Summary – Volume I

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Executive Summary

Overview of the $93.7 Billion 2009 Request

- Provides $93.7 billion for high-quality health care, benefits, and memorial service to our country's veterans.
  - $47.2 billion in discretionary funding to include medical care collections primarily for medical programs to provide high-quality health care for our veterans and research for conditions and diseases that affect these veterans.
  - $46.4 billion for mandatory entitlement programs in benefits for our veterans and their beneficiaries.
  - $3.4 billion above the 2008 current estimate.

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Priorities of 2009 Request

- Continue to provide timely, accessible, and high-quality health care to our highest priority patients – veterans returning from service in Operation Iraqi Freedom and Operation Enduring Freedom, veterans with service-connected disabilities, those with lower incomes, and veterans with special health care needs;

- Advance our collaborative efforts with the Department of Defense (DoD) to ensure the continued provision of high-quality health care and benefits to VA and DoD beneficiaries, including the development of secure, interoperable electronic medical record systems;

- Continue to improve the timeliness and accuracy of claims processing; and

- Ensure the burial needs of veterans and their eligible family members are met and maintain veterans' cemeteries as national shrines

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Budget Authority by Account

Budget Authority (dollars in thousands)				
BA/Fund Account	2007 Actual	2008 Current Estimate	2009 Request	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability Compensation				
Mandatory Benefits	$34,763,268	$37,126,268	$38,199,058	1,072,790
Proposed 2.5 Percent COLA increase in 2009			687,235	687,235
Total Disability Compensation	34,763,268	37,126,268	38,886,293	1,760,025
Burial Mandatory Benefits	168,875	212,428	192,598	-19,830
Pensions Mandatory Benefits	3,690,217	3,897,626	4,032,790	135,164
Subtotal, Compensation and Pension	**38,622,360**	**41,236,322**	**43,111,681**	**1,875,359**
Education Mandatory Benefits	2,236,963	2,684,827	2,427,353	-257,474
Vocational rehabilitation and employment Mandatory Benefits	575,043	615,462	659,591	44,129
Vocational rehabilitation loan subsidy (non-add)	53	71	61	-10
Subtotal, Readjustment Benefits	**2,812,006**	**3,300,289**	**3,086,944**	**-213,345**
Insurance Mandatory Benefits	49,850	41,250	42,300	1,050
Housing Mandatory Benefits	49,518	815,478	1,979	-813,499
Non-Appropriated Accounts				
General Operaitng Expenses-SSA		6,000	0	-6,000
Native American Veteran Housing	2,634	5,233	0	-5,233
Housing Benefit Program fund Liquidating	-42,000	-20,794	-15,750	5,044
Trust Funds	1,142,748	1,126,760	1,121,693	-5,067
General Post Fund	30,754	32,958	34,004	1,046
Proprietary receipts	-1,393,310	-1,693,565	-946,230	747,335
Intragovernmental transactions	-725	-1,259	-1,785	-526
Total Benefits Mandatory	**41,273,835**	**44,848,672**	**46,434,836**	**1,586,164**
Medical Research and Support	446,480	480,000	442,000	-38,000
Medical programs:				
Medical services	28,973,009	32,500,837	34,075,503	1,574,666
Recission PL 110-161 (non-add)		-66,000		66,000
Medical care collection fund	2,219,169	2,340,787	2,466,860	126,073
Total Medical services with collections	**31,192,178**	**34,841,624**	**36,542,363**	**1,766,739**
Medical facilities	4,548,165	4,073,182	4,661,000	587,818
VA/DoD Health Care Sharing Incentive Fund	70,000	15,000	0	-15,000
Total Medical Care	**35,810,343**	**38,929,806**	**41,203,363**	**2,339,557**
Total medical programs	**36,256,823**	**39,409,806**	**41,645,363**	**2,301,557**
National Cemeteries Administration	160,231	193,858	180,959	-12,899
Department Administration:				
General administration	337,127	323,685	328,114	4,429
Credit Reform - General Counsel (non-add)	4,905	5,009	5,160	151
VBA-GOE	1,249,245	1,321,876	1,371,753	49,877
Credit Reform - VBA (non-add)	126,581	115,135	117,849	2,714
Subtotal, GOE	**1,586,372**	**1,645,561**	**1,699,867**	**54,306**
Office of Inspector General	70,641	80,500	76,500	-4,000
Construction Major	399,000	1,069,100	581,582	-487,518
Supplemental PL 110-161 (non-add)		66,000		-66,000
Construction Minor	524,937	630,535	329,418	-301,117
Grants for State Extended Care	85,000	165,000	85,000	-80,000
Grants for State Cemeteries	32,000	39,500	32,000	-7,500
Credit Reform	153,270	155,572	158,237	2,665
Information Technology	1,247,846	2,053,247	2,442,066	388,819
Total Departmental Administration	**4,099,066**	**5,839,015**	**5,404,670**	**-500,345**
Total appropriations	**$81,789,955**	**$90,291,351**	**$93,665,828**	**$3,374,477**
Total Mandatory	**$41,273,835**	**$44,848,672**	**$46,434,836**	**1,586,164**
Total Discretionary without MCCF	**$38,296,951**	**$43,101,892**	**$44,764,132**	**$1,662,240**
Total Discretionary with MCCF and other receipts	**$40,516,120**	**$45,442,679**	**$47,230,992**	**$1,788,313**

