapid Capabilities Office, and the incoming Space Force Delta 11 Training Mission. Secretary Kendall and General Saltzman recently revealed plans to build up a new Space Force Futures Command, and sort of began to articulate how the Space Force will look to leverage existing MILCON capabilities, industry capacity, when considering where to house a new Futures Command.

So would you both talk to me about how the Air Force and Space Force are thinking about that sort of existing ecosystem and infrastructure in the decisionmaking process for that?

Mr. HOLLYWOOD. Senator Heinrich, thank you very much for that question. First, Lieutenant General Miller and the Air Force take great care of us in providing support on installations. Space Force Futures Command came out of our analysis for optimizing great power competition. And we realized that we had a lot of disaggregated functions and activities that we were already performing, but we realized if we can put them together, we can optimize. We will test and exercise concepts, future missions, equipment, and then we will put some real analysis behind it so that we can best spend the dollars to put the maximum capability in as we do our Force design.

Right now, sir, there are no plans for MILCON. We haven't made plans or a request. We are working through the design of what this needs to look like, what things we need to put together to be effective. And once we do, sir, I will make sure that we get back with you when we are ready to go through a basing decision and start putting the structure together.

Senator HEINRICH. General Miller.

General MILLER. Senator Heinrich, good to see you again. I don't think I have seen you since I was the installation commander at Kirtland, actually, several years ago, so good to see you again.

The only thing I could add to Mr. Hollywood's point is, as a Department of the Air Force, two services, one department, we look at all of these aspects as a Department. Mr. Hollywood and I can almost finish each other's sentences in many of the meetings we are in, so I can assure you that from a Department of the Air Force standpoint, there aren't cylinders. It is one department, and we are looking at it that way.

Senator HEINRICH. Excellent. I am glad to hear that. On base, and this is going to be for all of the services, but on base and privatized housing continue to be one of the top issues facing rural installations in New Mexico, and I suspect across the country. Service members and their families at Cannon Air Force Base, Holloman Air Force Base, White Sands Missile Range, are consistently facing challenges in finding adequate housing, and then that

negatively impacts mission readiness, recruiting, and obviously, retention.

So for each Service represented here, walk through for us what specifically you are doing to ensure that rural installations are receiving the kind of housing support, and planning, and capacity that they need. And maybe start with General Miller, and then just go across.

General MILLER. Thanks, Senator. For two parts, one for accompanied housing—so the maintenance, or not maintenance—the housing requirements analysis that is done with the community that we do, multiple-year and five-year increments, look at the capacity requirement, the distance of driving, what is the footprint for a family and accompanied housing requirement, looking at that balance against the inventory that is on base, privatized housing throughout the United States, and looking at that inventory.

And then separately, we have talked about dorms, barracks. There is actually some opportunity at Edwards Air Force Base is looking at a privatized apartment, which I wouldn't call as a barracks, but more of a—it is 16 miles from the front gate to the first building at Edwards, so it is a fair bit of a drive. Within the footprint of the privatized housing enclave, there is initial thoughts of having an apartment complex, which would be not for someone that is in the dorm, but someone who is either left the dorm, or is unaccompanied and just has, within the footprint, we think there is a business case there at many bases, possibly rural bases may have some other opportunity in New Mexico.

Senator HEINRICH. Go ahead.

General BANTA. Senator, thanks very much for the question. So housing, both accompanied and unaccompanied, are incredibly important to the Marine Corps, specifically with respect to rural locations, they are looked at, as are all of our other locations, on adequacy and supply relative to demand. I will note that in this year's, not in our budget, because this is our PPV partner in Yuma, who is actually building 60 additional units to be able to accommodate families there.

From an unaccompanied housing perspective, we are also looking at potential business case opportunities, we are at PPV unaccompanied housing, but we want to take a very deliberate look at that to make sure it works for us.

Senator HEINRICH. Great, sir.

Admiral JABLON. Senator, thank you for that question. This really goes to the point of quality of service for our sailors and our families. Obviously, if we don't have the housing available, the right housing that will meet our standards, then that will affect retention and recruiting. As far as what General Banta said, the Navy takes the same steps, looking at privatized housing, unaccompanied housing, and also the housing available in the area, as far as manning that installation, especially in rural areas, and the availability of housing for that. So we have a step process to ensure that we have the housing available for our sailors before we send them to rural areas.

General VEREEN. Senator, thank you for the question. I think we are consistent with all the other services. It is really about understanding the market externally to our installations. We do pride

ourselves, however, we want our soldiers and families to stay on base housing if they can, and choose to, and there is housing available. That is our first option. But again, we are scanning the market to ensure that those communities can accommodate our families.

Senator HEINRICH. Thank you, Chair Sinema.

Senator SINEMA. Thank you. Senator Murkowski, you are recognized.

Senator MURKOWSKI. Thank you. And thank you, gentlemen, for your comments this morning, and in all that you do. Just to follow on Senator Heinrich's question about housing. I think when we talk about quality of life, one of the things that we are hearing more and more is housing matters and child care matters.

So specific to the housing piece; and this is directed to you, General Miller. As you know, in Eielson, we have been really challenged with adequate housing as we look to bring, whether it is the F-35s, or just all that is going on at Eielson. I have been a little disappointed to see that the Air Force is not necessarily leaning in on the dormitory project there at Eielson.

We saw the fiscal year '24 Approps Bill that provided the planning and design to get it to 35 percent, but the budget request didn't include anything for moving this forward to 100 percent. So if we are able to provide funding in fiscal year '25 to get the project to 100 percent design, will the Air Force prioritize it for construction funding than in the next fiscal year?

Thank you, Senator Murkowski, for the question. The \$9.5 million for planning and design is critical, which we will move to the P&D, which, to get it to the 35 percent, as you described, so it can become before this subcommittee. For the Military Construction Project Prioritization that goes across all the MAJCOMs, that process will not be until this fall. So I think there is enough time for us to have an answer on whether we will get the funding for that.

I can go back to that Military Construction Prioritization Committee and discuss the importance. You have described actually last year in this discussion of importance of F-35, KC-135. It is an ecosystem, both accompanied and unaccompanied housing. Described before, and then our pause is, we do recruit individuals, but we retain families. And even if you don't have a family, you are making your decision about whether you stay in the Air Force or not, probably in that first enlistment.

If we keep someone past their initial enlistment, they stay with us for a very long time, but they are making that calculus, that decision, likely before that point in their life. So we owe it to the Airmen. I will go back and reemphasize to the MILCON Prioritization Plan exactly your words.

Senator MURKOWSKI. I appreciate that. We don't need to discuss more in this committee the significance of making sure that we have the housing that we need at Eielson, but we know that we are not there yet. So let us work on this.

General Vereen, also to quality of life issues, you have spoken to the significance and the importance of that, but yet we are not seeing any of the quality of life projects for Alaska making it into the fiscal year 2025 budget. One of them that we have been tracking for a while is the dining facility there at Fort Wainwright. I had

an opportunity to join some of the soldiers for lunch there, not too long ago, I am hoping that this is still on your radar if you can just give me the assurance that it is.

General VEREEN. Senator, having gone to the dining facility in September of 2023, well aware of the significance of that facility and it is still on our radar.

Senator MURKOWSKI. Great, great, I appreciate that.

Vice Admiral Jablon, in your testimony in advance of the hearing, you speak to the Navy's efforts to align with the National Defense Strategy, and of course included within that, the NDS specifically, references the Arctic. It is a keen priority and a focus of mine. But it speaks to the need to increase maritime domain awareness.

I don't think that we can really do that without access to a deep-water port. And of course you know that we are moving forward with the construction of the deep-water port there in Nome. This will give us an Arctic deep-water port, right now, the closest to the Arctic that we are with a deep-water port is about 900 miles to the south. It is just pretty tough to be responsive.

And so we are working with this. The entities that are working to build this out are considerable. But I think the contributions or the potential contributions to national security for this deep-water port can't be understated. So given the national security imperative, would the Navy consider identifying and implementing a mechanism by which they could financially support construction of the port, or at least to help with it?

Admiral JABLON. Senator, thank you for that question. And as you state, the ability of the Joint Force to operate in all domains, including the Arctic, is really vital to national security. The Navy has been operating in the Arctic for over 70 years. I myself have operated in the Arctic on a submarine. In fact, we just finished Ice Camp 2024.

Senator MURKOWSKI. Which was fabulous, by the way, I was able to go into the ice.

Admiral JABLON. You were there?

Senator MURKOWSKI. Yes.

Admiral JABLON. Fantastic. So on the Hampton and Indiana.

Senator MURKOWSKI. And Indiana.

Admiral JABLON. That is fantastic. So it shows our ability to operate in the Arctic, to continue operating in the Arctic in that environment is so important. In 2021, the Navy put out its strategic blueprint for the Arctic, looking at rotational forces, pre-positioning forces, possibly base infrastructure in there. It does not call out Nome as an area to look at. But I give you my commitment that I will look into that as a deep-water port for the Arctic.

Senator MURKOWSKI. Excellent, I appreciate that. My time has expired. But Mr. Owens, know that I am going submit a couple questions for the record regarding dual-use infrastructure, the opportunity to be able to partner with the likes of the National Guard, Coast Guard, state law enforcement, whether it is for hangars, armories. We used to do it, we are not doing it. I mean, you are also going see a question there related to the Ted Stevens Arctic Security Studies Center and a path forward for making sure that they have the facilities that they need.

Thank you, Madam Chairman.

Senator BOOZMAN. Madam Chair, I want to go to Ice Camp.

Admiral JABLON. Senator, we can take you.

Senator BOOZMAN. Very good.

Admiral JABLON. Two years from now.

Senator SINEMA. Senator, I think that you went underground in the ice.

Senator MURKOWSKI. Under the ice.

Senator SINEMA. Yeah. I have no interest in ice.

Senator MURKOWSKI. Under the ice, yeah.

Senator SINEMA. Yeah. Have fun, great.

I now will yield the floor to Senator Hoeven for his questions; Senator.

Senator HOEVEN. Thank you, Chairman Sinema. I was surprised to see your new role as Chairman here. That is great, yeah.

Senator SINEMA. Somebody made a terrible mistake somewhere.

Senator HOEVEN. Well, not true at all. And you have an outstanding Ranking Member, too, so you are fortunate.

Thanks to all of you for being here. Thanks to all of you for your service. Secretary Owens, we went to Assistant Secretary Kathleen Ferguson a number of years ago and got an enhanced use lease from the Air Force and set up Grand Sky Technology Park, at Grand Forks Air Force Base. And they specialize in unmanned aviation, and it is incredible. If you haven't come out and seen it, you ought to. It is unbelievable what has happened there, what has transpired.

And they are doing just amazing things, and now into space as well with the Space Development Agency, the old satellites as well as the whole range ARC Program. It is just as incredible, companies like, Northrop Grumman, and General Thomas, and others in there.

This came about because Grand Forks County and the Grand Forks Air Force Base were able to utilize an enhanced use lease program, that the very visionary, Assistant Secretary Ferguson worked with us to establish. But that is the kind of potential these things have. I would like your thoughts on it, and if you are working on some.

Mr. OWENS. Yes, Senator. I look forward to visiting. I have been close to North Dakota, but never, never been there, so that will be great.

Senator HOEVEN. That is why you are invited. We would love to show you.

Mr. OWENS. Thanks very much.

Senator HOEVEN. I think you will be impressed.

Mr. OWENS. So I think that you are exactly right. The utilization of enhanced use leases to catalyze that type of investment in R&D is certainly one aspect. But I think that there is a whole host of other opportunities for us to look at, whether it is quality of life related investments, whether it is energy security related investment, ULs, can be the bridge to bring third-party financing, and alternative financing into installations that will enable us to do things that we are just not able to get after with the budgets that we are working with now.

Senator HOEVEN. Good. Again, we would love to have you come out and show you just how incredible, you know, this project has been. And a huge asset for, not just Air Force but DOD.

General MILLER, there is one dual nuclear base in the nation, and you which it is, Minot Air Force Base, and since they have both the ICBMs, and the B-52s with the ALCMs, soon to be GBSD and the LRSO, they need a new weapons generation facility. Would you, please, tell me, how expeditiously, we will be able to get that accomplished.

General MILLER. Thank you, Senator Hoeven, for the question. And if I may, just on your UL question, the point before that you were mentioning.

Senator HOEVEN. Yes, sir.

General MILLER. I have seen the benefit of that at Hill Air Force Base which actually supports Sentinel, and looking in it. It is an offset to help quality of life, while providing good use of government land. So there is lots of opportunity there.

Senator HOEVEN. Thank you. Yeah, appreciate that.

General MILLER. On your question on Minot in particular. So the weapons generation facility, the most complex being the one that is bomber and missile—the only one that is bomber and missile, which I know you asked me about last year as well. That is outside of the FY DP currently. You have my commitment that the weapons storage area sustainment that is required on the journey to the weapons generation facility. I know Minot has identified, I believe it is \$74 million in requirements, this is roofs, roads, to keep the WSA viable.

And I realize that much discussion on the LRSO is classified, but on the unclassified side, the roofs, the roads, the infrastructure that is required to keep that WSA viable, until the WGF is built, the Air Force is standing behind that. And when we look at—even within the constraints we have in our efforts in our budget, we know how important the WSA is.

Senator HOEVEN. Thank you. I appreciate that. And it is an absolute priority. Again, it is the only dual nuke base. And that is part of the reason it has been delayed, is you have got the folks like F.E. Warren, developing the Weapons Gen Facility on the GBSD, for Sentinel, on the GBSD side, and you have got places like, you know, Ellsworth, for example, for the B-21.

So they say, well, you know, but we have to learn from developing the missile facility, the WES Gen Facility, and the aircraft. And here it has to be both so it is more complicated. That is fine. But I have heard that for a while now.

General MILLER. Yes, sir.

Senator HOEVEN. And so we need to get going.

General MILLER. Yes, sir.

Senator HOEVEN. Yeah. And then the one other thing back to the grant, Sky Grant, Forks Air Force Base, and we haven't had you out there, General, we would love to have you as well; they really need an additional fire station, just because of the growth and development out there. It is incredible what is happening, and it is a one-of-a-kind, you know, Military industrial park for you all. But the main, the main fire station for the base, they can't get out and

cover all this development on the tech part. And that needs to be a priority as well.

General MILLER. Yes, Senator. I understand. So the Defense Community Infrastructure Program might possibly be an option for that additional fire station. The time response for a fire station is being codified for good reasons, obviously. I am going to look more into that opportunity, because if that is—I think that is what that program was designed for, and so we are researching that right now. I am hopeful that can fund it.

Senator HOEVEN. Right on. Thanks. I have a lot more great questions for all of you, because you are doing such great stuff. But we have a no-nonsense Chairman here. And I have already gone over my time a little bit. So Thank you, Madam Chair.

[Laughter.]

Senator SINEMA. Thank you, Senator.

Senator HOEVEN. Thanks to all of you.

Senator SINEMA. Thank you, all, so much for being here today. This will conclude our hearing today.

I want to thank our witnesses and our colleagues for participating. I look forward to working together on this year's Appropriations Bill to ensure we are providing the Department, Service members and their families with the Military construction and family Housing resources they need.

ADDITIONAL COMMITTEE QUESTIONS

I will keep the hearing record open for one week. Committee members, who would like to submit written questions for the record, should do so by 5:00 p.m., on Wednesday, May 8th. We appreciate receiving responses to them, in a reasonable period of time.

QUESTIONS SUBMITTED TO HON. BRENDAN OWENS

QUESTIONS SUBMITTED BY SENATOR KYRSTEN SINEMA

Question. Investments in resilient infrastructure should be synchronized with master planning in order to know we're building efficiently and in line with installation capacity and needs.

However, many bases are still developing—or have not yet started—their installation energy and climate resilience plans. While we cannot stop recapitalizing and modernizing facilities at installations without these plans, how do you strike that balance in this request?

Is DOD requesting funding for projects at installations that have not completed an installation climate resilience plan?

Answer. Yes. The DOD's funding request will continue to include infrastructure investment to support critical mission and quality of life for military and civilian personnel while installations continue to complete their backlog of energy and climate resilience plans. For investments, such as Energy Resilience and Conservation Investment Program (ERCIP), the Department prioritizes projects that are included in a documented plan (e.g., Installation Energy Plan) and address energy, water, and climate resilience.

Question. When will DOD have energy and climate master plans in place at every installation?

Answer. All installation energy plans are expected to be complete by the end of calendar year 2026 and all installation climate resilience plans are expected to be complete in 2029.

QUESTIONS SUBMITTED BY SENATOR TAMMY BALDWIN

Question. The Department of Defense has reported an extensive backlog to clean up active and former DOD installations contaminated with toxic pollutants, including PCBs, Dioxins, PFAS, and other chemicals. Cleanup is often a long process, but even installations that have been resourced and completed through BRAC often exhibit lingering problems. Wisconsin's own Badger Army Ammunition Plant is the site of a now three-mile long plume of contaminated groundwater that continues to migrate offsite, in spite of completed cleanup efforts.

What procedures does the Department use to assess the extent of contamination and to determine whether clean closure has been achieved?

Answer. DoD is committed to protecting human health and the environment by conducting cleanup under Federal cleanup law, the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and the long-standing EPA regulations for all chemicals in our cleanup program. The CERCLA process includes investigating releases and determining the appropriate cleanup actions based on risk to human health and the environment. This process also includes public participation and is conducted in coordination with environmental regulators.

As part of the investigation, DoD collects detailed information to characterize site conditions, which includes determining the nature and extent of the release (e.g., the source, how widespread the release is) and assessing risk to human health and the environment. DoD then evaluates various cleanup alternatives, identifies a proposed cleanup remedy, and solicits public and regulator comments. DoD provides the decision document to regulators for review. For sites on EPA's National Priorities List, DoD and EPA jointly select the final remedy. In accordance with CERCLA, after the final remedy is selected, DoD reviews the continued protectiveness of the remedy at least every 5 years in coordination with the appropriate regulator.

Question. What is the formal process for communities to contest completed cleanup so that further cleanup is initiated?

Answer. When the cleanup levels do not allow unrestricted use of the property, DoD monitors the long-term protectiveness of a cleanup remedy, to include monitoring site conditions and performing 5-year reviews. DoD provides the draft 5-year review report to EPA and the State regulatory agency, as appropriate, for review and comment. If a community believes it has information indicating that changes in toxicity values or changes in land use assumptions affect the protectiveness of the remedy, the community can provide this information to the appropriate Military Department representative and the appropriate regulator. If the installation has an established Restoration Advisory Board, community members can also present cleanup concerns in that forum. When the cleanup goals have been met, allowing for unlimited use and unrestricted exposure of the property, the cleanup is considered complete. For BRAC locations, under section 120(h) of CERCLA, DoD is required to conduct any additional response action found to be necessary after the date the property transferred out of DoD. While an informal process, should a property owner have information indicating releases of hazardous substances that were not previously considered in the completed cleanup, they should contact the appropriate Military Department representative and the appropriate regulator. A citizen suit can be initiated under section 310 of CERCLA to formally contest completed cleanup.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. Building military infrastructure in Alaska is a process fraught with hurdles, including cost, timing, and harsh environmental conditions. One area I believe we should be focusing on is the construction of dual- or multi-use infrastructure that can be utilized by your partners, including the National Guard, Coast Guard, and State and Federal Law Enforcement. We've done it before in Alaska with projects like hangars and armories, but we haven't done it like that in a while.

As focus shifts to Alaska as an intersection between the IndoPacific, the Arctic, and Europe, what opportunities do you see to construct projects that serve multiple departments and agencies?

Answer. Master planning for our military installations is meant to consider DoD requirements at that location and includes engagement with adjacent Federal, State, and local jurisdictional organizations. For major construction investments, joint use consideration is part of the process. Specifically for Alaska, functional infrastructure tied to seaport, airport, logistical, and training facilities are areas of opportunity for joint use. Planning and programming joint use projects adds a layer

of complexity since our facility investments are focused on DoD requirements and any additional capacity or increased capability by these non-DoD organizations would need to be compatible with the DoD mission and companion funding.

Question. I worked for some time to ensure the Department has adequate resources to stand up the Ted Stevens Center for Arctic Security Studies. They have been operating now for several years and are doing an excellent job with what they have been given. One of their remaining challenges is the lack of a physical facility. The center has not yet found a home which makes gathering for the purposes of providing education, engagement, and research quite difficult. They have identified several possible paths forward, but I don't see a request for FSRM funding in the FY25 budget request.

Has OSD identified a path forward to either remediate an identified facility on Joint Base Elmendorf-Richardson or acquiring a lease off base?

Answer. The Defense Security Cooperation Agency (DSCA) has primary responsibility for addressing facility requirements and solutions by working with the Air Force in determining a path forward with supporting the Ted Stevens Center (TSC) for Arctic Security Studies currently located at Joint Base Elmendorf-Richardson. The TSC is currently supported in the former Mt. Spurr Elementary School. The existing infrastructure is in poor condition and is not able to support full operational capability for the TSC. The mission is being met by personnel teleworking and limited in office operations. An analysis of off-base facilities did not identify a lease solution. DSCA and the TSC are working with the United States Army Corps of Engineers to identify facility investment requirements and with the Air Force to determine courses of action sufficient to address TSC facility requirement, including the need to seek additional funding or reconsider other short or long-term options for the TSC.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL KEVIN VEREEN

QUESTIONS SUBMITTED BY SENATOR KYRSTEN SINEMA

Question. DOD is undertaking several significant concurrent infrastructure programs on Guam requiring extensive inter-Department and inter-agency coordination, not to mention base—and emergency—funding. It's critical that these efforts do not get bogged down in bureaucracy, preventing the services and agencies from making timely decisions aligned with the budget cycle. The Department also needs to determine requirements—particularly for the Defense of Guam program—to inform the Milcon design and construction timeline. What are the most significant challenges in executing your respective programs on Guam?

Answer. The most significant challenge executing MILCON programs in Guam is the definition of requirements in a timely fashion. The Guam Installation and Community Support Working Group has been extremely helpful to align stakeholders across the DoD to have a common site picture so that projects can be identified, planned, designed, and executed. National Environmental Policy Act (NEPA) requirements are not being completed as quickly as desired, but lack of well-defined requirements is partially responsible for the delays. With the recent publication of Guam military population planning numbers the Military Services will be able to address the support requirements needed to enable the beddown of the Guam Defense System.

Question. This year's request is heavily focused on training and maintenance infrastructure, and quality of life facilities. At the same time, Army Test and Evaluation Command has numerous unfunded minor and major Mil-Con requirements, including at Yuma Test Center at Yuma Proving Ground. Could you discuss how you are prioritizing test and evaluation infrastructure requirements against all the other facility demands across the Army enterprise?

Are you addressing these needs in other ways?

Answer. All projects (including ATEC candidates) are reviewed for completeness and feasibility, then ranked based on prioritization criteria that has been validated by the DCS G-3/5/7. These criteria consider facility type (e.g., Permanent Party Barracks, Training Facilities, Vehicle Maintenance Facilities, Laboratory Facilities, etc.), command priorities, mission priorities, deficit fulfillment, and replacement need of failing facilities. The project list is then sent to DCS G-9 for review. The breadth and depth of project types submitted allows maximum flexibility for ASL to make final decisions on which projects (ATEC and others) move forward in the process.

One of the other ways ATEC's needs are being addressed is via Congressionally directed funding for major projects, minor projects and Planning and Design specifically for Army Labs projects. We currently have eight minor Army Labs projects that are under design: 7 projects in FY22, and 1 project in FY23, the Radar Operations and Maintenance Building at Yuma Proving Ground. The Army is also executing advance planning on the Yuma Proving Grounds Airdrop Rigging Facility in preparation for design as a minor project. The Army is grateful to Congress for this beneficial program which assists the Army in addressing recapitalization of its laboratory inventory.

Question. I commend the Army for the decision to attack unaccompanied housing needs by including seven barracks projects in its request this year. Does the Army have a long-range plan to address its barracks capacity and condition quality shortfall?

Answer. Yes, the Army has a long-range plan to address its barracks capacity and condition quality shortfall. In FY25, the Army is requesting \$2.5B in barracks funding which includes \$935M for nine new unaccompanied housing projects for Active Duty and Army Reserve. The Army is also requesting 100% of the requirement to sustain barracks in FY25, an investment of \$680M with similar amounts across the FYDP. The Army intends to submit similar requests for barracks funding across the FYDP to address deficit and condition shortfalls.

The Army recently submitted our FY24 NDAA Section 2839 condition report which identifies how the Army intends to repair our 225 Q3 and Q4 barracks over the Fiscal Year Defense Plan. The cost to repair and renovate these barracks is \$4.1B which includes 55 barracks that require \$1.3B in Restoration and Modernization funding not currently planned in the FYDP. The remaining \$2.8B in funded requirements are programmed and funded in the Army Facility Investment Plan, which addresses barracks capacity and condition issues by prioritizing the requirements for deficit construction, restoration & modernization, and inventory disposal. The Army will maintain and update this plan annually to ensure it captures the most current facility and cost data.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. I truly appreciate your focus on supporting our servicemembers by advancing projects that improve their quality of life. I understand that several facilities at Joint Base Elmendorf-Richardson are in poor condition, particularly several of the Company Operations Facilities and the Tactical Equipment Maintenance Facility, are in desperate need of investment. Can you speak to how improving the facilities that our Soldiers work in would advance both readiness and quality of life?

Answer. Our foundational priorities continue to be people, readiness, and modernization and we remain focused on all three. Improving facilities where soldiers both live and work is imperative to both quality of life and readiness. Our soldiers spend nearly as much time in the facilities where they work as in those where they live. In particular, we recognize the importance of Company Operations and Tactical Vehicle Maintenance facilities to maintaining unit readiness and overall mission accomplishment. Improving facilities not only supports Army's readiness, but also the holistic approach to Soldier wellness in every form. Our readiness depends on resilient and determined soldiers and begins with equipping and training the force with safe and modernized facilities.

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

JAMESTOWN READINESS CENTER

Question. For the last few years, the NDNG's top military construction project has been the Jamestown Readiness Center. How will you prioritize this project moving forward?

Answer. The North Dakota Army National Guard (ARNG) has submitted Project Number 380113—Readiness Center, Jamestown, ND for consideration through the FY24 ARNG Installation Requirement Plan (IRP) process. The IRP process addresses the competing requirements from all 54 States, Territories, and D.C. for inclusion in the last year of the Army's upcoming Future Year Defense Plan (FYDP) 2027—2031. This would make it eligible for FY31 consideration. Projects in the first 4 years of that FYDP have already been selected and are proceeding through project development. The project is currently at 0% design.

LODGING FOR CAMP GRAFTON'S REGIONAL TRAINING INSTITUTE

Question. Congress was able to secure funding last year to fully fund the planning and design of a lodging wing at Camp Grafton's Regional Training Institute (RTI). How will you prioritize this project moving forward?

Answer. Project Number 380115—Institutional Post-Initial Military Training Unaccompanied Housing received Advanced Planning & Design in FY23. The State received Initial Design Authority on 25MAY23. Once the project meets 35% validated design, the ARNG intends to submit the project as a Chief of Staff of the Army Unfunded Priorities List (CSA UPL) candidate. This project is currently at 2% design. The project must have an approved 35% design no later than 31 August 2024 to be submitted as a CSA UPL candidate and potential FY26 construction funding.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL EDWARD BANTA

QUESTIONS SUBMITTED BY SENATOR KYRSTEN SINEMA

Question. DOD is undertaking several significant concurrent infrastructure programs on Guam requiring extensive inter-Department and inter-agency coordination, not to mention base—and emergency—funding. It's critical that these efforts do not get bogged down in bureaucracy, preventing the services and agencies from making timely decisions aligned with the budget cycle. The Department also needs to determine requirements—particularly for the Defense of Guam program—to inform the MilCon design and construction timeline. What are the most significant challenges in executing your respective programs on Guam?

Answer. To date, USMC DPRI MILCON program is not significantly affected by excessive bureaucracy associated with additional/concurrent infrastructure programs on Guam. Approximately 1 year ago, OSD Infrastructure Modernization & Resilience set up the Guam Installation and Community Support Work Group (GICSWG) to help the Services synchronize the unprecedented DOD growth in Guam. Early on, the GICSWG noted DPRI is tied to an International Agreement and the USMC has enjoyed favorable deconfliction in MILCON design and construction timelines within the DOD on Guam. The Marine Corps on Guam has experienced episodic minor delays in some permitting actions due to the sheer volume of work confronting the relatively small Government of Guam staffs. Other challenges have predominantly dealt with cost linked to supply chain issues, previous uncertainty with H2B Visa extensions and destructive weather events.

Question. As you noted in your testimony, the Marine Corps has begun a Barracks 2030 initiative to holistically address challenges in your barracks portfolio. Installations such as Marine Corps Air Station—Yuma have significant unaccompanied and transient housing needs and I'm cautiously optimistic that this initiative will help transform how the service addresses barracks management and investment. That said, planning and design for this initiative was included as an unfunded requirement rather than being built into the FY25 program. Could you discuss resourcing plans for this barracks modernization program for future fiscal years?

Answer. This year's constrained budget put the Marine Corps in a position to make difficult decisions because of the topline growing by only 1% due to the funding level set by the Fiscal Responsibility Act of 2023. The Marine Corps is committed to starting our Barracks 2030 initiatives in earnest by FY26, but the Marine Corps is doing everything we can now.

Programming \$274 million in FY25 (a \$61 million increase from previous years) underscores our dedication to improving our barracks. With reprogrammed funds in FY24 and FY25, the Marine Corps will hire civilian barracks managers, purchase new furniture, and accelerate the modernization of barracks.

In March, we concluded our 100% wall-to-wall Environmental, Health, and Safety (EHS) inspections of every barracks room to establish the baseline conditions of habitability. Our recent EHS inspections will inform our future investments. If additional funds are made available, the Marine Corps can accelerate Barracks 2030 and execute additional FSRM and other investments of \$410M in FY25.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL TOM MILLER

QUESTIONS SUBMITTED BY SENATOR KYRSTEN SINEMA

Question. The Air Force is in process of standing up an AF-SOC Power Projection Wing at Davis-Monthan Air Force Base which will require infrastructure investments as more than a half dozen squadrons will be relocated to and activated at the installation. To what extent are units able to effectively utilize existing infrastructure?

Answer. The Department of the Air Force (DAF) has worked extensively with subject matter experts within Air Force Special Operations Command (AFSOC) and Air Combat Command (ACC) preparing infrastructure plans that minimize costs associated with the standup of the Power Projection Wing at Davis-Monthan Air Force Base. Coordination between AFSOC and ACC allowed for existing facility reuse through Facilities Sustainment, Restoration, & Modernization (FSRM) funding to the greatest extent possible. Only in cases where unique and specialty mission requirements dictate will new facilities be constructed and Military Construction (MILCON) funding utilized for the standup.

Question. When do you anticipate identifying and programming specific MilCon requirements to facilitate the establishment of the wing, and will when those be shared with Congress?

Answer. The DAF is evaluating MILCON requirements to support the AFSOC Force Projection Wing at Davis Monthan AFB. However, initial estimates are approximately \$450M. There are currently 2 projects in the FYDP, both in FY26, totaling \$155.4M, to support future basing of the AFSOC Force Projection Wing: \$30.4M for Communications Headquarters Facility, and \$125.0M for MC-130J Hangar/Aircraft Maintenance Unit.

Question. We are confirming details for some of the requested/projected MilCon projects in Arizona, and we were wondering if you could confirm if the below projects are on the Air Force FYDP, and if so, what year?

Admin and Storage Building for 944th Fighter Wing at Luke AFB (Project Number NUEX1098545B)?

Answer. This is an Air Force Reserve project that has been requested for design funding as a Facility Sustainment Restoration and Modernization project, not MILCON.

Question. 1b. Luke Air Force Base Child Development Center (Project Number NUEX203000)

Answer. This project is not in the FY25–29 FYDP. However, it is currently at 95% design and is being considered for the FY26–30 FYDP for \$41.0M.

Question. Gila Bend North Turnaround (Project Number NUEX153003)

Answer. The Gila Bend North Turnaround project is not positioned within the Unspecified Minor Military Construction program but continues to compete against other requirements. Current estimated cost is \$5M.

Question. Morris Air National Guard Base-Base Entry Complex (Project Number XHEA109012, tracking this is on the UPL this year)

Answer. Project XHEA109012 was funded at \$12M in FY23 and is currently out for bid. Based on current cost estimates, a \$5M cost increase is projected due to the ongoing land acquisition and code update since the design is 2 years old.

Question. Morris Air National Guard Recruiting Complex (Project Number XHEA192003, part of the base entry complex)

Answer. Project XHEA192003 is for a separate facility and function that is adjacent to, but not in scope of the Recruiting Complex. It is not in the FYDP. This Facility Sustainment, Restoration & Modernization (FSRM) funded requirement is 100% designed and ready to execute as early as FY25; however, prioritization of FSRM funds nationwide has put this requirement in FY27 for funding.

Question. Goldwater ANG Ramp Expansion (Project Number VTNB162484)

Answer. Project VTNB162484 is not in the FYDP. It is another FSRM funded requirement with scope and cost not validated, designed, or executable in FY25. ANG is unable to confirm this requirement for FY25 Congressionally directed spending consideration.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. As attention shifts to the Arctic, I believe we will have to make some difficult decisions about how to prioritize projects in the region in future years. There are a number of hurdles to construction in the Arctic, but the two primary challenges are high cost and environmental factors. For example, coastal radar sites

that make up part of the Northern Warning System are experiencing erosion at rates much faster than we projected and infrastructure at bases across the State built on permafrost is destabilizing.

How will the Air Force prioritize and weigh Arctic construction and FSRM projects in future years?

Answer. The DAF recognizes challenges of construction within arctic areas. Arctic climate is considered when developing the cost estimates and design but does not impact the prioritization process. Despite extreme locations, all MILCON and centralized FSRM projects are prioritized based on MAJCOM and mission requirements/priorities.

Question. General Miller, your testimony mentioned addressing Combatant Commander requirements for construction projects with a particular focus on INDOPACOM, STRATCOM, and EUCOM.

Should we take this to mean that NORTHCOM's priorities are entirely addressed in this budget?

Answer. NORTHCOM's MILCON requirements were considered during the building of the FY25 President's Budget. The Department of the Air Force has two overseas MILCON projects positioned in the FY25–29 FYDP to support NORTHCOM. These include: Runway Approach Landing System for \$26.0M in FY26, and a Billeting Support Facilities project for \$130.0M in FY27. Both projects are at Pituffik, Greenland, formally known as Thule AB.

In addition to overseas requirements, the FY25 President's Budget includes: \$198.0M for the new Homeland Defense (HLD) Over the Horizon Radar (OHR) with Land Acquisition, Increment 1 project supporting CONUS NORTHCOM requirements, and another \$787.9M is positioned in FY25–29 to support OHR. While OHR supports NORTHCOM, it is captured as a New Mission requirement in our FY25 President's Budget request.

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

INSTALLATIONS & AGING INFRASTRUCTURE

Question. What is the impact to readiness of insufficient investment in existing basic infrastructure?

Answer. The Department of the Air Force (DAF) continues to balance risk to infrastructure against other operational requirements. The DAF is prioritizing efforts to support Great Power Competition to ensure continued access to essential infrastructure and maintain required readiness.

Question. What is the plan to bring Minot up to the same level of investment as other Air Force installations?

Answer. In FY24, Minot identified approximately \$147M in additional Facility Sustainment, Restoration and Modernization (FSRM) projects to repair and renovate other aging infrastructure on Minot. This includes dorm renovations, demo/consolidation projects, and apron and runway repairs. These projects will compete with other FY25 Department of the Air Force (DAF) FSRM requirements.

The existing Minot Weapons Storage Area (WSA) meets current operational requirements and will be maintained using FSRM. Minot has identified approximately \$74M in FSRM requirements to maintain the WSA until the Weapons Generation Facility (WGF) is built. Examples include repairing roofs, repaving roads, upgrading infrastructure, and renovating facilities.

The DAF understands the unique mission Minot AFB supports, both bomber and ICBMs. Minot will be the final WGF in the program to incorporate lessons learned from the other individual bomber and Intercontinental Ballistic Missile WGFs. This plan is in line with our strategic priorities.

FIRE PROTECTION AT GRAND FORKS AIR FORCE BASE

Question. The main fire station at Grand Forks Air Force Base cannot provide adequate coverage for the full range of missions at the installation. Grand Sky provides a fire engine, but a satellite fire station for the base is needed. What is the timeline for designing a satellite fire station and getting it funded for construction?

Answer. Grand Forks AFB is assessing the requirement for an auxiliary fire station using Defense Community Infrastructure Program (DCIP) funds near the Grand Sky Enhanced Use Lease (EUL). The DAF is aware of the requirement and the project is competing within the program for potential inclusion in a future year President's Budget request.

SUBCOMMITTEE RECESS

Senator SINEMA. And with that, we stand adjourned.
[Whereupon, at 11:50 a.m., Wednesday, May 1, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2025

THURSDAY, MAY 2, 2024

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met, at 10:30 a.m. in room SD-124, Dirksen Senate Office Building, Hon. Kyrsten Sinema, chairwoman (presiding).

Present: Senators Sinema, Tester, Baldwin, Heinrich, Peters, Boozman, Collins, Murkowski, Hoeven and Fischer.

DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF HON. DENIS R. McDONOUGH, SECRETARY

OPENING STATEMENT OF SENATOR KYRSTEN SINEMA

Senator SINEMA. Good morning. This hearing of the Military Construction, Veterans Affairs, and Regulated Agencies Appropriations Subcommittee will please come to order.

I'd like to begin by welcoming Ranking Member Boozman and Members of the Committee and our witness today, the Honorable Denis McDonough, the Secretary of Veterans Affairs.

We appreciate the effort of VA's dedicated staff to provide medical care benefits and support to veterans, their families, and their communities every day.

We're here today to discuss the Department of Veterans Affairs fiscal years 2025 Budget and 2026 Advance Appropriations Requests.

This committee takes very seriously the obligation to make sure we provide for the men and women who have fought and sacrificed to keep our country safe and ensure they have the medical care and benefits they've earned.

This budget strives to do just that and requests a mandatory appropriation well over \$210 billion and the discretionary appropriation of \$129 billion in fiscal year 2025.

VA also has access to over \$24 billion from the Toxic Exposures Fund that was provided in the Fiscal Responsibility Act.

These resources are extremely important in providing funding to carry out the expansion of medical care and benefits in the PACT Act. Without these resources, VA simply would not be able to keep up with the processing of new claims or expediting health care ben-

efits to veterans who are exposed to toxins and environmental hazards.

The budget also requests Advance Appropriations for fiscal year 2026, including \$131 billion in medical care discretionary accounts, \$23 billion in mandatory resources for medical care funded by the Toxic Exposures Fund (TEF), and \$222 billion in mandatory resources for Veterans Benefits Programs.

Despite this robust request, I am concerned about medical care levels in this budget. The discretionary funding request for medical care is lower than the fiscal year 2023-enacted level and when including mandatory medical care spending, this still represents a cut from fiscal year 2024.

As I stated earlier, this committee has an obligation to provide for the men and women who protect this country and I'll need your commitment that this budget does just that.

VA has seen a higher reliance on the department for medical care and greater utilization of benefits and services than prior years, in part due to the success of the PACT Act.

Veterans are relying on the VA for more care today than ever before, but the Fleet Reserve Association (FRA) top line is forcing cuts across government. So the VA must do more with less.

We know this is impacting staffing level at medical facilities and that there are programs that will not be expanded as a result of these levels.

There are a few initiatives within the Budget Request that I'd like to highlight.

The budget continues to request robust funding for its Telehealth Program with an estimated \$6.4 billion for fiscal year 2025. However, even with expanded hiring and telehealth capacity, veterans in rural areas often struggle to access health care, including due to challenges with transportation and lack of Internet access.

I continue to encourage the VA to look for innovative and cost-effective ways to close these access gaps.

At the end of last year VA signed an updated agreement with the Indian Health Services. The new agreement allows VA to reimburse IHS for additional health care services, including long-term care, home health services, and durable medical equipment.

I encourage VA to continue establishing agreements with the individual tribal health programs to further eliminate barriers to care for American Indian and Native Alaskans who serve their country.

Women are the fastest-growing demographic entering the military and now represent nearly 20 percent of service members. The women veteran population is also the fastest-growing demographic within the VA. This population is only anticipated to grow and caring for these veterans should be an area of bipartisan support.

This budget requests a historic \$13.7 billion for women veterans' health care, including \$1.1 billion in gender-specific care. I hope we can include that level of funding in this year's appropriations bill.

The Electronic Health Record Modernization Program continues to be in the strategic pause to assess and address issues discovered during the first five site deployments.

VA recently deployed the new system to the Lavell Federal Health Care Center in Chicago. However, it's still too early to determine if this deployment was a success.

The Budget Request shows a substantial cut to the EHR Program and the request assumes no new deployments will happen this year. While patient safety is our Number 1 priority, VA needs to commit to getting this program back on track to deliver a safe and secure health record.

Last year VA surpassed its goal of housing 38,000 homeless veterans. This is significant but there is still more to be done.

The most recent point-in-time count numbers show a 7.4 increase over 2022 in veterans experiencing homelessness. The budget requests \$3.2 billion to continue to ensure VA has the resources to secure housing and case management support for this veteran population.

Secretary, it's clear that much is expected from the department. Providing health care requires facilities, technology, and clinicians, and quickly providing benefits requires staff and technology support. For the department to succeed in these efforts, you must be resourced appropriately.

I look forward to working together to provide veterans with the services and benefits they've earned and deserve.

Thank you.

And now I'll turn it over to Ranking Member Boozman.

STATEMENT OF SENATOR JOHN BOOZMAN

Senator BOOZMAN. Thank you, Madam Chair, and, Mr. Secretary, it's good to have you here today. Thank you for coming to discuss VA's fiscal year 2025 and 2026 Budget Requests.

The budget request of \$369.2 in fiscal year 2025 for the Department of Veterans Affairs, including medical care collections, the Transformation Fund, the Toxic Exposures Funds, representing a 9.8 percent increase over the fiscal year 2024-enacted levels, this includes a \$129.1 billion in discretionary funds, a 5.7 billion or 4.2 percent decrease from fiscal year 2024.

The request includes 235 billion in mandatory funds of \$41.8 billion or 21.6 percent increase over fiscal year 2024. Within this amount of \$24.5 billion in the TEF, \$4.2 billion increase over fiscal year 2024.

The budget also requests a total of a \$131.5 billion in medical care advance appropriations for fiscal year 2026, a \$118.9 billion more than in the fiscal year 2025 advance appropriations and \$22.8 billion in advance for the TEF.