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Key Performance Measures

Strategic Goal/ Key Measure	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Strategic Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.							
National accuracy rate (core rating work) % (Compensation)	87%	84%	88%	88%	90%	**92%**	98%
Compensation & Pension rating-related actions - average days to process (Also supports SG #3)	166	167	177	183	169	**145**	125
Rating-related compensation actions - average days pending *Corrected	120	122	130	132*	120	**100**	100
Rehabilitation rate % (VR&E)	62%	63%	73%	73%	75%	**76%**	80%
Average days to process - DIC actions (Compensation)	125	124	136	132	118	**115**	90
Strategic Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.							
Average days to complete original education claims	26	33	40	32	24	**19**	10
Average days to complete supplemental education claims	13	19	20	13	11	**10**	7
Strategic Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.							
Percent of *inpatients* rating VA health care service as very good or excellent	74%	77%	78%	78%	79%	**81%**	81%
Percent of *outpatients* rating VA health care service as very good or excellent	72%	77%	78%	78%	79%	**81%**	81%
Percent of *primary* care appointments scheduled within 30 days of desired date	94%	96%	96%	97%	97%	**97%**	97%
Percent of *specialty* care appointments scheduled within 30 days of desired date	93%	93%	94%	95%	95%	**95%**	96%
Percent of *new* patient appointments seen within 30 days of desired date	N/A	N/A	N/A	N/A	Baseline	**75%**	95%
Percent of *unique* patients waiting more than 30 days beyond the desired appointment date	N/A	N/A	N/A	N/A	Baseline	**18%**	10%

Strategic Goal/ Key Measure	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Clinical Practice Guidelines Index III (2004 and 2005 results are CPGI I. 2006 and 2007 results as well as the 2008 target are Clinical Practice Guidelines Index II)	77%	87%	83%	83%	85%	**86%**	87%
Prevention Index IV (2004 and 2005 results are PI II. 2006 and 2007 results as well as 2008 target are Prevention Index III)	88%	90%	88%	88%	88%	**89%**	88%
Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline (1) Baseline = 43,325	N/A	N/A	(1) Baseline	-5.3%*	7.7%	**38.1%**	22.8%
Non-rating pension actions - average days to process	58	68	92	104	84	**82**	60
National accuracy rate (authorization pension work) (%)	84%	86%	88%	91%	92%	**94%**	98%
Average number of days to process TSGLI disbursements (Insurance)	N/A	N/A	3.8	3.0	5.0	**5.0**	5.0
Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	75.3%	77.1%	80.2%	83.4%	83.7%	**88.0%**	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	94%	94%	97%	**98%**	100%
Percent of graves in national cemeteries marked within 60 days of interment	87%	94%	95%	94%	95%	**95%**	98%
Percent of applications for headstones and markers that are processed within 20 days for the graves of veterans who are not buried in national cemeteries	N/A	13%	62%	38%	75%	**80%**	90%
Foreclosure avoidance through servicing (FATS) ratio % (Housing)	44.0%	48.0%	54.0%	57.0%	56.0%	**56.5%**	57.0%
Strategic Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.							
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (Three milestones to be achieved over 3 years)	33%	40%	47%	67%	80%	**87%**	100%
Percent of respondents who rate national cemetery appearance as excellent	98%	98%	97%	97%	99%	**99%**	100%

Mission

Our Mission: *What we are Here to Do*

To fulfill President Lincoln's promise – "To care for him who shall have borne the battle, and for his widow, and his orphan"– by serving and honoring the men and women who are America's veterans.

President Lincoln's immortal words – delivered in his Second Inaugural Address more than 140 years ago – describe better than any others the mission of the Department of Veterans Affairs. We care for veterans and their families – men and women who have responded when their Nation needed help. Our mission is clear-cut, direct, and historically significant. It is a mission that every employee is proud to fulfill.

VA fulfills these words by providing world-class benefits and services to the millions of men and women who have served this country with honor in the military. President Lincoln's words guide the efforts of approximately 230,000 VA employees who are committed to providing the best medical care, benefits, social support, and lasting memorials to veterans and their dependents in recognition of veterans' service to this Nation.