Finally, the request includes \$222 billion in advance funding for veterans benefits.

Mr. Secretary, I think we could agree that the Budget Request can reasonably be characterized as tight and that's not your fault. It's just the circumstances that we're in.

In my more than 20 years working on veterans issues in both the House and the Senate, I can't recall a single year when the budget request for veterans health care went down.

I recognize that VA has more funding streams than ever before, including the TEF, but, nevertheless, this request stands as an outlier.

In recent years I've asked you about the amount of risk VA takes in crafting its community care request, but this year I will want to know more about the level of risk VA is taking across its whole enterprise.

In your testimony you refer to fiscal year 2025 planned obligations which will grow by more than five percent, even though the base request is lower than last year. I'll want to hear from you about what risks this may open the VA up to.

I understand it's not about you. Again, we're just in a situation where money's tight.

The PACT Act has certainly been a dramatic change for veterans and I also think VA has a very good story to tell about its implementation and the veterans enrolling and the number of PACT Act-related claims received and processed.

Again, I know that you and your staff throughout the VA have worked so hard to make that a success.

It also gave VA new tools to recruit and retain its workforce and I look forward to hearing about your plans to ensure you have the right people in the right places to take care of our veterans.

I also want to note that it's been a little more than a year since you announced the reset of the Electronic Medical Records Program. As this reset continues I hope to hear more about the timeline to bring the deployed sites up to standard, when we can expect deployments to resume. DOD stumbled out of the gate in its efforts but after a pause, it's successfully completed deployments throughout the country and abroad.

I hope the VA has learned from that and we'll be able to get this program moving forward again soon. We have more than 11 billion in taxpayer money invested. It's time to start seeing a return.

In addition to updates on those big picture items, we also look forward to hearing details about the department's request for mental health services, including efforts to prevent veteran suicide, initiatives to prevent veterans homelessness, resources dedicated to care for women veterans, and efforts to improve care for our rural veterans.

We look forward to discussing these other issues and again very much appreciate you being here.

Thank you, Madam Chair.

Senator SINEMA. Thank you, Ranking Member.

Mr. Secretary, we'll now proceed with your opening statement. You have five minutes.

SUMMARY STATEMENT HON. DENIS MCDONOUGH

Secretary MCDONOUGH. Madam Chair, thank you very much. Congratulations on the new assignment.

Senator Boozman, other Members of the Committee, thank you, Senator Baldwin, for the opportunity to be here today.

I'm willing to just put my prepared remarks into the record and get straight to your questions if you are amenable to that. So I'm happy to go straight to questions.

[The statement follows:]

PREPARED STATEMENT OF HON. DENIS R. McDONOUGH

Chair Sinema, Ranking Member Boozman, and distinguished Members of the subcommittee, thank you for the opportunity to testify today in support of the President's FY 2025 Budget and FY 2026 Advance Appropriations (AA) Request for VA.

VA is honored to serve the Nation's heroes—our Veterans. Over the last 3 years, we have delivered more care and more benefits to more Veterans than at any other time in our Nation's history. VA is working to provide Veterans, their families, caregivers, and survivors the best care in the world, the benefits they have earned, and a dignified last resting place that honors their service and sacrifice. Last year, Veterans submitted over 2.4 million claims—a record, and 39% more than in 2022. Veterans also submitted nearly 2.3 million intents-to-file—another record, and 65% more than in 2022. In FY 2023 alone, the Veterans Benefits Administration (VBA) completed more than 1.9 million disability compensation and pension claims, breaking the previous year's record by nearly 16%. VA delivered a record \$163 billion in earned benefits to over 6 million Veterans and survivors—and provided more than 118 million clinical visits for over 6.5 million patients including roughly 42 million in-person appointments, 29 million tele-health and telephone appointments, and 47 million community care appointments, which surpasses the previous record by more than 4 million. The Board of Veterans' Appeals processed over 103,000 appeals, more than in any previous year. Additionally, more than 46,000 Veterans were permanently housed, far surpassing the Department's goal of 38,000. And more than 4.1 million Veterans of every war and conflict, now rest in VA national cemeteries.

The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (Public Law 117–168) represents the largest expansion of Veterans' benefits in a generation, and I am immensely proud that our broad efforts have yielded outstanding results as we continue to see steady increases in the number of toxic exposure-related disability compensation claims processed. VA just recently fully implemented section 103 of the PACT Act, ahead of schedule, which expanded health care eligibility to all Veterans who were exposed to toxins and other hazards while serving our country at home or abroad and all Veterans who served in the Vietnam War, the Gulf War, Iraq, Afghanistan, or any combat zone after September 11, 2001, or were deployed in support of the Global War on Terror.

Nonetheless, we can do more to ensure that every eligible Veteran receives the benefits and health care they have earned. Our focus remains on increasing Veteran outreach, timely and accurately processing of claims, providing more and better-quality health care, modernizing our information technology (IT) systems, and ensuring that we have the necessary staffing with the right skills to deliver on our promise to Veterans.

FY 2025 BUDGET AND FY 2026 AA REQUEST

VA's total 2025 request is \$369.3 billion (mandatory and discretionary, including collections and the Recurring Expenses Transformational Fund (RETF)), which is a \$32.9 billion or 9.8% increase above the 2024 level. This includes a discretionary budget request of \$134.0 billion (with \$4.4 billion from medical care collections and \$307 million from RETF), an \$8.9 billion, or 6.2%, decrease from 2024. The 2025 mandatory funding request is \$235.3 billion, with \$24.5 billion from the Toxic Exposures Fund (TEF), an increase of \$41.8 billion, or 21.6%, above 2024.

The decrease in discretionary funding of \$8.9 billion from 2024 reflects the Fiscal Responsibility Act of 2023 (Public Law 118–5), which set overall non-Defense discretionary budgetary ceilings. Nevertheless, we project that the 2025 request will provide the necessary resources to meet VA's commitment to deliver timely access to world-class health care and earned benefits to Veterans. The request fully funds over 9.1 million enrolled Veterans, including the continued operation of the largest integrated health care system in the United States and support for care delivered through community providers consistent with the MISSION Act. In 2025 it will also provide disability compensation benefits to nearly 6.9 million Veterans and their survivors and administers pension benefits for over 224,000 Veterans and their survivors. The 2026 Medical Care AA request includes a discretionary AA of \$131.4 billion, plus a mandatory advance appropriation request of \$22.8 billion for the TEF. The 2026 mandatory AA request is \$222.2 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance, and Indemnities).

PACT ACT

As of March 23, 2024, VA has received more than 1.3 million PACT Act-related claims and completed over 1,149,000 claims. Using the new PACT Act authorities, VA has granted service connection for over 10,000 terminally ill Veterans. VA will continue to award disability compensation to those Veterans who were subject to a presumption of service connection from the PACT Act. At the same time, in accordance with Title II of the PACT Act, VA is exercising the new presumptive decision process by studying acute and chronic leukemias and multiple myeloma as potential presumptions due to exposure to particulate matter in Southwest Asia. VA is also evaluating other conditions and exposures that may require formal reviews in the future.

In calendar year 2023, more than 361,000 Veterans were newly enrolled into VA health care, an increase of more than 73,000 from FY 2022. Our 2023 health care enrollment efforts focused primarily on bringing in Post-9/11 combat Veterans during a 1-year special enrollment period created by Section 111 of the PACT Act. This targeted effort contributed to one of the largest health care enrollment growth periods in VA history. The special enrollment period for combat Veterans ended in September 2023 and, in that month alone, we enrolled 48,763 Veterans in VA health care. In comparison, the prior year's monthly enrollment total around that same time was about 26,000 Veterans.

VA expects our enrollment to continue to grow with the expedited implementation of Section 103 of the PACT Act. Originally planned to be phased in over several years, VA made this new health care eligibility effective in its entirety as of March 5, 2024. That means that toxic-exposed Veterans and those who supported certain overseas contingency operations will be eligible for care earlier than expected, affording our heroes with the world-class health care they have earned sooner.

INVESTING IN OUR PEOPLE

Providing world-class service is only possible with employees who are the best and brightest in their respective fields. We are focusing on improving the employee experience so that they, in turn, deliver exceptional care and benefits to Veterans and their families, caregivers, and survivors. We are increasing the use of incentives for recruitment and retention, maximizing the use of existing pay and scheduling authorities as well as the new authorities recently enacted by Congress in the PACT Act, expanding scholarship opportunities, and providing more education loan repayment awards than ever before. From October 1, 2021 through March 23, 2024, we have hired 14,447 new VBA claims processors—growing our claims processing workforce by approximately 58%—and increased the total size of VBA to more than 33,900 employees, resulting in a record level of claims processing. As a result, VBA has completed 1,030,089 rating benefit claims in FY 2024, as of March 5, 2024, 35% greater than this point in FY 2023. Also, the disability compensation and pension claims backlog (comprised of claims pending for longer than 125 days) as a percentage of all claims received is at 38% as of March 5, 2024, compared to 70% in 2013, which is the last time the rating claims inventory was nearly this high. Forecast modeling continues to show VA remains on track to bringing the claims backlog to 100,000 claims or fewer by the end of 2025. Likewise, the Veterans Health Administration (VHA) hired nearly 62,000 new staff in FY 2023 and, together with substantially improved retention rates, grew the health care workforce by 7%.

During 2023, VHA administered 4,845 scholarships for clinical education to employees and increased the number of new Education Debt Reduction Program (EDRP) awards to 3,398, which brought the total active EDRP participants to over 9,000. Additionally, the percentage of staff receiving recruitment, retention, and relocation incentives (3R) increased from 12% to 18%. At rural facilities, the use of 3Rs continued to climb in FY 2023, increasing from 19% to 20%. In addition, for some critical shortage occupations, such as medical technicians (18% to 33%) and police (13% to 29%), the use of 3Rs increased even more dramatically. These incentives reduced losses for critical shortage occupations and helped VA successfully compete for health care and entry level staff. Additionally, VHA adjusted over 1,700 special salary rates, resulting in a 10% average increase in salaries impacting nearly 41,000 health care workers in support of PACT Act implementation. VHA also authorized critical skills incentives for over 28,000 employees in 37 different occupations as of the beginning of FY 2024. The average critical skills incentive amount received by these employees was approximately \$7,900.

Thanks to the robust hiring efforts in 2023, VBA and VHA are well-positioned to serve Veterans and need not continue the staff growth of 2022 and 2023 in 2024. Consistent with the 2025 budget, VA will strategically focus its hiring in key areas,

to include mental health providers and front-line health care workers in regions with shortages.

FOCUSING ON WELLBEING OF VETERANS

The FY 2025 budget provides the resources that support Veterans' overall health and economic well-being. The FY 2025 request includes \$4 billion in discretionary funding for the VBA General Operating Expenses account, \$136 million more than the 2024 President's Budget. This includes funds for increased overtime funding for the timely processing of claims and investments in artificial intelligence to improve key processes.

The President's Budget provides disability compensation and survivor benefits to over 7 million Veterans and their families, delivers education and job training benefits to 1.1 million Veterans and qualified dependents, guarantees 433,000 home loans, and funds 5.6 million total lives insured for Veterans, Service members, and qualified dependents.

VA remains steadfast in our commitment to assist Veterans, active-duty Service members, and eligible surviving spouses in retaining their homes and avoiding foreclosure, having assisted over 145,000 borrowers to retain their homes in FY 2023. VA has leveraged a suite of traditional and COVID-19 related loss mitigation options to aid borrowers who have trouble making mortgage payments. To address the needs of Veteran borrowers still experiencing the effects of the COVID-19 pandemic in a rising interest rate environment, or other economic shocks, VA plans to launch the Veterans Affairs Servicing Purchase program on May 31, 2024. This program will provide Veterans an affordable, scheduled monthly mortgage payment that reduces the debt owed over time at a rate much lower than the current market interest rate while eliminating the uncertainty resultant from balloon payments and pay-offs.

PREVENTING VETERAN SUICIDE

Suicide prevention requires a comprehensive public health approach. With a focus on evidence-based clinical interventions and community-based, evidence-informed prevention strategies, we aim to reach all Veterans—both those inside and outside of our system with life-saving interventions.

Suicide is a complex public health and national security issue. In addition to mental health risk factors for suicide, the evidence indicates that we assess a broader array of socio-economic and socio-cultural risk factors. With no single cause, there is no single solution, and we must be comprehensive in our approach as we know some Veterans may not receive any services from VA. To support this nationwide effort, the budget specifies \$583 million for suicide prevention outreach programs, in addition to \$2.7 billion in suicide prevention-specific treatment. Additionally, the budget plans to spend \$17.1 billion in FY 2025 for mental health care, a critical component of suicide prevention.

Our 10 year National Strategy on Preventing Veteran Suicide (2018) has been codified through VA's Suicide Prevention 2.0 Initiative, Suicide Prevention Now initiative, new laws including the 2020 Commander John Scott Hannon Veterans Mental Health Care Improvement Act, the Veterans Comprehensive Prevention, Access to Care, and Treatment Act of 2020, the National Suicide Hotline Designation Act of 2020, and emerging innovations like Mission Daybreak, combined with research and program evaluation. These efforts together help VA to reach all Veterans, not only those engaged in VA services. For example, in September 2023, the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP) awarded \$53 million to 80 community-based organizations across 43 States, the District of Columbia, Guam, and American Samoa. These organizations provide or coordinate the provision of suicide prevention services for eligible individuals, including Veterans and their families. VA prioritized grants to rural communities, Tribal lands, Territories of the United States, areas with medically underserved groups, areas with a high number or percentage of minority Veterans or women Veterans, and areas with a high number or percentage of calls to the Veterans Crisis Line. Twenty-one grantees serve Tribal lands including the Navajo Nation, Cherokee Nation, Choctaw Nation, Alaskan Native Tribes, and others. VA published the Notice of Funding Opportunity for the SSG Fox SPGP on January 26, 2024, for a third year of services.

INCREASING ACCESS TO MENTAL HEALTH CARE

Telehealth, especially video mental health care including substance use disorder treatment, has played a crucial role in improving access to mental health services. Video mental health care now constitutes 33% of total mental health care visits,

showcasing the significant role of telehealth during and beyond the pandemic. In FY 2023, over 1 million Veterans benefited from nearly 6 million video telemental health (TMH) care visits, marking a 5% increase in Veterans and a 1% increase in visits compared to FY 2022; 96% of these TMH visits occurred in a Veteran's home or offsite location, emphasizing the convenience and accessibility of the service. Because most mental health visits can be conducted using TMH, it increases the available options for providing mental health care to all Veterans, no matter where they or their providers are in the U.S. This helps increase health care equity and access. Telehealth offers Veterans greater choice and removes their individual barriers to care—barriers such as stigma, transportation, distance to facility, childcare, financial constraints, logistical issues, and lack of access to in-person specialists who can deliver evidence-based interventions. Telehealth has become a primary consideration for Veterans seeking mental health care, with those in rural areas using video services at rates comparable to others. With plans to increase telehealth support staff and specialized providers, VA is continuing to enhance its nationwide TMH network so even more Veterans can access mental health care virtually.

Among the risk factors for suicide, substance use disorder (SUD) is strongly implicated. In addition, drug overdose fatalities have escalated. The President's Budget includes \$254 million to improve VA's opioid safety initiative and to continue our joint work with the Department of Defense (DoD) in the field of pain management, consistent with the requirements of the Comprehensive Addiction and Recovery Act of 2016 (Public Law 114–198, Title IX, Subtitle A, 11§§911–912, the Jason Simcakoski Memorial and Promise Act). VA is also expanding evidence-based SUD treatment and harm reduction initiatives consistent with the Biden-Harris Administration's National Drug Control Strategy. The President's Budget includes \$264 million to support VA initiatives that address Veteran specific needs, including employment, case management for Veterans experiencing housing instability, peer support, as well as in-patient, residential, and out-patient SUD care, delivered in-person and via telehealth, inside and outside specialty care settings.

Furthermore, VA's budget continues to support expansion of its Psychotropic Drug Safety Initiative to address the growing number of Veterans with stimulant use disorder and crisis of overdose fatalities associated with illicit stimulant use. This initiative increases Veterans' access to evidence-based treatments for stimulant use disorder and overdose prevention, while also ensuring the safe and appropriate prescribing of stimulant medications. Evidence-based treatments for stimulant use disorder include cognitive-behavioral therapy and contingency management, both of which are recommended by the 2021 VA-DoD Clinical Practice Guidelines (CPG) for the Management of SUDs.

HEALTH CARE BUDGET REQUEST

Providing Veterans access to the soonest and best care is at the core of our mission. At a time when VA is expanding access to health care for millions of Veterans and delivering record numbers of appointments, VA is laser-focused on making sure that Veterans have access to world-class health care whenever and wherever they need it. In 2025, planned obligations for VA health care, including TEF, are projected to be \$149.5 billion, an increase of 5.4% above the 2024 budget.

VA offers affordable, timely, and high-quality health care for the Nation's Veterans. In 2023, nearly 70% of VA hospitals receiving 4 or 5 stars in the annual Centers for Medicare & Medicaid Services Hospital ratings, compared to just 41% of non-VA hospitals. VA hospitals outperformed non-VA hospitals in all 10 core patient experience metrics in Medicare's latest survey of patients and, most importantly, more than 91% of the Veterans we serve trust VA with their care, a level unmatched anywhere in the private sector.

VA will ensure that every eligible Veteran has a chance to access VA care, including community care. We can now offer Veterans VA care at almost every turn, whether that is through an in-person appointment, telehealth appointment, placement in our community living centers, or another option. And that is exactly what we want to do.

WOMEN VETERANS' HEALTH CARE

In 2023, VA celebrated 100 years of providing health care to women Veterans. The budget requests \$264 million for women's health and childcare programs. This funding level supports \$210 million for the Women's Health Innovation and Staffing Enhancement Initiative (WHISE). VA is strategically enhancing services and access for women Veterans by hiring women's health personnel nationally to fill any gaps in capacity across all Veterans Integrated Service Networks. Through WHISE, VA is funding over 1,000 women's health personnel including: primary care providers,

gynecologists, mental health providers and women's health care coordinators, including maternity care coordinators. VA is also using WHISE funding to purchase needed clinical equipment such as new or replacement mammography equipment, exam tables designed for women with low mobility, and breastfeeding privacy pods.

Among eligible women Veterans receiving VHA care, more than half have at least one mental health condition and many struggle with multiple mental health concerns, medical comorbidities, and psychosocial challenges. These include gender-specific conditions, such as premenstrual dysphoric disorder, postpartum depression, and perimenopausal depression, all of which are associated with heightened suicide risk. VA has implemented numerous initiatives to ensure that women Veterans seen at any VA medical facility have access to mental health clinicians with the knowledge and skills to treat gender-specific mental health conditions, including reproductive mental health concerns. Examples include the National Reproductive Mental Health Consultation Program, comprehensive training in reproductive mental health across the lifespan, evidenced-based treatments tailored for women Veterans (as recommended by 2023 VA- DoD CPG for the Management of Pregnancy), and at least one designated Women's Mental Health Champion at each VA medical center (VAMC).

Women Veterans often feel a sense of connection and trust with peer specialists who can relate to their experiences in the military. Evidence shows that peer support is effective for alleviating some conditions unique to a woman's experience, such as postpartum depression. The President's Budget includes \$2 million to support expanding peer support services for women Veterans. VHA is committed to honoring women Veterans' specific needs and treatment preferences by implementing national peer support training initiatives and disseminating novel, gender-tailored peer support interventions. These interventions are developed to be delivered both in person and via TMH to ensure greater access for women Veterans who often report barriers due to caregiving responsibilities.

HOMELESSNESS PROGRAMS

The 2025 budget provides \$3.2 billion for Veterans' homelessness programs, with the goal of ensuring every Veteran has permanent, safe, sustainable housing with access to high-quality health care and other supportive services to end and prevent future Veteran homelessness. The budget includes funds to assist with designing and developing expanded services for aging and disabled Veterans, a growing need and area of focus for the Department of Housing and Urban Development (HUD)—VA Supportive Housing (VASH) program. In addition, funds will be used to provide a medical home model and population tailored approach to provide in-home primary care and wrap around services to Veterans actively enrolled in the HUD-VASH program, provide additional resources to increase outreach and community engagement efforts, as well as the expansion of Veteran justice services, such as treatment courts and Veteran-focused criminal justice initiatives. Funding will also support the VA Grant and Per Diem program to increase per diem rates to community partners actively supporting VA's effort to end Veteran homelessness.

On December 15, 2023, HUD, released the 2023 Point-in-Time Count, the annual effort to estimate the number of Americans, including Veterans, without permanent housing. Data show that on a single night in January 2023, 35,574 Veterans experienced homelessness in the U.S. Although this reflects a 7% increase in the number of Veterans experiencing homelessness from 2022, VA and our Federal partners have reduced Veteran homelessness by more than 52% since 2010. During calendar year 2023, VA permanently housed 46,552 homeless Veterans, surpassing the goal to house 38,000 Veterans by more than 22%.

RESEARCH

The 2025 budget requests a total of \$927 million for research, which includes \$59 in mandatory through the TEF funding. These resources will improve Veterans' health and well-being through basic, translational, clinical, health services, rehabilitative, genomic and data science research; apply scientific knowledge to develop effective individualized care solutions for Veterans; attract, train, and retain the highest-caliber investigators and nurture their development as leaders in their fields; and ensure a culture of professionalism, collaboration, accountability, and the highest regard for research volunteers' safety and privacy.

In 2025, the Office of Research and Development will coordinate with environmental exposure focused programs as part of the implementation of the PACT Act by building capacity (including the number of researchers funded to conduct military exposures research) and strengthening inter-governmental partnerships. This includes continuing to implement an interagency workgroup on toxic exposure re-

search, called for in section 501 of the PACT Act, to identify evidence gaps and craft a strategic plan to address gaps. The budget invests \$59 million in 2025 for military environmental exposures research, an increase of \$13 million from the current estimate for 2024.

CAREGIVERS

The budget recognizes the important role of caregivers in supporting the health and wellness of Veterans and offers support and services through the Program of General Caregiver Support Services to family members and friends caring for a Veteran as well as through the Program of Comprehensive Assistance for Family Caregivers (PCAFC) to family caregivers caring for Veterans who meet specific eligibility requirements. The \$2.9 billion included in the budget supports staffing, stipend payments, training, education, and other services to empower caregivers of Veterans. VA is currently undertaking a broad programmatic review of PCAFC to ensure it meets the needs of Veterans and their family caregivers. While this review is underway, VA has suspended annual reassessments for PCAFC participants. While the current eligibility criteria are examined, VA will not discharge or decrease stipends or support to PCAFC participants and their family caregivers, based on an annual reassessment. VA is also expanding services to family caregivers, to include specific suicide prevention training, mental health services, and respite services.

CONNECTED CARE

The 2025 budget includes \$440 million for the Connected Care program and supports the ongoing expansion and enhancement of telehealth services directly to Veteran homes (e.g., video-to-home services); goals to standardize the availability of digital services for all Veterans; expansion of regional telehealth hubs, novel access and experience innovations; and the need to sustain previous expansion efforts funded with the support of the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan funding. VA delivered over 11.6 million telehealth episodes of care to Veterans in the last fiscal year. This includes over 9.4 million episodes of care to Veterans in their home or other locations and more than 2.9 million telehealth episodes of care to rural Veterans. Overall, VA provided telehealth services to over 2.4 million unique Veterans, representing about 40% of Veterans served in VA.

AGING VETERANS

Because they make up a significant portion of the Veterans we serve, aging and older Veterans must be a significant priority now and in the future. Veterans over the age of 65 represent about 50% of all VHA enrollees. Currently, VA is expanding home- and community- based services. This expansion includes programs such as Veteran Directed Care, Medical Foster Home, and Home-Based Primary Care programs. All are aimed at enabling Veterans to age in place with the necessary support and services. VA is focused on implementing the VHA Institute for Healthcare Improvement's Age Friendly Health Systems initiative and VA's Geriatric Emergency Department Accreditation from the American College of Emergency Physicians initiative to prepare VA facilities and staff with the leading evidence-based care practices. VA is on a strong path to become the largest integrated age-friendly health system in the world. As of January 8, 2024, 132 VAMCs have earned formal Age-Friendly recognition in 305 care settings. The new 2024 VA Age-Friendly Health System initiative action community has projects registered for another 410 teams from 126 facilities. As of December 2023, 68 of the VA's 111 Emergency Departments earned Geriatric Emergency Room accreditation and others are actively in the process for 2024.

INFRASTRUCTURE

The President's 2025 Budget includes \$2.8 billion for construction requirements, including \$2.5 billion in Major and Minor Construction appropriations and an estimated \$307 million from the Recurring Expenses Transformational Fund (RETF) for VHA Minor Construction requirements. This request is \$593 million greater than VA's discretionary 2024 request.

Funding for two major medical facility projects includes the West Los Angeles New Critical Care Center, Central Utility Plant, Demolition, and Renovations to Building 500 and Dallas Clinical Expansion for Mental Health, Expansion of Parking Facilities, and Land Acquisition, together supporting over 400,000 Veteran enrollees. The 2025 budget also includes \$45 million in Major Construction funds for a gravesite development project at Fort Logan National Cemetery in Denver, Colo-

rado. The budget requests \$687 million for Minor Construction, inclusive of RETF. This amount includes \$174.1 million in Minor Construction funds to address gravesite expansion and columbaria requirements to keep existing national cemeteries open as well as address infrastructure deficiencies and other requirements necessary to support national cemetery operations. In addition, VHA's Medical Facilities account includes \$2 billion for non-recurring maintenance.

Also included in the 2025 budget are nine major medical facility leases totaling over 1.9 million square feet of space supporting a workload of over 2.3 million outpatient visits and bed days of care per year. These leases are key to modernizing VA's clinical points of care and increasing access for the increasing number of Veterans anticipated to access VA care because of benefit expansion offered by the PACT Act.

Further, VA is aggressively working to pursue implementation of the goals of Executive Order 14057, which creates a broad set of challenging goals and requirements for Federal agencies to eliminate their carbon footprint and make their operations more sustainable and resilient. In support of this, VA's 2025 budget request includes Minor Construction funding totaling \$7 million for the National Cemetery Administration (NCA) and VBA electric vehicle charging requirements.

INFORMATION TECHNOLOGY SERVING VETERANS

The 2025 budget provides \$7.6 billion for VA IT systems and telecommunications support, including \$6.2 billion in base discretionary funding and \$1.4 billion in TEF, reflects the Office of Information and Technology's efforts to deliver modern, innovative, secure, and efficient solutions for the Nation's Veterans. To increase Veterans' access to VA information and services, strategic IT investments through the limited, controlled expansion of modernization, cybersecurity, and IT workforce, will allow VA to make key investments in Federal initiatives, including Zero Trust Architecture, Artificial Intelligence, and improved access for Veterans with certain disabilities through Section 508 Compliance.

To create a 21st Century VA focused on meeting the demands of Veterans in the digital age, IT modernization is critical in achieving digital transformation goals. The 2025 budget sustains the increased investments made in the 2024 budget and supports the continued operations and maintenance of VA's existing aging and legacy systems. VA continues to expand critical modernization initiatives bolstering the Department's ability to serve the Veteran including: the Infrastructure Readiness Program to reduce technical debt, Financial Management Business Transformation (FMBT) to enable compliance with financial management legislation and improve stewardship of resources, and Supply Chain Management to provide cost-effective logistics and ensure the delivery of world-class health care and benefits to Veterans.

When Veterans leverage technology to access VA services, they trust that the underlying digital ecosystem is safe, reliable, and secure. The 2025 budget invests \$670 million in cybersecurity and VA's Zero Trust Architecture acceleration effort will deliver a robust and resilient security posture for the nine million Veterans that use VA for care and benefits and the hundreds of thousands of VA employees and contractors spanning over 600,000 connections to the network.

Investing in the IT workforce makes VA an attractive employer for top talent that can better deliver services to Veterans. The 2025 budget supports the Special Salary Rate authorized in 2023 for IT technical positions under PACT Act authorities. VA will maximize these incentives for targeted expansion of IT services—including Artificial Intelligence—to VA employees and Veterans during a period by record growth in health and benefits delivery. This investment is critical for VA to continue delivering world-class IT products and services to millions of Veterans, their families, and caregivers.

ELECTRONIC HEALTH RECORD MODERNIZATION

As part of an Electronic Health Record Modernization Program Reset (Reset) announced in April 2023, VA deferred work on future deployments of the Federal electronic health record (EHR), the sole exception being the successful joint VA and DoD deployment at the Captain James A. Lovell Federal Health Care Center (North Chicago, Illinois) in March 2024, while the Department prioritizes improvements at the 6 sites and 22 clinics that currently use the Federal EHR. The purposes of the Reset are to: optimize the current state of the Federal EHR, closely examine and address the issues that clinicians and other end users are experiencing, and position VA for future deployment success. VA is seeing incremental, but accelerating progress as it addresses the issues that clinicians and other end users are experiencing and as it optimizes the current state of the EHR system to ensure the enterprise-wide foundation is in place for success when deployments resume. The FY

2025 budget of \$894 million supports the Reset and sustainment/maintenance of the six sites. VA acknowledges that an updated deployment schedule is critical to demonstrating commitment to providing the Federal EHR to end users across the enterprise and will provide that schedule to the Committee once it has been determined.

FINANCIAL MANAGEMENT BUSINESS TRANSFORMATION (FMBT)

The 2025 budget includes \$313 million for FMBT, a program that is improving VA's fiscal accountability and enhancing analytic and resource management capabilities for our employees who serve Veterans. Deployment of the Integrated Financial and Acquisition Management System (iFAMS) is taking place in phased implementations across VA Administrations and Staff Offices. Looking ahead, iFAMS will be implemented for VBA's Loan Guaranty Service, and the program recently initiated the first VHA implementation.

HONORING VETERANS' LEGACIES

The President's 2025 Budget includes \$495 million for NCA's operations and maintenance account, an increase of \$15 million (3%) over the 2024 budget. These funds will ensure Veterans and their families have access to exceptional burial and memorial benefits including expansion of existing cemeteries as well as new and replacement cemeteries. With these funds, NCA will provide for an estimated 137,440 interments, the perpetual care of over 4 million gravesites, and the operations and maintenance of 158 national cemeteries and 35 other cemeterial installations in a manner befitting national shrines.

While every eligible Veteran may be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that proximity to a cemetery is an important consideration in whether Veterans and family members choose a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. VA has made continuous, significant progress towards meeting that target. In 2025, an estimated 94% of the Veteran population will be served with such access. The 2025 budget also includes \$60 million for the Veterans Cemetery Grants Program to continue important partnerships with States and Tribal organizations. The grants program plays a crucial role in NCA achieving its strategic target of providing 95% of Veterans with reasonable access to a burial option.

Additionally, the 2025 budget continues NCA's implementation of the Veterans Legacy Memorial (VLM), the Nation's first digital platform dedicated to the memory of nearly 10 million Veterans interred in VA's national cemeteries and VA grant-funded state, territorial, and Tribal Veterans cemeteries. VLM allows family, friends, and others to preserve their Veteran's legacy by posting tributes. In November 2023, VLM's website had its largest expansion yet with the creation of nearly 5 million pages for Veterans in private and other cemeteries who have received a headstone, marker, or medallion from NCA since 1996.

CONCLUSION

Chair Sinema, Ranking Member Boozman, thank you for the opportunity to appear before you today to discuss our progress at the Department and how the President's FY 2025 Budget and FY 2026 Advance Appropriations Request will serve the Nation's Veterans.

Senator SINEMA. Thank you. I really appreciate that.

So we'll start with a round of five-minute questions of our panel. I ask all my colleagues to keep track of your clock and stay within those five minutes. I'll start with the first round of questions.

Secretary, your models project that utilization of VA health care worldwide but the discretionary funding request for VA health care is below the levels from fiscal year 2023 and even including mandatory health care funding, it's \$4 billion below fiscal year 2024.

So what are the current spend rates for the medical care accounts in fiscal year 2024 and based on these trends, do you expect to be on target for fiscal year 2025?

Secretary McDONOUGH. Yeah. Thanks so much.

We anticipate spending about a \$140 billion on health care out of that account in fiscal year 2024. All in fiscal year 2025 in the budget is a 150 billion when you count our various funding streams, medical care collections, carry-over importantly about 12.7 billion in carry-over, and then, as you said, the Toxic Exposure Fund, which is an increase of about percent in total health care spending.

So there's no doubt as we've talked about a number of times in the course of the last week that money is tight and that is a function of the budget agreement but we think that we have the money that we need here and we have, most importantly, the people that we need to implement this increased access to care.

Senator SINEMA. And, Secretary, at these levels, how can you make sure that you're able to pay for the care the veterans receive in the community while also investing to ensure that the VA is an available option for veterans?

Secretary McDONOUGH. Really good question and this is one that we spend a lot of time worrying about.

The budget takes a lot of unique steps this year as it relates to Community Care. Perhaps we've already notified to you all that we are taking the \$1.9 in rescission from other than Community Care accounts in the VA.

We also ask that we reprogram in the Advance \$7 billion in to Community Care. That reflects what is a very robust set of referrals over the second half of fiscal year 2023 but also reflects what has been basically 15 percent year-on-year growth going back to the enactment of the Mission Act.

This is higher than CBO would have anticipated and that's one of the reasons that we make these big moves that we make here.

Notwithstanding those moves, we think that because of the hiring year that we have had and our ability to continue to strategically hire where we need it, that we can also meet our demands for care in the direct care system.

We do not ask for a second bite on the Advance but if we find out over the course of these next several months that because of our outreach efforts, we have 550 outreach events this year, because of our outreach events that we're getting more veterans enrolled, just since March 5th we've had 12,500 veterans uniquely from the PACT Act cohort having enrolled in VA, if we see that continued kind of growth, my hunch is we may be coming back to you after working with OMB to ask for a second bite if we need to, but, again, margins are tight.

We feel like we have the investments we need. If we begin to run into problems, we'll definitely come to the committee.

Lastly, we are tracking this very, very closely. We have implemented a series of budget execution tools. It is our intention to share those tools with this committee, with your team.

We're working through all that paperwork on our end of the street before we do that so you all as a team will be able to follow along closely with us on the execution of those goals.

Senator SINEMA. Thank you, Secretary.

The fiscal year 2025 Budget Request, as I mentioned in my opening remarks, includes a lower level of spending for rural health programs than was appropriated for fiscal year 2024.

So, first, can you assure me that the VA will direct the full amount of funding towards rural health programs in 2024?

Secretary McDONOUGH. You have my assurance.

Senator SINEMA. Thank you.

And the second question would be what are innovative initiatives that you're developing to increase access for rural veterans to address the fact that there is a proposed reduction in spending for fiscal year 2024?

Secretary McDONOUGH. Yeah. Well, thanks very much.

Among the more innovative things we're doing right now is we're enhancing our cooperation with the Department of Defense and over the course of the last 2 months with the Department of Agriculture to increase access points in rural settings so we can get care closer to veterans. That's one innovative solution.

Second, things like access to cancer treatment. We announced a new program last week, Close to Me, where we forward deploy VA professionals to CBOCs, closer to veterans so they can get their cancer treatments closer to their homes rather than having to drive all the way to Phoenix, for example. They'll be able to go to their local CBOC, supported by their family, not having to drive those longer distances.

We can do that within the confines of our budget because cancer treatment drugs are 30 percent cheaper for VA than they are for our private sector partners.

Third, we are forward deploying VA professionals—I saw this in the Upper Peninsula of Michigan—to community hospitals, including federally designated health clinics, so that we can identify vets who are coming in to treatment, not enrolled with VA. We can then get them enrolled and get them support in those facilities. Ultimately, that has cost over the life of the program for VA but no cost upfront.

Lastly, the Office of Rural Health has been basically flat at \$337 million for the last three-four years for the simple reason that we finance our clinical resource hubs principally through the Office of Rural Health. That means we're going to continue to rely on telehealth, as you said in your opening statement.

Then the rest of the investments out of that office are for enterprise-wide innovations. Among those innovations that have come from that office that can be funded at that \$337 million effort are home-based primary care. This is where we are sending providers into rural settings, like Maine and Arizona and Montana and Wisconsin and Arkansas, so that we are taking the care to the veterans, right. So that's the idea, not that we continue to fund through those Rural Health Care Office but, rather, we then transfer those to being funded through the standard Medical Care account.

Senator SINEMA. Thank you, Secretary.

Senator Collins, you're recognized.

Senator COLLINS. Thank you very much, Madam Chair, and again I thank the Vice Chair for his graciousness in allowing me to precede him.

Mr. Secretary, let me start with two facts. One is that Maine has one of the highest percentages based on population in the country

of veterans. That's something I'm very proud of. Mainers have always stepped forward to serve.

Second, Maine is the oldest state in the nation by median age. So when you combine those two factors, you can easily see why our state veterans homes are so important. In fact, both of my parents had the benefit of compassionate care at our state's veterans' homes at the end of their lives.

In 2022, however, despite the strong demand for these services, Maine considered closing two of its veterans' homes, one in Machias and one in my hometown of Caribou. Fortunately, that was averted, but it would have caused tremendous hardship to veterans and their families, and Maine is not unique in this regard.

A recent report indicates that other veterans' homes across the country have notified the VA of potential closures. 15 have reduced their bed capacity. Another four have already closed permanently.

The VA raised its per diem rates in 2023 but, frankly, that increase has not kept pace with rising medical costs, and the veterans' homes in Maine, as true across the country, are struggling financially.

What is the VA doing to support financially troubled state veterans' homes and what more can be done at the Federal level to prevent closures or reductions in beds?

Secretary McDONOUGH. Yeah. Senator, thank you very much for the question and I couldn't agree more strongly with you about the importance of state veterans' homes. That's why we bias in VA funding streams for bigger investments in the state-run veterans' homes than we do in the commercially-run veterans' homes and long-term care facilities.

Among the things that we are doing obviously is up to 65 percent of the cost of the facility construction remodeling grants, importantly nurse recruitment grants, and I'll come back to that in a second, medical sharing arrangements with considerable cost-sharings when we can get our personnel into those facilities to care for vets, and then continued clinical care education.

Notwithstanding that, and as you pointed out, the per diem has increased percent in 2023 and again another percent in 2024, higher than our increases for other similarly situated programs.

Nevertheless, I agree with you that there are big challenges out there, especially in two areas. One, and one of the reasons we're hearing from other states, not in Maine but from other states that they're closing, is they don't have the staff because the veterans that they're getting are requiring more complex care.

So greater funding for staff who can provide more complex care for those veterans is important and this is something that we'd be more than happy to work with you in Maine on and work with the committee on.

Secondly, the cost of pharmaceuticals for those veterans who end up in state-run veterans' homes. By tradition, the states take on the cost of those pharmaceutical treatment patterns. They also don't have access to our more price competitive formularies.

So we'd like to also work with you on that to figure out how is it that we address these significant costs associated with pharmaceutical treatments because our veterans are living longer with more complex health care systems.

So those are two areas where we would like to try to enhance our support to states like Maine.

One, how do we make sure that we can afford the staff that we need for the complex care they get. Two, how can we ensure that we are not just passing on a very unmanageable pharmaceutical treatment regimen that the states can't afford but the veterans need.

Senator COLLINS. Thank you.

I only have 19 seconds left, but just to put on the record there's also a problem with transporting veterans from rural areas to the one VA hospital that we have in the state of Maine and I hope that that's something that we can also work together on.

Secretary McDONOUGH. Count on that and we have a legislative proposal on that. I've been studying up on this since you and I discussed. So we have some ideas on that.

Senator COLLINS. Thank you.

Secretary McDONOUGH. I'd like to work with you on those.

Senator COLLINS. Terrific. Thanks so much.

Senator SINEMA. Thank you, Vice Chair Collins.

I recognize Senator Baldwin.

Senator BALDWIN. Thank you, Madam Chair.

Mr. Secretary, there has been a steady and significant decline in the number of veterans being prescribed opioids for pain management since 2014.

The implementation of the Comprehensive Addiction and Recovery Act in July of 2016, which included the Jason Simcakoski Memorial and Promise Act, has contributed to this trend.

Secretary McDONOUGH. Very much.

Senator BALDWIN. From a nationwide high of more than 878,000 veterans prescribed opioids in the last quarter of 2013, the number decreased to fewer than 300,000 at the beginning of this year.

That 67 percent decline in prescription rates over the last decade is extraordinary and is really a testament to the progress we can achieve if we work diligently and resource the VA appropriately.

This decrease in opioid prescription rates does not mean that the VA isn't treating pain. Rather, it means that the VA is treating pain responsibly. For example, the Tomah VA Medical Center spearheaded the Pain University Initiative to achieve improved pain management through comprehensive solutions without the use of opioids.

So, Mr. Secretary, how else can Congress enable the VA to provide these integrative health options for our veterans and what does this committee need to do to support and continue the efforts to responsibly manage pain and that pain care for our veterans?

Secretary McDONOUGH. Yeah. Senator, thanks very much.

I think the tools that you pointed out are really important and I thank you for making sure that we got them and I thank Marc Simcakoski and the Simcakoski family for the dedication that they've manifested since Jason's death.

We asked for \$254 million for pain management and opioid safety prescription drug monitoring in the budget. We think that's an appropriate and prudent investment. That's the first thing we would ask.

Secondly, we need to continue to staff up. We're not yet at a hundred percent of facilities with pain management teams. That's required in your law. We're north of ninety percent but we're not yet at a hundred percent, so continued investment to allow us to build out those pain management teams.

Third, the Whole Health Initiative allows us—you know, Tomah is also a flagship effort here that allows us to deploy new clinically proven pain management techniques that are non-pharmacy-based. So those range from acupuncture, yoga, meditation, all of these things are really important to making sure that we can manage holistically that veteran's pain.

We're very proud of the progress we've made on opioid prescription. That's directly a result of your law of investments in alternatives and of accountability for those alternatives. I think this budget gets us a long way to continuing that process.

Senator BALDWIN. Great. Mr. Secretary, I've heard you say, and I know you feel this deeply, even one veteran suicide is too many, and I know you are working to reduce this troubling epidemic.

I share your concerns and I was proud to lead the bipartisan legislation that transitioned the VA Crisis Line to the National Suicide Prevention Hotline 988 number.

During the first year in operation, the Veterans Crisis Line fielded nearly one million contacts. The implementation of this line has not been without difficulty and it will take commitment to oversight to get this right for our veterans.

So can you please provide both your assessment of the contribution that the Veterans Crisis Line has made in addressing suicide among veterans and inform the committee of what additional resources would help rectify some of the problems and issues with the Crisis Line that have been identified?

Secretary McDONOUGH. Yeah. Thanks so much.