Our Programs: *What We Do*

Veterans Health Administration

Providing Medical Care

VA operates the largest direct health care delivery system in America. In this context, VA meets the health care needs of America's veterans by providing a broad range of primary care, specialized care, and related medical and social support services. VA focuses on providing health care services that are uniquely related to veterans' health or special needs. VA is also the Nation's largest provider of health care education and training for medical residents and other health care trainees. These education and training programs are designed to help ensure an adequate supply of clinical care providers for veterans and the Nation.

Conducting Vet-Centered Medical Research

VA advances medical research and development in ways that support veterans' needs by pursuing medical research in areas that most directly address the diseases and conditions that affect veterans.

Shared VA medical research findings contribute to the public good by improving the Nation's overall knowledge of disease and disability.

Veterans Benefits Administration

Delivering Compensation Benefits

The Compensation program provides monthly payments and ancillary benefits to veterans, in accordance with rates specified by law, in recognition of the average potential loss of earning capacity caused by a disability or disease incurred in or aggravated during active military service. This program also provides monthly payments, as specified by law, to surviving spouses, dependent children, and dependent parents in recognition of the economic loss caused by the veteran's death during active military service or, subsequent to discharge from military service, as a result of a service-connected disability.

Providing Pension Benefits

The Pension benefits are monthly payments, specified by law, provided to veterans with nonservice-connected disabilities who served in a time of war. The veteran must meet specific income limitations and must be permanently and totally disabled or must have reached the age of 65. This program also provides monthly payments, as specified by law, to income-eligible surviving spouses and dependent children of deceased wartime veterans who die as a result of a disability unrelated to military service.

Providing Educational Opportunities

VA's education programs provide eligible veterans, servicemembers, reservists, survivors, and dependents the opportunity to achieve their educational or vocational goals. Education programs also assist the armed forces in their recruitment and retention efforts, and help veterans in their readjustment to civilian life.

These benefits serve to enhance the Nation's competitiveness through the development of a better educated and more productive workforce. VA administers a number of education programs, including the Montgomery GI Bill and a new program for Reserve and National Guard troops activated in support of the Global War on Terror.

Delivering Vocational Rehabilitation and Employment Services

The Vocational Rehabilitation and Employment program assists veterans with service-connected disabilities to achieve functional independence in daily activities, become employable, and obtain and maintain suitable employment.

Promoting Homeownership

Through loan guaranties, VA's Loan Guaranty program helps eligible veterans, active duty personnel, surviving spouses, and selected reservists to purchase homes. We also assist veterans in retaining their homes through foreclosure avoidance services. In addition, VA offers grants to veterans who have specific service-connected disabilities for the purpose of constructing an adapted dwelling, or modifying an existing one, to meet the veteran's needs.

The Loan Guaranty program also provides direct loans to Native American veterans living on Federal trust land and offers some loans to the public when buying homes owned by the Department as a result of foreclosure.

Providing Insurance Service

The Insurance program provides servicemembers and their families with universally available life insurance (available to all servicemembers and their families without underwriting), as well as traumatic injury protection insurance for servicemembers. It also provides for the conversion to a renewable term insurance policy after a servicemember's separation from service. In this context, the program continues to provide life insurance coverage to 1.3 million WWII and Korean War-era veterans.

In addition, the program provides life insurance to veterans who have lost their ability to purchase commercial insurance at standard (healthy) rates due to lost or impaired insurability resulting from military service. Insurance coverage is made available in reasonable amounts and at premium rates largely comparable to those offered by commercial companies. The program ensures a competitive, secure rate of return on investments held on behalf of the insured.

National Cemetery Administration

Delivering Burial Services to Veterans

Primarily through the National Cemetery Administration (NCA), VA honors veterans with final resting places in national shrine cemeteries that serve as lasting tributes to commemorate their service to the Nation.

Staff Offices

The Department's staff offices are critical to VA's ability to deliver services to veterans in a cost-effective manner. These offices provide a variety of services including information technology, human resources management, financial management, acquisition, and facilities management.

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Population of American Veterans

Veterans Population

On September 30, 2007, there were an estimated 23.5 million living veterans, with 23.4 million of them in the U.S. and Puerto Rico. There were an estimated 35.9 million dependents (spouses and dependent children) of living veterans in the U.S. and Puerto Rico. There were over 536,000 survivors of deceased veterans receiving VA survivor benefits in the U.S. and Puerto Rico. Thus, nearly 59.9 million people, or 19.6 percent of the total estimated resident population of the U.S. and Puerto Rico, (305.1 million) were recipients, or potential recipients, of veterans' benefits from the Federal Government.