So I'm very proud of our Veteran Crisis Line Team. I've met with our operators there many times. Their work has proven time and again to be timely and effective. It's not to say that it's without faults. You know, we've had really tough hard-hitting IG investigations on that that relate to training. That's on us. We have the funding for training. We have the funding for staffing.

There is an issue on the continued funding of the Crisis Line itself, the 988. This is not an issue for us, for VA, but this is an issue at the states. The standup of the line envisioned a Federal role at the start, handing off to the states making the investments thereafter.

Remember the way it works for us is as a veteran you call 988, then you press 1. At that point you exit the General Crisis Line and then you're into the VA-managed Veteran Crisis Line.

Notwithstanding the substantial increase in the number of calls in the first year, time to answer shrunk, abandonment rate shrunk, and follow-up assessments with the veterans in terms of survey results demonstrate increased satisfaction.

So we think that the execution is going well. That's not to say again with all faults you'll recall that many of you held us publicly accountable for an IG report out of one of our veteran crisis line teams and we're taking that very, very seriously, but we have the funding we need. We have the training capacity that we need.

I really hope that we can ensure continuity of the overall effort through funding from the states but VA, thanks to your all generosity, is in a very good spot to continue our part of that Veteran Crisis Line.

I'll say one last thing. We also began executing a year ago the COMPACT Act. So if a veteran doesn't want to just call 988 and press 1, that veteran can go into a hospital, any hospital, irrespective of enrollment status with VA, and get care today, and we will pay for that.

Again, there's growing pains in that program. It's not perfect, but 47,000, almost 48,000 vets took advantage of it in the first year. We think it's a really important program. That's reflected in these Community Care numbers, too, by the way.

Senator BALDWIN. Thank you, Mr. Secretary.

Senator SINEMA. Ranking Member Boozman.

Senator BOOZMAN. Thank you, Madam Chair, and again thank you, Mr. Secretary, for being here.

As I said earlier, I've really had the opportunity in the House and now in the Senate to be on the VA Committee for quite a while. We do have a situation where we have a decrease in veterans' health care.

So I guess the question is—and I've got all the figures and we don't need to go through that. You know those, you and your staff know those better than anybody, but the question is how much risk we're taking and then what options we have if those assumptions aren't correct?

Secretary McDONOUGH. Yeah.

Senator BOOZMAN. What do we do?

Secretary McDONOUGH. Yeah. Well, I think the highest variability item in this multivariable equation here is Community Care and I think it's generous to call it variable because it's variable in one direction and that's up.

Senator BOOZMAN. Right.

Secretary McDONOUGH. And there's a lot of reasons for that and, you know, frankly, we don't know them all yet and we're looking at that.

So if there is elevated risk, it would be in there, but our options to manage that are our ability to come back to you to ask for some authority to transfer among different accounts in the Medical Care account so that we're not taking substantial risk on the provision of care there.

At some point we will take risk on maintenance of the personnel that we need at VA to carry out the full suite of care that veterans expect because you can't have a high variability purchase care program that's increasing every year and maintain a high cost direct care system with big fix costs for personnel. That's the trade-off that we're going to confront at some point. I think we begin to confront it in this budget which is why we, I think, prudently, especially informed by last year's very productive hiring year, make some decisions to downsize VHA and VBA, by the way, as I've promised you we would do, by the end of 2025.

But, frankly, when you consider those numbers, 10,000 over a denominator of about 400,000 employees, that's not much greater than traditional attrition at VHA.

Now we're a little under traditional attrition right now. Why? Well, because you were so generous to us with funding for staffing increases, pay increases, and things like the Critical Skills Incentive.

So this might be a little bit harder, might be slightly more risk because retention is up, quit rates are down, but I consider that a high class problem, not a risky problem.

Senator BOOZMAN. Right. One thing I'd like to get on the table, you know, just being out and about, you know, listening in various facilities, again just talking to providers, as more PACT Act claims are processed, many veterans will see an increase in their disability ratings.

So you can have people at 70 percent go to a hundred percent and then the problem then is a number of them will become newly eligible for things like dental benefits, dental in particular, which I hadn't heard a lot about.

Secretary McDONOUGH. Yes.

Senator BOOZMAN. I guess the question is, you know, this is rising. The number of veterans eligible prior to the PACT Act grew by more than 8 percent a year. Last year it grew by nearly 12 percent.

Given that VA Dental currently is operated near capacity, this growth will likely be addressed by Community Care.

Secretary McDONOUGH. Yeah.

Senator BOOZMAN. So I want to put that on the table and, you know, see if you have a response, but there's just, I think, a number of things and this is probably the biggest one of not unintended consequences but consequences that are out there that we need to take care of. It's a good thing for veterans but that's going to cost some money.

Secretary McDONOUGH. Yeah. I think you're right that this is a consequence of PACT. I think, frankly, it's among the things that veterans are most excited about because of PACT because there's so much—you know this better than I do—so much demand for dental and so many people who wish they qualified.

Senator BOOZMAN. Right.

Secretary McDONOUGH. So just to give you some numbers, 17 percent more hundred percent service-connected veterans today than before the PACT Act was signed.

Senator BOOZMAN. Right.

Secretary McDONOUGH. It's a substantial number.

Senator BOOZMAN. Right.

Secretary McDONOUGH. If you consider fiscal year 2023, had 690,000 eligible veterans for dental, 567,000 got that care 100 percent onsite, a 123,000 got that in the community, right?

Our dental staff increase in 2023 was about 4.8 percent. So they saw a similar bump. So we should be able to continue to grow with dental this year, but the big number out there, the big bogey here is 2.78 million eligible veterans for dental by 2028, up from 690,000 in 2023.

So our budget gets us going on that process, but you're right that there's this transition period. Until we have dentists, hygienists, and chairs in our facilities, there is this transition period where we're going to be relying on the community.

Senator BOOZMAN. Right. Great opportunity for veterans. The only thing that would be bad is if we couldn't—you know, once we've said the benefit is there.

Secretary MCDONOUGH. Can't let them down.

Senator BOOZMAN. No. Exactly.

Secretary MCDONOUGH. Yeah.

Senator BOOZMAN. Thank you, Madam Chair.

Senator SINEMA. Thank you.

Senator TESTER.

Senator TESTER. Yeah. Thank you, Madam Chair and Ranking Member, appreciate you having this hearing, and it's always good to see you, Secretary MCDONOUGH.

Secretary MCDONOUGH. Yes, sir.

Senator TESTER. Did you sleep here last night? No?

Secretary MCDONOUGH. I didn't sleep much last night.

Senator TESTER. That's good.

The only thing I would add to the dental care thing is I think for the veterans' long term this could actually help reduce health care costs moving forward because you got dental problems. You've got health problems.

Secretary MCDONOUGH. Heart problems.

Senator TESTER. Yeah.

Secretary MCDONOUGH. Mental health problems.

Senator TESTER. Exactly.

Secretary MCDONOUGH. There's no question about it.

Senator TESTER. You know, every day I get visited by folks and they bring up issues that potentially impact veterans. You know how many Native Americans serve, highest than any other minority, and I met with some Urban Native Americans today. They told me two things that I want to ask you about.

Secretary MCDONOUGH. Yep.

Senator TESTER. The first thing they said is that the VA uses us, the Urban Indian Health Care, they use us, but the reimbursement is less than adequate. That's Number one. I just want you to respond to that.

The second thing they said is that they use us because—and I'll give you the community if you want—because the community where the VA CBOC is is not fully staffed with doctors, so they have to have us.

Secretary MCDONOUGH. Yeah.

Senator TESTER. You guys put a freeze on. I get it. You need 14,000 new nurses. It's time to take a breath, take a look at what you got, and then move forward. I don't disagree with that.

But the question becomes we're talking about Community Care. We're talking about VA Care. If we don't have proper staffing, as Jane Lerman pointed out yesterday evening from the DAV, it forces more folks into the community, those inflated prices go up. That's one question.

Secretary MCDONOUGH. No doubt about it.

Senator TESTER. The other question is, is IHS treated differently when it comes to the Tri-West in my case in Montana?

Secretary MCDONOUGH. Yeah. Thanks so much.

So the UIOs, I spent time with them the day before yesterday. They're really great partners. No Secretary had ever been to a

UIO, but I went with Senator Moran in Wichita my first trip right after I left Montana.

We want our Native veterans to get the care that's culturally competent for them where they need it when they need it. That means at a VA facility, at a UIO or at an IHS facility or, by the way, in the community through the Community Care Program, and you know this better than I do the number of Native veterans who are living in urban settings away from their families and their tribes is extraordinary.

So we negotiated a new reimbursement agreement with the UIOs, but I challenged them when I was with them on Tuesday. We've had zero requests against the new arrangement since I went to the facilities in 2021. We got to do a better job, right?

Senator TESTER. Okay.

Secretary McDONOUGH. Now we also have a new reimbursement arrangement with IHS and Rosalyn So and I are, I think, working really aggressively on that.

The Chairwoman mentioned this in her opening remarks. We have a new reimbursement arrangement with them. We're finalizing that plan. It's with IHS now. I am really excited about the opportunity not only for veterans to get care there but we've also committed to our Tribal Advisory Committee, which you put into law, that we will begin having CMP exams at IHS facilities closer to veterans.

But, again, we have the tools there. We just have to figure out why are people not taking advantage of them.

Senator TESTER. Okay. And then talk to me a little bit about staffing and the impacts that that has on Community Care which you say is doing nothing but going up.

Secretary McDONOUGH. Yep. It's a Gordian knot. It's a really tough question because you got the chicken and the egg.

At what point are we not providing care because we don't have people. This is what you've challenged me to do since I got here, and at what point are we providing care in the community because it's easier to do?

That's why we made the very aggressive effort over the last 3 years to staff up as aggressively as we did, one. Two, that's why we ran an access sprint to test the proposition are these new clinicians seeing veterans, and we proved that in 25,000 cases they are, but we have to get better on productivity and then we have to show every time a veteran has a choice, we make a referral for that veteran to go to the community, we say, hey, this is where you're qualify in the community, you should do that if you want, but we'd like you to stay with us and here are your options there.

Senator TESTER. But they can't stay with you unless they got the staff.

Secretary McDONOUGH. Correct. Which is why we have this period under the access standard.

Senator TESTER. Yep.

Secretary McDONOUGH. The access sprint that we just showed that we're seeing 11 percent more clinical visits in that period. We have to extend that and keep those vets in the system and, by the way, we're going to keep adding vets.

So as we do that, if we need more money, we'll come back and ask for that in a second bite, but I want to do that because there's more vets demanding more access, not because we can't manage our workforce.

Senator TESTER. Here's the point I want to make and I'm going to give it up here in a second.

The point is, is as you go into this hiring freeze, don't forget to look at the hospitals that are short on Pas, on docs, on RNs, on all the above, because if we don't do that, you can't expect Community Care to even begin to level off. It's going to continue to go through.

So hopefully your VISN directors and the Director of VA Montana, which, by the way, is doing pretty damn good, will take a look and say, hey, we'll put pressure on you guys to get more docs in here because we need them. Otherwise, the Community Care issue is going to continue to grow and grow and grow with the emergency care and everything else.

Thank you, Madam Chair.

Secretary McDONOUGH. Couldn't agree more.

Senator SINEMA. Thank you, Senator Tester.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Madam Chair.

Mr. Secretary, good to see you.

Secretary McDONOUGH. Thank you, ma'am.

Senator MURKOWSKI. Thank you for your visit to Alaska. You know you're welcome any time.

Secretary McDONOUGH. Thank you.

Senator MURKOWSKI. The snow is melting and the weather's getting pretty good.

One of the things that I wanted to raise again with you is the Palmer Pioneer Veterans Home.

Secretary McDONOUGH. Right.

Senator MURKOWSKI. We made it through the winter without losing that roof but as you know, this is something that we've been watching for a long time. This is something where just last March we got the VA Engineering Office to issue this memo stating that the threat of a roof collapse does constitute a life safety issue. It's been reclassified. That's great. It now goes to what I understand is top of the sub-priority group.

Secretary McDONOUGH. Yes.

Senator MURKOWSKI. So we made it through the winter and we had a lot of snow, but I am not certain that this roof is safe moving forward and so the sooner, the faster we can attend to this. I would just put that before you in terms of a prioritization.

Secretary McDONOUGH. You got that. The good news is our engineers have come to the same conclusion you have. So it does get to the top of the list for us, but I'll stay on top of this and make sure that we stay in close touch with you.

Senator MURKOWSKI. Thank you. I appreciate that and I know all of our veterans there at the Palmer Home appreciate it.

I had a meeting about a month ago with a group in Fairbanks who had been working at this Fairbanks Veterans Cemetery for a long time, probably about 20 years now, and I appreciate that the VA has placed the Vet Cemetery there as a high priority among the projects to establish new cemeteries.

Secretary McDONOUGH. Yes.

Senator MURKOWSKI. But the way the list is stacked, as we all know, it puts the expansion of existing facilities—there are multiples ahead of any of the efforts to bring on a new facility.

I think you've heard the benefits that a veterans cemetery in this region would serve about 65 percent of the state's veteran population. We have one small tribal cemetery down in Metlakatla. We have a second National Cemetery that serves Southeast in Sitka. We've got the one at JBER but that's difficult to access.

Secretary McDONOUGH. Yeah.

Senator MURKOWSKI. So this is a very significant region of the state with a very significant population of our veterans and again they have been working aggressively on this.

I'm hoping that the committee's going to be able to fully fund this account for fiscal year 2025 and in future years, but what we're trying to do is to figure out if there's a way that there can't be—you know, maybe it's a splitting the grant funding so that you have a certain percent for expansion projects and reserve a certain percent for new construction because as we're looking at this list, it's going to be years and years before a new construction of a cemetery is going to be allowed to proceed.

So maybe you have a better idea of a timeline that we might be able to report back to folks, but I'd like you to take a look at that list. We're going to try to do our best. I'm certainly going to put my shoulder into it on the committee here to see if we can't get that number up, but even if we get it up, it's going to be a long time before you get to any new construction.

Secretary McDONOUGH. Yeah. So I've asked our team to look at this particular Fairbanks option in the context of our overall strategic goal to have, you know, 95 percent of veterans within 75 miles of a hospital.

Senator MURKOWSKI. Then you definitely need this one.

Secretary McDONOUGH. That's what I mean. So I think this feels like it probably analytically can—that may be important. So I've asked for that review.

Senator MURKOWSKI. Yeah. The 350 miles away is the closest one.

Secretary McDONOUGH. Exactly. So I've asked for that review. We'll stay in close touch with you and with the whole delegation on this.

Senator MURKOWSKI. Good. I appreciate that.

Secretary McDONOUGH. We'll make sure the importance of this is coming through very strongly. I've got it.

Senator MURKOWSKI. Thank you. And I'm running close on time, but I'm curious about where we are with the claims backlog and the claims inventory and the backlog because I'm told that following the PACT Act we've seen that increase dramatically. We've also seen the claims accuracy backlog.

I'm told that the accuracy rate has dropped to just over 83 percent, the lowest it's been in the last 10 years. I don't know if this is directly related to the claims backlog, what we're seeing with the increase, but know that this is an issue that our veterans are raising in Alaska. I'm sure that they are in other states, as well.

So I don't know if you can give us an update on that.

Secretary McDONOUGH. Thanks for the question.

Backlog as of this morning was just over 300,000 claims.

Inventory is about 930,000 claims. So I think, if I remember that right, but I'll get you the specific number by close of business today, but we're at about a 31 percent backlog rating. Of the overall inventory, about 31 percent of the claims are backlogged. That's generally in the zone of what we have considered healthy for backlog because we're not going to rush to get a no to a veteran if more development will get us to yes. That's the first thing.

Second, we did anticipate, by the way, we've been able to manage this. This is kind of much on the low end of what we anticipated and, frankly, what our model told us the backlog would be by now, and it could be, by the way, that we're on the downside of the backlog, but it's too soon to definitively state that.

The main input there is people and we have basically increased the VBA workforce by about 25 percent in the last 3 years, anticipating this influx of claims. So we—

Senator MURKOWSKI. Has that impacted the accuracy because you're bringing new people on?

Secretary McDONOUGH. Correct. So that's the last point and this is where I'm not sure where 83 percent comes. I just got an update yesterday. We're at 93 percent, but, frankly, we have a dispute with our IG, too, about he scores our accuracy differently.

So I don't want to over-index the number, but there is quality concerns which we anticipated because of so many new people and because of the training requirements. So we have throughout the course of the summer a quality stand-down which will enhance training and an update of the training program to review these quality questions because, again, this is traditional CESON NVA.

We worry about the backlog when it grows. So we over-index on the backlog number so then also quality comes down. So we have to kind of toggle back and forth between these two things.

We've anticipated this. I hope the stand-down that we're going to undertake over the course of the summer addresses that and again that's a training issue and then that's an oversight and management issue and again because we're seeing the same thing in VBA, enhanced retention of our personnel, I feel pretty good about our ability to address that.

Senator MURKOWSKI. Thank you for your attention to this.

Secretary McDONOUGH. Yeah.

Senator MURKOWSKI. Thank you, Mr. Secretary. Thank you, Madam Chair.

Senator SINEMA. Thank you.

Senator PETERS.

Senator PETERS. Thank you, Madam Chair.

Secretary McDonough, it's good to see you again. Thank you for being here.

Secretary McDONOUGH. Yep.

Senator PETERS. As service members transition into the civilian life, it's absolutely critical that they have the tools and the job training that they need to be successful in that transition.

In 2020, my bipartisan bill, The Support for Veterans in Effective Apprenticeships Act, was signed into law. What the law did is it increases veterans' access to financial assistance they can use in

connection with an apprenticeship program and requires apprenticeships to factor in the skills, the training, and the experiences they gain through military service, which is often extensive, and helps the veteran get placed in those apprenticeships.

But the fact remains that for veterans to use their GI Bill benefits on these programs, they have to actually be aware of apprenticeships in the first place and how those GI funds can be used to help them get that training to transition.

This committee, as part of the fiscal year 2023 VA funding legislation, directed the VA to take additional actions to promote awareness and increased utilization of apprenticeships among veterans.

So my question for you, sir, is what is the VA doing to ensure veterans are aware of the opportunity to use GI Bill benefits on apprenticeship programs and how does your fiscal year 2025 Budget Request support further outreach to these individuals?

Secretary McDONOUGH. Yes. Both education, General Education Program at VBA and the VREP, the Veteran Readiness and Employment Programming, at VBA because of the committee's requirements have enhanced and have specific targets to increase enhancement of communication around apprenticeship options.

So the budget fully funds those because it fully funds our programming for both, and we will begin to see data on the uptake of that. We'll accumulate that data and share that with you over the course of the coming year.

Senator PETERS. Right. I appreciate that.

I also want to ask you a couple of questions related to VA Inspector General investigations. First, you and I have spoken repeatedly about my concerns regarding a case of Ian Fishback.

Secretary McDONOUGH. Yes.

Senator PETERS. Ian is a native Michigander who tragically passed away in 2021 following a decline in his mental health as he and his family and friends worked and worked very hard to try to gain admittance to a VA medical facility.

I was pleased when the VA opened an Inspector General investigation into his case last summer following our conversations, but my question for you, sir, is I know the investigation is ongoing, but I want to get your commitment today that once that investigation concludes you will implement the IG recommendations across the VA as you become aware of them.

Secretary McDONOUGH. Yes. Ian Fishback was also a national hero, one. Two, you have my commitment to implement those recommendations. Three, I've been in close touch with the IG on this. I have every expectation that he's wrapping up his work and that that will be public soon and I think the IG does really important work, really good work. My guess is it's going to be really tough for us but that's the most important stuff that we've got to get right and we will.

Senator PETERS. Well, I appreciate your commitment and really your attention to this from the get-go.

I also want to touch on a Detroit VA issue. Back in 2022 Senator Stabenow and I were alarmed to learn about a crisis of care and, quite frankly, a crisis of leadership at the John Dingle VA Medical Center in Downtown Detroit.

In response, Senator Stabenow and I called on the VA's Inspector General to conduct an independent investigation into that facility, which was launched shortly thereafter. Last summer, the Inspector General released its report, which included recommendations to remedy issues found at that facility.

One of the recommendations related to removing conflicts of interest within the peer review process and I've introduced legislation with Ranking Member Boozman to the VA Peer Review Neutrality Act on the recommendations from that VA system.

So my question for you, sir, is can you provide an update today on the Detroit VA's implementation of the recommendations contained within the Inspector General's report?

Secretary McDONOUGH. Yeah. Thanks so much.

I just talked to our VISN Director this morning. She just happened to have her monthly update with Chris Csuley, the VMC Director, in Detroit yesterday.

Importantly, on your question, Recommendations 1, 2, and 8 are still open. 1 and 2 really relate to oversight of the Surgery Department and Data Collection in that department. The next meeting with the IG is on the 10th of June. I hope that we can close those out or get closer to closing those out by then.

Recommendation 8 relates to the demand from the IG that we get a permanent executive leadership team in place, and he has, I think, a numeric goal or a time elapse goal on that. So we just need time on that. So that's not yet closed, but I hope it will be because our permanent Executive Med Center Director, Chris Cauley, is doing a really fine job.

Importantly, they have reopened 30 inpatient beds in the hospital. Imagine in the middle of Detroit we had 30 inpatient beds closed. Those are opened.

Care as measured by relative value units, RVUs, unique visits, and clinical encounters are all up right now this year over last, again an indication of the seriousness of that leadership team and the staff's interest in getting that team functioning again, and for the first time in anybody's history, they're also helping with caseload management with Saginaw, with Battle Creek in a way that we've long expected them to but they have not done, similar to the way Ann Arbor helps manage caseload for veterans functioning as the high level facility that they should be.

So nothing's permanent obviously. We have to stay on top of this, but those are indications, I think, we're making progress.

Senator PETERS. Right. Well, thank you. Thank you for continuing to work on those.

Thank you, Mr. Chair.

Senator BOOZMAN. Thank you.

Senator Hoeven.

Senator HOEVEN. Thank you, Ranking Member.

Secretary, thanks for being here. Thanks for your work on behalf of veterans. Very much appreciate it.

I want to pick up on something that Senator Murkowski was talking about but a little bit different twist on it but again about making sure that our brave veterans have access to cemeteries and their families have access to cemeteries.

As you're aware because we've talked about it, in Fargo now we've established a cemetery and just expanded it from five to 35 acres, and it was initiated under the Rural Cemetery and I think it was the first one established but that was five acres but to show the need, you know, we were going through that so fast recently we worked with VA and expanded that to 35 acres.

So now the key is to really enhance the facilities. As Senator Murkowski discussed, that's a challenge funding-wise. So we're willing to step forward and actually fund and build a visitor's center on the cemetery and we're working to do that.

We've worked very closely with the Under Secretary Matt Quinn, who's really been good to work with. I want to commend him. But I understand he'll be leaving on May 23rd.

Secretary McDONOUGH. Yeah.

Senator HOEVEN. So, first, I want to really thank him and commend him for the great work he's done, but I want to impress how important it is that we have somebody in that slot who will continue this work with us on a project that is really fantastic for veterans, keeping in mind it was interesting to listen to Senator Murkowski because the VA National Cemetery, that serves an area you're very familiar with, all of Western Minnesota, your home country.

Secretary McDONOUGH. Where the fish are.

Senator HOEVEN. Exactly. Great Lakes, great area but a lot of folks that need access. It's a long way for them to Minneapolis.

All of North Dakota because this is the only veterans cemetery, Federal cemetery we have, and a lot of South Dakota because they have to go all the way to Spear Fish which is on the very western edge.

So this is situated where it will serve a big population and we're willing to step up and cover the whole cost in essence and then donate it, but we obviously have to work through the bureaucratic challenges that go with that.

So I really need your commitment, particularly as we're losing Under Secretary Quinn.

And he's done such a great job. Under Assistant Secretary, I should say, Matt Quinn, but the new replacement. We're going to need somebody that will work with us.

Secretary McDONOUGH. Yeah.

Senator HOEVEN. I need your commitment on that.

Secretary McDONOUGH. Yeah. Well, first of all, let's not let this go to Quinn's head. I mean, he's fine. He's fine but—

Senator HOEVEN. Well, he's from Montana. So, I mean, we got to be a little—

Secretary McDONOUGH. Yeah. Exactly.

Senator HOEVEN. And I was going to commend our leaders on the Full VA Authorization Committee, too, both Senators Tester and Moran. They've been working with us very closely on this.

Secretary McDONOUGH. Yeah, yeah. So you've got my commitment on this and I've made that commitment in private and I'm happy to make it again here in public. We're going to make this work and I think we've demonstrated that through Matt's commitment on this. He's routinely out there meeting with your vets,

meeting with local community leaders, and we'll stay on top of it. You've got my commitment on that.

Senator HOEVEN. And you're right about the Lakes. They are really awesome. That's some great beautiful area up there. But you know that when I laid that out for you because you come from that area that the need is there and this is important.

Secretary McDONOUGH. Yeah.

Senator HOEVEN. So thank you for that commitment.

The second thing I wanted to talk to you about is veterans' access to health care in non-VA long-term care facilities. One of the challenges is that because of the Office of Federal Contract Compliance Programs, they don't have a permanent rule that allows these nursing homes to accept VA reimbursement without a separate exam, separate from CMS.

Now I think it was the MISSION Act, we provided authorization for the VA to exempt these facilities from OFCCP separate compliance exams if they were meeting the CMS requirements for Medicare and Medicaid because it just makes sense that they don't go through this duplicate study which was keeping a huge number of them from accepting veterans on VA coverage, so VA insurance payments to cover their stay.

Now you put in place a two-year rule. We really appreciate that. That takes us to 2025, but for Tricare you passed a rule that just exempts it. Okay. We need something like that in order to get these nursing homes to change their policy and accept veterans that are on VA reimbursement rather than Medicare or Medicaid and so it's a two-year but I would really encourage you to look—because you have the authority now. We passed that in law, but it would require a permanent rule on your part to do it.

You did it with Tricare, but you can see why on a two-year basis a lot of them are reluctant to change their policy—

Secretary McDONOUGH. Definitely.

Senator HOEVEN [continuing]. Because they could be right back to dual exams and that mean might another elevator. That might mean all these different things.

Secretary McDONOUGH. Fair enough.

Senator HOEVEN. And so I'd ask you to take a look at that.

Secretary McDONOUGH. I'm on it.

Senator HOEVEN. Okay.

Secretary McDONOUGH. I got it.

Senator HOEVEN. And then the last one is one you and I talked about it, particularly in Rural America access to mental health care. Telemedicine's helped, but, boy, any and all initiatives you have to help getting access to mental health care for our vets is really important.

Secretary McDONOUGH. Yeah. Well, this is, you know, when we talk about strategic hiring and that continuing, notwithstanding our net zero growth on FTEs, you know, over the course of this year, strategic hiring, you know, front of the line there, is psychologists, mental health professionals, mental health social workers. So we'll continue to do that.

Secondly, you've given us authorities and investments to increase cooperation with tribes and with local communities to make sure that we're investing in them, as well.

Thirdly, we are also investing—we now have 1,900 peer specialists in VA. The way I see it as kind of an Irish American person, they're based on the AA model where we basically have recovering vets helping other vets, you know, earlier in their recovery. Vets helping vets and us making those investments in them is a proven help on substance use disorder, a proven help on mental health care.

So we're trying to go to every vector there, Big VA, partners on the ground, and then traditional manifestations of mental health care providers and those will remain our priority because our Number one clinical priority is suicide prevention and we're going to stay on top of this until there's none.

Senator HOEVEN. Right. Thank you, Secretary. Appreciate it.

Senator SINEMA. Thank you.

Senator Heinrich.

Senator HEINRICH. First, I just want to thank Senator Hoeven for his comments on mental health in particular. That's an incredible challenge and especially in big rural states like mine.

Secretary, welcome back.

Secretary McDONOUGH. Thank you.

Senator HEINRICH. It's always good to see you.

I want to ask you about the Partial Claim Payment Program and when that ended relatively abruptly, it was really destabilizing for a lot of veterans in New Mexico. Obviously we're in a very different interest rate environment than we were at the beginning of the pandemic.

What steps is the VA taking to ensure that folks impacted by that will be included in the Servicer Purchasing Program that's been stood up?

Secretary McDONOUGH. Yeah. Well, so we're reaching out to veterans who our data shows are struggling. We're communicating also as aggressively as we can to veterans to make sure that they're aware that we are standing up a new support program when the current moratorium expires at the end of this month, end of May, and, you know, we think that by the way, as a general matter, we're tracking veteran performance on their VA-backed mortgages because we have a whole series of programs not even associated with what we call the VASP, which is what will roll out when the moratorium ends that we want to make sure that vets can avail themselves of through our Debt Management Center.

Senator HEINRICH. Great.

Secretary McDONOUGH. So we're trying to communicate to vets individually. We're trying to communicate more generally to vets and the new VASP Program, which we've kept the committee up to date on and will develop the implementation targets more aggressively over the course of the next four weeks, will allow us to make sure that veterans struggling do not lose their homes and come up with a more manageable picture, debt picture over time.

Senator HEINRICH. Great. I know Senator Collins raised the highly rural transportation grant. I was pleased to be able to work to include some additional funding for that in fiscal year 2024.

Just my understanding because I wasn't here when she asked her question is that you may have referenced a legislative proposal in that area.

Secretary McDONOUGH. Yeah.

Senator HEINRICH. Do you want to expound on that?

Secretary McDONOUGH. Well, you know, I mean, you're the first person to have raised this with me and that's what I said to Senator Collins when we talked about it privately recently.

New Mexico and Maine are uniquely poorly positioned based on the definition of highly rural as, you know, fewer than seven people per square mile. We would like to change that in the statute.

Senator HEINRICH. Great.

Secretary McDONOUGH. And we have some proposals on how we'd do that.

Senator HEINRICH. Fantastic.

Secretary McDONOUGH. And then, you know, we would couple that with an increase, the commensurate increase in funding because, you know, it's just right now we have too few counties who can participate.

Senator HEINRICH. And I'm certainly not going to speak for Senator Collins, but I suspect we would both look forward to working with you on that front.

Secretary McDONOUGH. Great.

Senator HEINRICH. You talked a little bit about substance use treatment or substance use disorders.

One of the challenges we see in New Mexico is that folks who want to treat their substance use disorder are having real challenges getting access to the medications that their prescribed by their doctors, particularly buprenorphine, and it's been, you know, like literally people can't get their prescriptions filled. There's a number of reasons for this because these medications are highly tracked.

But I'd love for you to look into that because we want to make sure that our vets who want to get treatment can get the medications they're being prescribed.

Secretary McDONOUGH. It's a major priority for us to increase medically-assisted treatment and so let's definitely dig into that.

Senator HEINRICH. Yeah.

Secretary McDONOUGH. There's no reason a veteran who's struggling and wants to take those steps, let's take sure that we're there for them when they do it.

Senator HEINRICH. Yeah. We've had real challenges with some of the big chain pharmacies just stocking those medications and we can expand on—

Secretary McDONOUGH. That's interesting.

Senator HEINRICH [continuing]. that and we'll get together and expand on why that is, but we're not going to make headway on this if we can't get folks the treatment.

Secretary McDONOUGH. Yeah. Well, we're really proud of our medically-assisted treatment options and so that should not be reliant on any of those big boxes. You know, the question is maybe there's a mail order pharmacy issue for us, but let me dig into that.

Senator HEINRICH. Okay.

Secretary McDONOUGH. You got my attention on this. If there's one vet who's struggling to get that, that's too many.

Senator HEINRICH. Look forward to working with you.

Secretary McDONOUGH. Yeah.

Senator HEINRICH. Thank you.

Senator SINEMA. Thanks, Senator.

Senator FISCHER.

Senator FISCHER. Thank you, Madam Chairman.

Thank you, Mr. Secretary, for being here today, and I just want to start off with thank you for all of the great work we're seeing the VA do in Nebraska and especially over this last year.

Secretary McDONOUGH. Thanks.

Senator FISCHER. Last year during this hearing we talked about needing to invest in the Cemetery Grant Program. We did and the Grand Island Cemetery is now on its way, and in your most recent budget I was pleased to see that a new medical center for Omaha is now Number 2 on the Skip List. So thank you for that. That medical center is nearly 75 years old and obviously renovations aren't going to cut it anymore. So we're very excited to see that move ahead and I look forward to working with you on that.

I appreciated your comments in our conversation about the Community Care Program and I do remain concerned about the future of that program. We have over 40 percent of Nebraska veterans, they live in rural areas, and many are located hours from the nearest VA facility. So that Community Care Program is really vital for those people.

In recent months I've heard some of my colleagues call for tightening or even scaling back on that Community Care Program. Of course, I want the VA to work on improving the appointment wait time but that doesn't change the reality that we face in rural areas and sparsely-populated areas.

So does the VA have any plans to modify the access standards for that Care Program and can you commit to us today that rural veterans will maintain access to care through that Community Care Program?

Secretary McDONOUGH. Yeah. You know, the statute is very clear, the Mission Act that drive time standards will continue to be impactful for rural veterans.

We have big parts of Nebraska, big parts of the one I keep pointing out is VISN 7, which is part of South Carolina, Alabama, Georgia, Mississippi. You know, fully 70 percent of veterans there are referral qualified by virtue of where they live alone, so because of drive time.

So it is an important access opportunity for veterans in rural areas. It will continue to be.

Some of the things we're thinking about is updating the access standards to reflect the fact that overwhelming amount of care in VA and in the private sector is offered through telehealth. So we think our access standards should reflect that.

So ideally that we'd be able to get that done fairly quickly but that would be through rulemaking and there'd be public comment.

Senator FISCHER. Then we have issues with connectivity, though.

Secretary McDONOUGH. Yeah.

Senator FISCHER. Broadband deployment because a lot of these sparsely-populated areas in my state, that's a big issue.

Secretary McDONOUGH. Definitely. We're not going to give a vet a pig in a poke and say, hey, you should get, you know, knowing

that they don't have Internet access, tell them to go get Internet access. So we have no interest in that.

So that's probably the biggest change we're anticipating currently, but, you know, it's been 6 years now since the law was enacted. Since then we not only had the Mission Act but then we had the pandemic and now we have the PACT Act. Any one of those things would be a seismic impact on VA. Three of them in a row, I think I'm really proud of the way our team has managed them.

But I think it's reasonable for us to take a step back over the course of this year and ask what are the impacts of all those things. If we anticipate changes out of those, we'll come talk to you about it.

Senator FISCHER. Okay. You know, as we talked about on our call, you have a very tight budget.

Secretary McDONOUGH. Yeah.

Senator FISCHER. And given the ongoing implementation of the PACT Act, which I was very proud to support, I believe it's important for the VA to ensure that it has staff in place to meet the needs of access to assist the terms and I know in Nebraska we added over 200 employees, new employees this past year to VA facilities.

But with the department's Budget Request, I think you're envisioning an overall reduction of approximately 10,000 health care workers.

Can you talk about the department's plans on how it plans to reduce the workforce and will the reductions be equally spread across the VISNs and the VA facilities?

Secretary McDONOUGH. Yeah. So thanks so much.

You know, we envision at the end of 2025, so that's September 2025, to be at about 10,000 fewer FTE. When all is said and done, frankly, that's if you measure traditional attrition at VA. That's not much different than traditional attrition.

However, because retention is so high because you've been so generous to us for various pay enhancements, we have historically high retention, historically low quit rates. As a result, it might be a little tougher.

We are not going to make those decisions from Headquarters. These are going to be decisions made by our VISN leaders. This year is going to be a year, as we're calling it, of strategic hiring where we need people.

A good example is recently in Texas, San Antonio has been looking for GI experts, one of the most limited capabilities in health care in the United States right now. They finally found two. They hired them both, right.

So we'll continue our strategic hiring, but those are going to be VISN-based and facility-based decisions, not me making those decisions from here as a politico or as a bureaucrat. That's not good for veterans.

And we'll track this month by month. We're doing this on FTE. We're doing it on dollars spent, and we'll talk this through with your teams so that they can follow along with us and watch that, and my guess is I think one of our great strengths is our facility leadership having the kind of relationship that Omaha does with you with their delegations, and so my guess is this is going to be

a very public, very well debated effort, and that's the way it should be.

Senator FISCHER. Good. Good to hear.

Secretary McDONOUGH. Yeah.

Senator FISCHER. Thank you, sir.

Secretary McDONOUGH. Thank you.

Senator SINEMA. Thank you, Senator Fischer.

Senator BOOZMAN. No, I don't have any more questions, but I do want to welcome you to this subcommittee. I had the opportunity of doing that yesterday in the MILCON part of the subcommittee, but I know you're going to make a tremendous difference.

Senator Murray did a great job, but I've enjoyed working with you on veterans issues in the past and we appreciate you. We're both blessed with excellent staffs, not good staffs, but excellent staffs that make us look better than we are.

Senator SINEMA. The secret to success.

Senator BOOZMAN. Again, thank you, Mr. Secretary, so much. We appreciate you and your staff that really are working hard for veterans.

Secretary McDONOUGH. Thank you. I agree with what you said about your staff.

Senator BOOZMAN. That was what I asked of you.

Senator SINEMA. Thank you so much, Senator.

Secretary, thank you so much for being here today, for the work that you're doing on behalf of veterans all across our country.

Secretary McDONOUGH. Thank you very much, Madam Chair.

Senator SINEMA. We're very lucky to have a subcommittee full of Senators who care very deeply about veterans and the veterans who have served our country so well. So I'm excited to continue the bipartisan tradition of this subcommittee.

That will conclude our hearing today. I'd like to say again thank you to the Secretary and our colleagues for participating in today's hearing.

I look forward to working together on next year's appropriations bill to ensure that we're providing veterans and their families with the benefits and care and support that they need.

ADDITIONAL COMMITTEE QUESTIONS

Finally, I will keep the hearing record open for one week. Committee members who'd like to submit written questions for the record should do so by 5 p.m. on Thursday, May 9th.

We appreciate the Department responding to those questions in a reasonable period of time and with that we stand adjourned.

Secretary McDONOUGH. Thank you.

Senator SINEMA. Thank you.

QUESTIONS SUBMITTED BY SENATOR KYRSTEN SINEMA

INDIAN HEALTH SERVICES

Question. VA signed an updated agreement with IHS at the end of last year to expand the costs and services that are eligible for reimbursement from VA. Have you seen an increase in utilization among American Indian veterans as a result?

Answer. The Department of Veterans Affairs (VA) Veterans Health Administration (VHA) and the Department of Health and Human Services (HHS) Indian Health Service (IHS) entered into a revised and expanded reimbursement agreement on December 6, 2023. The new agreement expands the scope of the earlier

agreement from direct care services reimbursable by VA to include purchased referred care (PRC) and contracted travel and address telehealth, durable medical equipment, and home care. From December 2023 to April 2024, VA dispersed \$2,666,000 to IHS facilities serving 1,262 unique Veterans for direct care services. The number of Veterans served during this period was roughly the same. Currently, IHS is testing its systems with VA and has submitted test invoices for PRC and contracted travel.

Question. How else is VA trying to help these veterans get access to care?

Answer. To help American Indian/Alaska Native (AI/AN) Veterans get access to care, VA is doing the following:

AI/AN Veteran Copayment Exemption

AI/AN Veterans serve at a higher rate compared to any other group of Veterans. Under 38 U.S.C. § 1730A(b)(2), the Secretary may not require Veterans who are Indian or urban Indian (as those terms are defined in section 4 of the Indian Health Care Improvement Act (25 U.S.C. § 1603)) to make any payment for the receipt of hospital care or medical services. VA amended its regulations to implement section 1730A(b)(2) and exempt eligible AI/AN Veterans from certain copayments when receiving VA health care. Eligible Veterans also may receive reimbursement for copayments paid to VA for health care provided on or after January 5, 2022. The copayment exemption aims to address health care access and health care disparities experienced by AI/AN Veterans by eliminating certain copayment requirements so that Veterans are more likely to use the benefits they have earned.

Approximately 65,000 AI/AN Veterans are enrolled in VA health care. As of September 2024, more than 5,200 of those Veterans have been approved for the copayment exemption, and VA has exempted or reimbursed nearly 240,000 copayments totaling over \$4.2 million. These numbers continue to grow as does VA's outreach to increase applications for the copayment exemption.

The VHA Office of Tribal Health frequently provides outreach alongside VA enrollment staff, local VA outreach staff, and minority Veteran coordinators during events to assist AI/AN Veterans with enrolling in VA health care and applying for the copayment exemption.

Suicide Prevention

In September 2024, VA announced the third year of \$52.5 million awards to 85 community-based organizations through the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP). A total of 93 grantees across 43 States, the District of Columbia, Guam, American Samoa, and Puerto Rico are operating in FY 2025. This grant program enables VA to provide resources to community-based suicide prevention efforts to meet the needs of Veterans and their families through outreach, suicide prevention services, and connection to VA and community resources. SSG Fox SPGP prioritizes the distribution of grants to rural communities, Tribal communities, territories of the United States, medically underserved areas, areas with a high number or percentage of minority Veterans or women Veterans, and areas with a high number or percentage of calls to the Veterans Crisis Line. In FY 2025, 24 grantees serve Tribal lands, including the Choctaw Nation Warrior Wellness Program, the Aleutian Pribilof Islands Association, Navajo Nation, Cherokee Nation, and others. The suicide prevention services provided include indigenous practices, such as Ninelines rites of passage ceremonies, Alaska Native Cultural Health and Resilience Gathering, and talking/listening circles.

In 2022, VA also launched the Mission Daybreak grant challenge, which awarded \$20 million to suicide prevention solutions that can meet the diverse needs of Veterans. Televeda was one of the first-place winners awarded \$3 million and is a suicide prevention project within the Navajo Nation's Veteran population. Televeda's Project Hózhó is developing the first mental health app and comprehensive operational plan for AI/AN populations. Televeda designed the tool in partnership with Tribal communities and Veterans for Navajo Veterans with plans to adapt and expand for use with other Tribes.

VA and HHS Substance Abuse and Mental Health Services Administration (SAMHSA) with support from IHS are developing new initiatives, products, and services through adapting the current Governor's Challenge model to one that is more inclusive and incorporates indigenous knowledge and traditions. In August 2024, SAMHSA and VA facilitated a second AI/AN meeting spanning 2.5 days.

On December 15, 2023, as part of implementation of section 101(b) of the STRONG Veterans Act of 2022 (Public Law 117-328, Div. V), VHA released a training called "American Indian/Alaskan Native Suicide Risk Management training for Minority Veteran Program Coordinators (MVPCs)" that is required of all VHA

MVPCs. The training is focused on delivery of mental health and suicide prevention services culturally appropriate for AI/AN Veterans. All 183 VHA MVPCs have completed this mandatory training.

Homelessness

At the 2022 Tribal Nations Summit, VA and the Department of Housing and Urban Development (HUD) launched an interagency initiative through the Health Committee of the White House Council on Native American Affairs to increase access to care and services for AI/AN Veterans at risk of or experiencing homelessness. This initiative includes collaboration with Urban Indian Organizations (UIO) and focuses on intake and referral services to ensure that AI/AN Veterans are aware of and have access to available resources. The initiative took the following actions in 2023:

- VA and IHS developed an informational brochure (<https://www.va.gov/HOMELESS/docs/WHCNAABrochure.pdf>) for AI/AN Veterans experiencing homelessness and made it available on their website.
- VA developed and implemented training webinars for UIOs to raise awareness of VA homeless programs among AI/AN Veterans and to build or increase effective, responsive, and collaborative relationships between UIOs and VA.
- VA, IHS, and various UIOs collaborated on Stand Down events in Phoenix, Arizona; Los Angeles, California; Albuquerque, New Mexico; Anchorage, Alaska; and Fairbanks, Alaska. These one-to-three-day events brought together Tribal representation, VA staff, other Federal and State agencies, volunteers, and community organizations that provide legal services, tax services, and veterinarian services, among many others. Organizations at the Stand Down Events provide food, clothing, health screenings, and more to homeless and at-risk Veterans and receive referrals for health care, housing solutions, employment, substance use treatment, mental health counseling, and other essential services.
- The VHA Homeless Programs Office co-sponsored and participated in 261 Stand Downs across the country in FY 2024. The Stand Downs are joint collaborations with local VA medical centers (VAMC) and community organizations, Veterans Service Organizations (VSO), with local, county, and state participation. FY 2025 projections show at least 250 Stand Down opportunities across the same catchment areas with the potential for further growth. and that number continues to grow. Upcoming stand down events can be found on VA's website.

Clinic-in-a-Clinic

VHA and IHS entered into interagency agreements to offer VA health care by VA providers at IHS clinics in Chinle and Kayenta, Arizona. These clinics, launched in February and March 2024, respectively, expand health care options for hundreds of VA-enrolled AI/AN Veterans and create more available appointment times for eligible Veterans in these areas. From listening to the needs of Tribes and IHS, VHA also is exploring the potential to open more clinics across the Nation to further meet our AI/AN Veterans where they live.

Indian Health Service (ISH)/Tribal Health Program (THP)/Urban Indian Organizations (UIO) Reimbursement Agreements Program

The VA IHS/THP/UIO (referred to collectively as I/T/U) Reimbursement Agreements Program (RAP) provides reimbursement to I/T/U health care facilities for services provided to eligible AI/AN Veterans. The RAP was first initiated in 2012, with IHS and THP. In 2022, it expanded to include UIOs. Eligible AI/AN Veterans do not need VA preauthorization to receive health care services at participating I/T/U health facilities. The program works directly with I/T/U facilities and is seamless to the Veterans accessing their health care.

VA recognizes and honors that AI/AN Veterans may prefer to receive health care from I/T/Us, and the RAP pays for the care provided by I/T/Us, which creates greater access to care for AI/AN Veterans.

Veterans Affairs Tribal Representation Expansion Project

The VA Tribal Representation Expansion Project aims to collaborate with Tribal governments to promote access to benefit claims representation for AI/AN Veterans. The project seeks to expand the number of Tribal representatives through outreach, training, and innovative processes. The Navajo Nation and the Gila River Indian Community are VA-recognized VSOs with accredited representatives to assist Veterans with their claims.

INFRASTRUCTURE

Question. The Department is facing a significant challenge in maintaining its aging infrastructure, let alone modernizing facilities or building new ones. How are you tackling the issue of aging infrastructure and what forms of innovation are you considering?

Answer. Early this year, VA established the Veteran Facilities Board of Directors (VFBOD), which is charged with overseeing the necessary collaboration between VA Central Office (VACO), VHA, Office of Acquisition, Logistics, and Construction (OALC), National Cemetery Administration, and Veterans Benefits Administration to address VA infrastructure. VFBOD is engaged with VHA to identify the full slate of capital investment requirements, including alternatives, and how to prioritize them to best meet the needs of Veterans. A “Top 7” list of markets in need of major VAMC capital investment renewal/replacement strategies are already under analysis. VA is taking several innovative steps to ensure the right projects are planned for the right locations. These steps are primarily procedural in nature.

OALC and VHA Chief Strategy Office are continuing efforts to deliver health care systems optimization and enhancement and portfolio transformation with the assistance of a strategic consulting contract currently in the award phase.

1. Master Plan. OALC awarded a contract for a pilot of a new Master Plan designed to identify the multiple supporting projects in a market necessary to meet that market’s health care demand along with maintaining or upgrading existing infrastructure. The intent is for this pilot contract vehicle to be employed broadly across VHA. The pilot will occur in San Juan, Puerto Rico.

2. Facility Standardization. VA is completing a community-based outpatient clinic (CBOC) standardization study that is analyzing several CBOCs nationwide to identify the most successful design features to facilitate development of updated design standards, Concepts of Operations, and activation protocols. This study will serve to align designs with standards of care best practices better, increase industry familiarity with VA requirements by reducing variability, minimizing execution cost and time, and ensuring designs best meet the needs of patients, caregivers, and providers. In March 2024, VA kicked off a subsequent Health Care Center standardization initiative with similar aims.

3. Implementing Planning Process. VA continues to refine the planning process to establish the requirements to improve project execution performance by delivering the right project, at the right time, for the right cost. VA piloted a program to transform the VA project development process by ensuring planning requirements were complete prior to definition, development, scoring, and prioritization of project requirements.

COMMUNITY CARE THIRD PARTY ADMINISTRATORS

Question. Recently, VA sent notification that the contract ceilings for the community care third party administrators needed to be increased. Is this budget request sufficient to spend what you need in support of that increased contract?

Answer. The contract ceiling is independent of the budget request. New projections incorporated into the last few years of the budget had a higher Community Care Network (CCN) spend. While the budget had appropriately expanded for CCN, the contract ceiling simply needed to be increased to execute the funds that were budgeted. The FY 2025 and FY 2026 budget request supports the following community care account category costs by activity:

FY 2025 (in the 2025 President’s Budget)

Total Obligations \$40,939,110,000

Included above:

State Homes \$1,809,660,000

CHAMPVA & Other family member programs \$2,331,358,000

Community Nursing Home \$1,893,463,000

Everything Else \$34,904,629,000

FY 2026 (in the 2025 President’s Budget)

Total Obligations \$45,819,380,000

Included above:

State Homes \$1,958,463,000

CHAMPVA & Other family member programs \$2,566,726,000

Community Nursing Home \$1,993,705,000

Everything Else \$39,300,486,000

ELECTRONIC HEALTH RECORD MODERNIZATION

Question. The FY25 budget shows a substantial cut in the EHR program funding line, and the request assumes no new deployments will happen this year. What metrics will you be looking at to determine when it is safe and appropriate to re-start deployments?

Answer. Currently, VA is working to define meaningful, measurable, and actionable metrics that would allow VA leadership and stakeholders to assess our progress during the Reset period. Four primary domains were defined through the Reset goals:

1. Improved User and Veteran Experience: How the Federal electronic health record (EHR) supports VA users and Veterans.
2. Improved Health System Operations: How effectively the Federal EHR is supporting VA's business and clinical operations.
3. Mature Product: How well the solutions are functioning and measuring how the solution is supporting the end users' experience.
4. Mature Program Processes: How enhancements and/or improvements to business processes support the Federal EHR deployment and sustainment activities.

These metrics will aid VA leadership in data-driven decision making regarding transitioning out of Reset and resuming deployment activities beyond the Captain James A. Lovell Federal Health Care Center (Lovell FHCC). These fundamental metrics are being reviewed by VA leadership and will be shared with Congress once approved.

HOMELESS VETERANS

Question. Despite meeting goals for housing homeless veterans, the point-in-time count found the total number of veterans experiencing homelessness has increased. How does this budget support efforts to expand services?

Answer. The results of the 2024 Point-In-Time Count indicated that the total number of Veterans who experienced homelessness was 32,882, which is a decrease of 7.5% over January 2023. The estimated number of Veterans experiencing homelessness in America has declined by 55.6% since 2010. The FY 2025 Presidential Budget Submission provides resources for Veterans homelessness programs of \$3.2 billion, with the goal of ensuring every Veteran has permanent, sustainable housing with access to high-quality health care and other supportive services to end and prevent future Veteran homelessness.

The FY 2025 Presidential Budget includes expanded resources to reach out to and provide support for unsheltered homeless Veterans. In FY 2025, VA will expand the Homeless Patient Aligned Care Teams mobile medical units to increase utilization and bring health care services directly to Veterans in the community setting. By expanding outreach efforts, VA can ensure that these Veterans are connected with the necessary services and assistance to help them find stable housing and improve their overall well-being. Increased staffing will offer the ability to expand oversight and capacity for the Contract Residential Services programs. This funding includes both Contract Emergency Residential Services and the Low-Demand/Safe Haven models of care designed to serve unsheltered Veterans. The budget also includes funds to assist with the design and development of expanded services for aging and disabled Veterans, a growing need and area of focus for the HUD-VA Supportive Housing (HUD-VASH) program. VA will use the funds to provide a medical home model and population-tailored approach to provide in-home primary care and wrap-around services to Veterans actively enrolled in the HUD-VASH program; provide additional resources to increase outreach and community engagement efforts; expansion of Veterans Justice Programs services, including support for Veterans in treatment courts; and for the development of new Veteran-focused criminal justice initiatives, such as pre-arrest deflection. Funding will also support the VA Grant and Per Diem program to increase per diem rates to community entities actively supporting VA's effort to end Veteran homelessness.

Moreover, this budget advances the efforts of the United States Interagency Council on Homelessness' All IN: The Federal Strategic Plan to Prevent and End Homelessness and VACO Homeless Programs Office's Strategic Plan 2021-2025 by preventing the initial episode of homelessness among at-risk Veteran populations. This budget supports prevention efforts. Specifically, VA homeless programs work together using their strengths while engaging with community organizations to best serve Veterans and their families.

In addition, this budget is dedicated to supporting important programs like the Supportive Services for Veteran Families (SSVF). This program plays a crucial role

in reducing and preventing homelessness among Veterans and their families. By providing financial assistance in the form of grants to eligible entities that provide and coordinate the provision of the necessary support and services, SSVF helps ensure that those who have served our country have a stable and secure place to call home. SSVF takes a comprehensive approach by addressing the housing affordability crisis, providing resources to assist Veterans in remaining in or obtaining permanent housing, providing emergency housing options, enhancing health care support, offering access to legal services, and providing substantial funding to non-profit organizations. SSVF is actively working to reduce homelessness and improve the well-being of Veteran families.

QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

FREELY ASSOCIATED STATES OF THE PACIFIC (FAS)

Question. Under Public Law 118–42, the VA is no longer restricted from providing services to Veterans residing in the FAS, including direct care from VA providers, telehealth, and care through contracts with community providers; shipping medications to the FAS; and reimbursing Veterans for travel from their home countries to the United States

What additional resources, if any, will be necessary to expand access to care to veterans in the FAS in Fiscal Year 2025?

Answer. No additional resources will be needed in FY 2025. VA anticipates expanding access to care in the FAS in Quarter 3 of FY 2026 based on contingencies to update internal processes, regulations, and negotiations with FAS governments to complete formal agreements.

Question. Please provide the office and name of the official who is responsible for overseeing the expansion of care for veterans in the FAS?

Answer. Dr. RimaAnn Nelson, Executive Director, Indo-Pacific Veterans Affairs.

Question. Please provide a review of past and planned engagements with the governments of the FAS related to the expansion of care for veterans?

Answer. On September 9, 2024, VA notified Congress, FAS Governments, and stakeholders on VA's decision to exercise the authority granted by the Compact of Free Association Amendments Act of 2024 to provide hospital care, medical services, and beneficiary travel to Veterans in the FAS. As of September 25, 2024, VA has reached out to each FAS government to begin formal engagement and discussions on VA's implementation plans. During the next several months, VA will be meeting regularly with the FAS governments to conduct a comprehensive environmental scan to review the current state of health care within the FAS. This coordination period will provide critical information about the local Veteran population and care needs in the region.

In addition, in October 2024, VA, the Department of State, and the Department of Interior met with each of the FAS governments for initial kickoff meetings to discuss implementation status, next steps, and the FAS governments' commitment to aiding VA in providing hospital care, medical services, and beneficiary travel.

MDMA AND PSILOCYBIN RESEARCH

Question. In January 2024, the VA Office of Research and Development issued a Request for Applications from VA investigators to conduct MDMA and psilocybin research focused on the treatment of mental health conditions. There is significant interest among investigators and clinicians within the VA to conduct this research. However, the RFA noted availability of funds is dependent on Congressional appropriation.

What is the approximate amount of funding you expect the VA to invest in this research this year?

Answer. In January 2024, VA's Office of Research and Development (ORD) issued a Request for Applications (RFA) to solicit proposals from VA researchers focused on the use of 3,4-methylenedioxymethamphetamine (MDMA) or psilocybin for the treatment of mental health conditions such as post-traumatic stress disorder and depression. Applications accepted for peer review began in May 2024. Announcement of funding decisions on a rolling basis began in October 2024. Studies approved for funding under the psychedelic-assisted treatment RFA will be funded from the general ORD award budget. It should be noted that currently there is no specific funding set aside within the Medical and Prosthetics Research Appropriation for this effort.

Question. Given the extensive clinician time involved in this form of treatment, conducting these clinical trials is expensive. Yet, the maximum amount under the RFA for a two (2)-site trial for 4 or 5 years is \$1.5 million, with an additional \$100,000 per site per year for each additional site. There are concerns that this amount will not be enough for well powered studies. Does the VA plan to allocate separate funding toward larger multi-site studies?

Answer. While studies of MDMA and psilocybin involve extensive clinical time, VA research funding does not pay for clinician time. The clinician dedicated research time is covered by the local VAMC Medical Services funding. Therefore, the extensive clinician time commitment to psychedelic research studies does not impact the ORD research study budget.

VA research caps for clinical trials support enough subjects enrolled in the studies to detect meaningful differences.

The current RFA for psychedelic research is limited to 10 sites. Currently, there is no plan to support larger clinical trials in psychedelics. VA will accept budget waiver requests, which are considered on a case-by-case basis and depend on the availability of funding.

Question. There is also a great deal of enthusiasm within the Veteran community to access these treatments once FDA approved, which could be as early as August 2024. How does the VA plan to train mental health professionals and prepare the infrastructure needed to offer this treatment? Will the VA have any dedicated facilities prepared to pilot this treatment upon approval?

Answer. VA is committed to taking all actions necessary to continue to meet our mission of providing Veterans with the safe, timely, and evidence-based care they deserve. VA planning is underway so that if psychedelic medications and psychedelic-assisted therapies are approved by the U.S. Food and Drug Administration (FDA), VA can quickly initiate these treatments to the Veterans most likely to benefit. VA established an integrated project team (IPT) to develop a comprehensive plan for training, clinical implementation, and real-world evaluation of MDMA-assisted therapy (MDMA-AT).

VA will begin clinical use of these treatments when they are approved by FDA, guidance on rescheduling is released by the Drug Enforcement Administration (DEA), and effective training and safety protocols are in place. VA will incorporate this guidance into a plan to train providers and safely implement MDMA-AT. The proposed protocol for MDMA-AT is very different than current mental health treatment practices, and it is imperative that facilities have the resources to administer MDMA-AT while maintaining access for all Veterans.

RESCHEDULING DETERMINATION OF CANNABIS

Question. With the forthcoming rescheduling determination of cannabis from the DEA, what plans does the VA have to research high-THC cannabis or any of the descheduled hemp-derived cannabinoids?

Answer. In the past 10 years, ORD funded 17 clinical and preclinical studies focused on potential risks and benefits of cannabis, cannabinoids, or substances enhancing endocannabinoid signaling. Of these studies, 6 are completed and 11 are ongoing.

Currently, medical research with these substances takes place legally through a specific process that involves review of the study protocol by FDA and obtaining a research registration from DEA. The forthcoming rescheduling determination of cannabis will change the type of registration required.

ORD primarily funds such research through the Investigator Initiated Research (IIR) mechanism. This means that research proposals for cannabinoid studies are submitted by interested principal investigators (PI) in response to an RFA for ORD's general merit award mechanism or clinical trial opportunity. As it is an IIR, the PIs choose the compounds they wish to study. Typically, ORD does not mandate work with specific compounds and, therefore, does not have a specific plan related to high- tetrahydrocannabinol (THC) cannabis or any of the de-scheduled hemp-derived cannabinoids.

Any submissions that involve researching high-THC cannabis or any of the de-scheduled hemp-derived cannabinoids would be reviewed in the same manner as any other submission to ORD, which is a review by a panel of expert scientists with an emphasis on the quality of the proposed research and focused on safety concerns for Veterans engaging in the studies. In addition to the legal requirements involving FDA and DEA, any human subjects study conducted involving a drug must be reviewed and approved by the Institutional Review Board.

Question. Has VA considered conducting a system-wide survey of veterans enrolled in the Veterans Health Administration to determine the characteristics of vet-

eran cannabis use, including self-reporting on changes in symptoms? If so, what has prevented VA from conducting such a study?

Answer. ORD appreciates that determining the characteristics of Veteran cannabis use can impact our understanding of the scope of non-medical cannabis use and improve treatment for Veterans with substance use disorder. Researchers from the Ann Arbor VA Healthcare System collaborated to lead an ORD-funded study titled, Cannabis Use and Health among VHA Primary Care Patients. Noting that existing VA health records do not indicate use that is below the threshold of a cannabis use disorder, they were concerned that a substantial portion of patients who regularly use cannabis are not documented or monitored by their VHA providers.

The primary study goal was to characterize cannabis use among a representative sample of VHA primary care patients in Michigan. The project team screened Veterans receiving primary care at three VAMCs in Michigan to identify a group of 500 patients with regular cannabis use (that is, at least monthly use during the past year). These patients completed three in-depth cross-sectional interviews, and initial and two follow-up interviews at 6 and 12 months, to identify cannabis use, cannabis use disorder symptom trajectories, and related health, functioning, and service utilization outcomes. The final outcomes of the study are pending. It is anticipated that these outcomes will be used to inform VA services as well as inform a future study with a broad national sample of Veterans.

Previously, these VA investigators were part of a team that analyzed data from the 2014 National Survey on Drug Use and Health. Compared to non-Veterans, the study found that recent cannabis use was similar or slightly lower among Veterans. However, among those with past year use, the proportion of those using for medical purposes was more than double that of the general population. Only non-medical cannabis use was associated with higher rates of heavy episodic alcohol use and alcohol use disorder. VA anticipates further studies may address problematic alcohol consumption among this high-risk group.

Question. Has VA considered conducting a study on the relationship between treatment programs involving medical marijuana that are approved by States, the access of veterans to such programs, and a reduction in opioid use and abuse among veterans? If so, what has prevented VA from conducting such a study?

Answer. A Senior Research Scientist at VA's Health Services Research Center in Palo Alto, California, conducted research on cannabis use and opioids. The study found no evidence to support the claim that medical cannabis reduces opioid overdoses. The reduced opioid overdose assertion was based on a single study looking at State-level correlations. However, the VA's study, which replicated the single study using the same methods and seven additional years of data, did not identify any protective relationship between medical cannabis use and opioid overdoses.

In addition, some medical cannabis providers have encouraged individuals addicted to opioids to stop taking their FDA-approved medications (for example, buprenorphine, methadone, and naltrexone) in favor of using cannabis instead. This poses a risk of adverse consequences to patients and requires further study.

PACT ACT

Question. Has the VA seen an increase in the number of veterans who have had their disability ratings reduced resulting in a reduction of compensation since the passage of the PACT Act?

Answer. As a percentage of the number of total issues completed, the number of disability ratings reduced has decreased in the time since the enactment of the PACT Act. The following chart shows the number of issues resulting in a reduced rating, the number of issues completed, and the percentage of issues resulting in a reduced rating from FY 2018, through fiscal year to date (FYTD) 2024, as of December 1, 2024.

FY	Number of Issues Resulting in Reduced Rating	Total Number of Issues Completed	Issues Resulting in Reduced Rating (%)
2018	31,796	5,585,378	0.57%
2019	35,553	5,874,261	0.61%
2020	29,350	4,906,963	0.60%
2021	35,522	5,545,658	0.64%
2022	34,168	6,878,042	0.50%
2023	35,186	8,098,247	0.43%

FY	Number of Issues Resulting in Reduced Rating	Total Number of Issues Completed	Issues Resulting in Reduced Rating (%)
2024	40,371	10,873,719	0.37%
2025	6,829	1,924,854	0.35%
Total	248,775	49,687,122	0.50%

*FY 2025 data as of December 1, 2024.

QUESTIONS SUBMITTED BY SENATOR MARTIN HEINRICH

TELEHEALTH

Question. How will the one billion dollar increase you've requested for telehealth help rural veterans access to primary care and preventative care services?

VA has demonstrated success in deploying connected care services to Veterans, including those in rural areas. In FY 2023, VA provided telehealth services to more Veterans than in any previous fiscal year while realizing an increase in Veteran trust (86.9%) and satisfaction (89.8%) with telehealth for the third consecutive year. Specifically, VA delivered over 11.6 million telehealth episodes of care to Veterans in FY 2023. This number includes over 2.9 million telehealth episodes of care to over 900,000 rural Veterans.

The FY 2025 VA budget includes \$5,958,100,000 for the Connected Care "Treatment Modality." This is approximately \$1 billion above the FY 2023 actuals and \$224 million over FY 2024 actuals. This line item reflects VA's general-purpose expenditures for telehealth services and includes the proportional salaries of physicians, nurses, and ancillary care staff to account for their time delivering telehealth care. The expenditures also reflect the cost of equipment, space, and other overhead costs to account for the time they are being used to deliver telehealth. As staff allocate a higher percentage of their care delivery through telehealth, a higher percentage of their cost, including their space and equipment costs, becomes attributed to telehealth in this budget line. The funds that account for these costs are distributed directly to facilities as part of the general purpose allocation and can be used for any purpose. The funds are generally not associated with requirements that telehealth expand or that the staff continue to deliver telehealth at the same percentage as in previous years; however, based on the trends of increased telehealth utilization over time, projections for future years are larger than in previous years.

VA's FY 2025 budget request also includes \$439,920,000 for Connected Care Program Sustainment and Expansion funding, an increase of approximately \$32 million above the FY 2024 request. This budget line specifically supports the ongoing expansion and enhancement of telehealth services. VA is using its Connected Care Program funding to invest in key strategies that enhance the access and care for Veterans in rural communities. The strategies include initiatives that (1) enhance the accessibility of VA health care in rural areas by delivering enhanced telehealth services in the home, (2) expand the capacity of VA services in rural and underserved areas by distributing clinical resources (for example, Primary Care, Mental Health) from urban centers through clinical resource hubs and specialty telehealth centers, (3) address health care disparities by bridging the digital divide, and (4) improve the quality of care through remote patient monitoring programs and technologies.

Additional Connected Care Program funding, as requested in the budget, will enable VA to continue expanding connected care services for Veterans in rural and underserved areas through digital means.

BLAST OVERPRESSURE INJURIES

Question. The Department of Defense Inspector General released a report 28 March 2023 evaluating the DoD's management of Traumatic Brain Injury (TBI), which highlighted gaps inconsistent implementation of policies and procedures for detecting, assessing, and managing TBI care. This has raised concerns for screening, diagnosis, and treatment standards at the VA.

What is the VA doing to screen for, diagnose, and treat blast overpressure injuries, particularly traumatic brain injuries (TBIs)?

Answer. VA continues to screen all post-9/11 Veterans for possible TBI when they first access VA health care. Those with a positive TBI screen are referred to a TBI specialist for a comprehensive evaluation, definitive diagnosis, and treatment plan.

It is important to note that current expert consensus requires an alteration or loss of consciousness to meet criteria for TBI diagnosis. Sub-concussive exposures, termed low level blast (LLB), do not result in a diagnosis of TBI or concussion, but with repeated exposure, they may result in symptoms seen in individuals diagnosed with TBI. VA and the Department of Defense research efforts are seeking to better assess and understand the long-term impact of LLB. While VA expands the evidence base concerning LLB, VA clinicians document Veterans' military exposures, including LLB, and provide symptom-based care to address Veterans' concerns.

RULE ON EMERGENCY TRANSPORT

Question. We appreciate that the VA has delayed the VA rule on emergency transport to allow the VA the time to work with stakeholders to develop a workable contracting proposal that works for Veterans and other stakeholders. Can you give me an idea of when we might see some movement on the contracting proposal for emergency air and ground and how you expect to contract in the time necessary? Or do you think it may be necessary to delay implementation an additional year?

Answer. VA is engaged in robust contracting efforts to solicit ground ambulance contracts at facilities for pre-authorized services to provide contracted rates for ground ambulance transports. VA has determined that soliciting air broker contracts for pre-authorized air ambulance services is one viable solution. However, currently, there are no viable options to contract for non-VA initiated ambulance services.

An AP89 IPT, including representatives from the Veterans Transportation Program, Procurement and Logistics Office, and the Office of General Counsel, has been actively engaged in reviewing contract options for air ambulance providers. Vendors who choose to enter into contracts would be reimbursed at the contracted rate, rather than the Centers for Medicare and Medicaid Services (CMS) Ambulance Fee Schedule rate.

VA's air ambulance solicitation strategy is for VHA to continue to maximize air ambulance providers under contract. There are currently nine active air ambulance contracts and five in progress. At this time, no additional air ambulance contracts have been awarded in relation to the AP89 efforts. Air Ambulance Contract Expansion Efforts Current Status and Timeline.

On November 7, 2024, 2900-AS19 Final Rule was published delaying the effective date of VA's final rule, AP89, from February 26, 2025, until February 16, 2029.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

STATE VETERAN HOMES GRANT PROGRAM

Question. The Palmer Pioneer Home in Alaska is our only State Veteran Home. They have been waiting for an obligation of funding through the SVH grant program for several years. The priority of this project was elevated to remedy a life or safety concern.

Can you please provide me with a list of all projects in the queue for this grant program for Fiscal Year 2024?

Answer. The Under Secretary for Health, Dr. Shereef Elnahal, signed the FY 2024 State Home Construction Grants Priority List (attached) in September 2024.

Question. Can I expect to see this project receive funding in FY2024?

Answer. Historically, the State Veterans Home Construction Grant Program has received enough appropriated funds to address life or safety projects in Priority Group 1. We have received documentation in support of the Palmer, Alaska, project to be ranked as a life or safety project. The project is listed number four and ranked 1.1H for safety (roofing) on the VA State Veterans Home Construction Grants priority list for FY 2024.

CONSTRUCTION PROJECTS IN ALASKA

Question. The Department's Strategic Capital Investment Plan identified several potential future projects in Alaska. The first was a major construction project to demolish and replace the existing mental health residential rehabilitation treatment program in Anchorage. The second project is a renovation part of the transitional housing unit in Anchorage.

Can you speak to the need for these projects in Alaska and commit to keeping my office apprised of developments in the VA's construction activities?

Answer. The following two Anchorage, Alaska, projects listed as found in the fiscal year 2025 budget submission (Volume IV—Section 6.2–30) are potential future year

(beyond 2025) projects. The total estimated costs for each project are preliminary and are subject to change as projects are further refined. As neither of these projects have been fully developed; the scope and investment approach (renovation, construction, leasing, or other) are all subject to change, but the inclusion of each project in the Potential Future/Outyear Projects section is a signal of a requirement or need the local planning team to evaluate in the future.

1. Veterans Integrated Service Network (VISN) 20. Anchorage, Alaska. Demolish and Replace Mental Health Residential Rehabilitation Treatment Program Major Const. \$126,000.

2. VISN 20. Anchorage, Alaska. Renovate Transitional Housing Unit Building 944 NRM-IM \$11,910.

AIR AMBULANCE

Question. At the end of last year, the VA announced it was delaying the enactment of its proposed air ambulance reimbursement ruling until 2025.

How have you been working with providers to ensure that these critical services are not jeopardized for veterans who have come to depend on them?

Answer. Since the initial publication of the rule in February 2023, VHA has engaged with air ambulance providers on an ongoing basis. VHA has nine existing air ambulance contracts with one national air broker contract and four local air ambulance contracts pending completion of the procurement process.

On November 7, 2024, 2900-AS19 Final Rule was published delaying the effective date of VA's final rule, AP89, from February 26, 2025, until February 16, 2029.

As of December 2024, engagements with air ambulance companies are as follows:

- Industry Day 1: May 25, 2023.
- Industry Day 2: July 20, 2023 (two sessions).
- Industry Day 3: August 30, 2023.
- Interview conducted by Contracting: Aircraft Transport Services January 31, 2024.
- Interview conducted by Contracting: CSI Aviation January 31, 2024.
- Interview conducted by Contracting: Zephyr Aviation February 1, 2024.
- Interview conducted by Contracting: Global Medical Response February 6, 2024.

ANNUAL SUICIDE PREVENTION REPORT

Question. I have heard from VSOs that they would like to see anonymized data regarding benefit utilization including in the VA's annual suicide prevention report. This data sharing would allow our VSOs to strengthen the assistance they provide to veterans who are trying to obtain certain benefits and ensure that they have better access to important and life-saving resources.

Can you commit to including more data on benefit utilization in that report?

Answer. Please note that detailed information regarding benefit utilization is available from the Veterans Benefits Administration (VBA) Annual Benefits Report at <https://www.benefits.va.gov/REPORTS/abr/>. The report presents information regarding benefit programs delivered by VBA, the levels of program participation, and the profiles of beneficiaries. This report provides the most detailed and timely information regarding VA benefits delivered by VBA.

The 2023 National Veteran Suicide Prevention Annual Report at <https://www.mentalhealth.va.gov/docs/data-sheets/2023/2023-National-Veteran-Suicide-Prevention-Annual-Report-FINAL-508.pdf> included information regarding:

- Number of Veterans with VHA and VBA contacts in the year or prior year, for 2019 through 2021.
- Among VBA benefit recipients, prevalence of receipt of categories of VBA benefits, from 2019 through 2021.
- Veteran suicide rates, overall and for Veteran subgroups defined by receipt of VBA or VHA services.
- Information regarding VBA contacts by Veteran suicide decedents in 2019 through 2021, including detail by category of VBA benefits received.

Please note that 2021 was the most recent year for which suicide mortality data was available. In future VA annual suicide reports, we plan to include a reference to the VBA Annual Benefits Report, so that readers have access to its information.

QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

MAINE STATE VETERANS HOMES

Question. Maine State Veterans Homes provide critical care to veterans in the State of Maine. As you may remember, I asked you in last year's VA budget hearing for a timeline indicating when you anticipated the VA would undertake the rule-making required by my bill, the State Veterans Homes Domiciliary Care Flexibility Act, which was signed into law in 2020. Although I was glad to see that the Department issued a proposed rule to expand eligibility for domiciliary care to early-stage dementia patients, that was nearly 7 months ago. It has been 6 months since the comment period closed on October 31 of last year.

When do you anticipate the Department will issue a final rule?

Answer. The final rule was published on October 30, 2024, for Determining Eligibility for Domiciliary Care. VA adopts as final, with minor changes, a proposed rule amending its medical and State Veterans Home (State home) regulations to update the criteria used by VA in determining eligibility for domiciliary care and to implement VA's authority to waive certain eligibility requirements for receipt of State home domiciliary care per diem. VA continues to develop regulations to implement section 3007 of the Johnny Isakson and David P. Roe Veterans Health Care and Benefits Improvement Act of 2020, Public Law 116–315 (hereinafter in response to Question 1 referred to as “the act”). This new law is very specific and States that “the Secretary shall modify section §51.51(b) of title 38, Code of Federal Regulations to clarify the eligibility criteria and authority to waive self-care requirements for per diem for domiciliary care in the State Veteran Home.” Because of the feedback received through the Federal Register, the requirements of the act, and the complex subject matter, VA is diligently working to develop the regulations to implement section 3007 of the act, which includes a waiver retroactive to January 5, 2021. VA is committed to ensuring that the regulations developed will put the safety of our most vulnerable and elderly Veterans first and that feedback received from the public is considered in accordance with the act.

HIGHLY RURAL TRANSPORTATION GRANTS

Question. Maine is a large, rural state, and we have many veterans living in areas with limited access to healthcare. The work done by the Office of Rural Health is essential to these veterans and an important priority for this committee. VA received \$15 million in FY2024 to support the Highly Rural Transportation Grant Program, yet many rural veterans in Maine still lack options for getting themselves to a VA medical center. From my hometown of Caribou it is an eight-hour, 500-mile round-trip drive to get to the Togus VA hospital in Augusta. Currently eligibility is limited to counties with fewer than seven people per square mile, and in Maine that means only Piscataquis County is eligible to receive a grant. I joined several of my colleagues to introduce bipartisan legislation to expand eligibility for this grant program and to increase the maximum amount grantees are eligible to receive.

What is VA doing to increase participation in the Highly Rural Transportation Grant Program and to expand eligibility to provide this service to more veterans?

Answer. VA's Office of Rural Health (ORH) and Veterans Transportation Program (VTP) Office are targeting outreach to VSOs and State Veterans Service Agencies within eligible areas that are currently not participating in the Highly Rural Transportation Grant (HRTG) Program.

VA's FY 2024 President's Budget Submission included a proposal to amend the HRTG statutory authority to increase the maximum amount per grant and to expand the scope of this authority to include both Highly Rural and Rural Veterans. VA also recently testified in support of HR 7504 “Rural Veterans Transportation to Care Act” with amendments at a September 11, 2024, House of Representatives, Committee for Veterans' Affairs, Health legislative hearing.

QUESTIONS SUBMITTED BY SENATOR BILL HAGERTY

OPIOIDS

Question. The Department published the 2022 VA/DoD Guideline for the Use of Opioids in the Management of Chronic Pain—an important effort to update the Clinical Guidelines. However, a full review of the entire therapeutic class has not been conducted since 2017.

In response to the revised Clinical Guidelines and access to real world data on health outcomes, why has the Department not conducted a full review of the entire therapeutic class?

Answer. In 2022, a comprehensive literature review was conducted, which encompassed population health, demographic, sociodemographic, health care utilization, combined physical/mental health comorbidities, and many other real world data health outcomes. The entire therapeutic class of opioid medications for pain was included in this review. Specifically, the literature review included immediate-release/short-acting opioids compared to extended-release/long-acting opioids, and route of administration/delivery alternatives such as transdermal, buccal, sublingual, intrathecal pumps, abuse deterrent formulations, tramadol, dual-mechanism opioids, buprenorphine, and methadone.

Question. Will the Department commit to reviewing the entire therapeutic class this year and update the VA National Formulary to ensure appropriate access to pharmaceutical drugs with abuse deterrent formulations that have demonstrated the ability to reduce the risk of abuse, misuse or overdose?

Answer. In 2022, a large evidenced based review of the entire therapeutic class of opioids was accomplished and the study's key questions 4 and 9 address the comparative effectiveness and risk mitigation aspects of all opioids, including abuse deterrent formulations.

Abuse deterrent formulations have shown some promise in preventing minor forms of abuse such as crushing, snorting, or injecting opioid medications. They have not shown to result in a reduction in misuse or the most common forms of abuse, such as taking additional doses orally, or in reducing overdose. Thus, the clinical practice guideline did not have sufficient evidence to make a recommendation regarding the abuse deterrent formulations.

Question. Another critical tool to prevent opioid addiction before it starts is to incentivize the use of VA approved non-opioid pain management options, including drugs and devices. I recently joined many of my colleagues in a letter asking for information about the access to non-opioid pain alternatives. When will I receive that response?

Answer. VA provided a response to the referenced letter regarding access to non-opioid pain alternatives on June 6, 2024.

VA is implementing several non-opioid pain management options to facilitate access to existing high quality specialty pain management initiatives such as the active Management of Pain, Medication Management in Pain Management Teams, Whole Health Coaches in Pain Management Teams, Mental Health Integration in Pain Management Teams, and Acute Pain Service Expansion Program for acute pain after surgery. These pain specialty initiatives are instrumental in improving access and quality of care, reducing risk of catastrophic outcomes like overdose and suicide through investment, and integration of evidence based non-opioid modalities.

FINANCIAL EFFICIENCY INSPECTION VA MEMPHIS HEALTHCARE SYSTEM

Question. Your Department is charged with one of the most critical missions in the Federal Government: to fulfill the promise this nation made to our bravest men and women and their families who have sacrificed more than we can ever repay.

Ensuring Tennessee veterans receive the quality care they rightfully earned will continue to be one of my most important duties; as such, I have been closely monitoring VA centers across my state, specifically VA Memphis Healthcare Systems. On February 14, 2024, the VA's Office of Inspector General released a disturbing Financial Efficiency Inspection of the VA Memphis Healthcare System, which uncovered a wide array of unacceptable financial negligence and poor oversight¹. This report cited training issues, inadequate staffing levels, poor oversight, and data validity issues that affected the healthcare system's stock levels. I am afraid this VA center in my home state has been the victim of negligence and abuse for far too long with no concrete plan for solving the underlying issue.

Reference: 1 "Financial Efficiency Inspection of the VA Memphis Healthcare System in Tennessee." Department of Veterans Affairs, 14 Feb. 2024, www.vaogig.gov/reports/financial-inspection/financial-efficiency-inspection-va-memphis-healthcaresystem-Tennessee.

As the Senate continues considering the VA's Fiscal Year 2025 Presidential Budget Request, Congress needs reassurance that the VA is fulfilling its fundamental duty to efficiently manage the benefits our veterans and their families were promised. What steps is the VA taking to bolster centers falling behind and not meeting the basic care standards our veterans deserve?

Answer. To ensure Veterans receive the care they deserve, VHA monitors the quality of the care it delivers and identifies opportunities for improvement by apply-

ing multiple methodologies, including internal tools, such as the Strategic Analytics for Improvement and Learning value model (SAIL), which is a web-based balanced scorecard model developed by VA that provides information on a range of measures such as length of stay, adverse events, and patient experience, and external reviews such as the CMS Overall Hospital Star Ratings and Hospital Consumer Assessment of Healthcare Providers and Systems, to help ensure the health care system provides the highest quality of care to Veterans and that our Journey to High Reliability and Health Care Quality efforts are successful. VHA reports clinical medical center performance to CMS Care Compare at <https://www.medicare.gov/care-compare/> and The Joint Commission; evaluates performance under VA's standards for quality; and posts VAMC performance metric results to the VA Access to Care website at <https://www.accesstocare.va.gov/>, which provides Veterans with information on wait times, health care quality data for VA facilities, Veteran satisfaction metrics, and other useful health care data). VISN, VA facility and VACO leadership review appointment wait time data for Integrated Veteran Care needs and productivity, efficiency, and staffing data for VAMC operational use. VHA leadership also uses information entered in the patient safety reporting system to identify and implement system-wide changes that help prevent inadvertent harm. Together, VAMCs use these data to monitor the quality of the care they deliver and identify opportunities for improvement.

One framework VHA employs to provide oversight and support to VA facilities is the Engagement Protocol for Improvements in Quality (EPIQ), which guides VHA leadership in promoting collaborative quality improvement support at the appropriate levels across the organization by (1) identifying VA medical facilities in need of structured improvement support and (2) providing them with subject matter expertise aimed at partnership, collaboration, and support in their quality improvement journeys. EPIQ uses data from the SAIL value model, and information from the John S. McCain III, Daniel K. Akaka, and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (MIS-ION Act) Quality Standards Tracking Report. EPIQ stratification results are reported to VA and VHA Leadership and Congress on a quarterly basis.

When VA facilities in need of improvement are identified by the EPIQ protocol, VHA's National Improvement Office (NIO) steps in to provide on-site and virtual assistance. The NIO teams are focused on three primary areas: (1) Continuous Process Improvement, (2) Clinical Operations, and (3) Data Analysis. The NIO team also will bring in subject matter experts regularly to assist depending on the identified issues. They offer a consulting approach to help leaders with the big picture and with tightly focused perspectives, and they also support the site in implementing long-term solutions that will bring lasting change.

VHA also has committed to becoming a High Reliability Organization (HRO), implementing the HRO Pillars of Leadership Commitment, Culture of Safety, and Continuous Process Improvement, which are fundamental to VHA's HRO Vision of Becoming the Safest Health Care System for All and our collective goal of Zero Preventable Harm. HROs experience fewer than anticipated accidents or events of harm, despite operating in highly complex, high-risk environments. Leaders demonstrate their commitments to HRO through their integration within operations and culture, displaying high reliability leader behaviors contributing to a Just Culture, and by supporting the work of HRO Leads and Champions across facilities, VISNs, and VHA Central Office organizations for tailored implementation and sustainment. VHA also fosters a Culture of Safety through the application of foundational practices (Tiered Safety Huddles, Safety Forums, Leader Rounding, and Visual Management Systems), which facilitate oversight and risk mitigation, workforce psychological safety, and a Just Culture for Veterans, their families, and staff members.

Over the last year, multiple external reviews have shown that VA quality of care is extremely high. In this year's CMS Overall Hospital Quality Star Ratings at <https://news.va.gov/press-room/va-health-care-outperforms-non-v-a-care-in-two-independent-nationwide-quality-and-patient-satisfaction-reviews/>, more than 58% of VA hospitals included received 4- or 5-star ratings compared to 40% of non-VA hospitals. This year is only the second year VA hospitals have been included in this review, and VA has outperformed non-VA health care in both years. VA also outperformed non-VA hospitals in the most recent CMS Hospital Consumer Assessment of Healthcare Providers and Systems star ratings at <https://news.va.gov/press-room/va-health-care-outperforms-non-v-a-care-in-two-independent-nationwide-quality-and-patient-satisfaction-reviews/>, with 79% of VA facilities receiving a summary star rating of 4 or 5 stars compared to 40% of non-VA hospitals. This quarter represents the ninth consecutive quarter in which VA facilities have outperformed non-VA counterparts.

These findings come at a time when Veteran trust in VA (<https://department.va.gov/veterans-experience/trust/veteran-trust-in-va/>) outpatient care has reached an all-time record high of 92%, based on a survey of more than 440,000 Veterans. In addition, these findings are consistent with a recent systematic review at <https://news.va.gov/press-room/studies-va-health-care-better-equal-non-va/> that found that VA health care is consistently as good as or better than non-VA health care. These reviews are a testament to VHA's commitment to high quality health care.

SUBCOMMITTEE RECESS

Senator SINEMA. [Whereupon, at 11:50 a.m., Thursday, May 2, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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