The pie chart represents the estimated number (in millions) in the resident population of the U.S. and Puerto Rico classified as living veterans, dependents of living veterans and survivors of veterans receiving VA survivor benefits, and others (the remainder of the resident population) as of September 30, 2007.

Estimated Population (in Millions) of Living Veterans, Dependents of Living Veterans, Survivors of Veterans Receiving VA Survivor Benefits, and Others U.S. and Puerto Rico, September 30, 2007

Estimated Number and Median Age of Veterans by Period of Service*, September 30, 2007

9/30/2007	Median Age	Veterans in millions
World War II (WWII)	83	2.8
Pre-KC Peacetime	78	0.1
Korean Conflict (KC)	76	2.9
Between KC & VNE	69	2.5
Vietnam Era (VNE)	60	7.8
Between GW & VNE	47	3.4
Gulf War (GW)	37	5.1

Veterans are included in all wartime periods in which they served. Therefore, period categories do NOT add to total veteran population.
*** Pre-KC, not WWII**

Estimates & Projections of the Veterans Population

Estimates and Projections of the Veteran Population of the United States, Puerto Rico, US Island Areas,[6] and Foreign Countries

April 1, 2000 -- September 30, 2016

(Number of Veterans in thousands)

	Estimates					Projections					
	4/1/2000[5]	**9/30/2003**	**9/30/2004**	**9/30/2005**	**9/30/2006**	**9/30/2007**	**9/30/2008**	**9/30/2009**	**9/30/2010**	**9/30/2015**	**9/30/2016**
All Veterans[1]	26,745	25,191	24,793	24,387	23,977	23,532	23,071	22,606	22,148	19,988	19,589
WartimeVeterans[1]	20,100	18,794	18,477	18,156	17,835	17,484	17,110	16,714	16,302	14,074	13,647
Gulf War [2], [3]	3,065	3,825	4,105	4,378	4,647	4,877	5,076	5,242	5,379	5,671	5,698
GWOnly	2,733	3,474	3,753	4,027	4,297	4,531	4,733	4,902	5,043	5,359	5,392
GW,VNEOnly	325	344	345	344	343	341	338	335	331	308	302
GW,VNE,KC Only	7	6	6	6	6	5	5	5	5	3	3
GW,VNE,KC,WWII Only	1	1	1	1	1	1	1	1	1	0	0
Vietnam Era[2]	8,477	8,233	8,147	8,055	7,956	7,849	7,736	7,616	7,487	6,714	6,532
VNE Only	7,705	7,504	7,437	7,364	7,287	7,203	7,112	7,015	6,910	6,254	6,094
VNE,KC Only	277	249	240	231	221	210	200	189	178	120	108
VNE,KC,WWII Only	163	129	119	109	99	90	81	72	63	29	24
Korean Conflict [2]	4,105	3,585	3,423	3,257	3,086	2,912	2,736	2,557	2,377	1,497	1,333
KC Only	3,268	2,899	2,780	2,658	2,531	2,400	2,265	2,127	1,987	1,280	1,145
KC,WWII Only	389	302	277	253	229	207	185	163	144	64	53
WWII [2]	5,786	4,319	3,916	3,526	3,151	2,795	2,458	2,143	1,850	750	602
WWII Only	5,233	3,887	3,519	3,163	2,822	2,498	2,192	1,907	1,642	657	526
Peacetime Veterans [4]	6,646	6,397	6,316	6,231	6,142	6,048	5,961	5,891	5,846	5,915	5,942
Post GW[3]	0	0	0	0	0	0	13	47	111	791	953
Between GW & VNE	3,497	3,474	3,466	3,458	3,448	3,437	3,426	3,413	3,399	3,308	3,284
Between KC & VNE	2,903	2,728	2,669	2,606	2,538	2,467	2,391	2,311	2,227	1,753	1,650
Pre-KC	245	195	181	168	156	143	132	120	110	62	54
Grand Total	**101,669**	**95,535**	**93,971**	**92,377**	**90,771**	**89,029**	**87,220**	**85,374**	**83,538**	**74,597**	**72,933**

Detail may not add to totals or subtotals due to rounding.

(1) Veterans serving in more than one period of service are counted only once in the total.

(2) This sum includes veterans who served in multiple periods.

(3) Purely for the purpose of allocating veterans to period of service, the Gulf War is assumed to have ended on September 30, 2007 in these estimates and projections.

(4) Veterans who served both in wartime and peacetime are only counted as having served in wartime.

(5) These data differ slightly from published census data because they include 17 year-old veterans and veterans in foreign countries, niether of which are included in the published census.

(6) US Island Areas is composed of Virgin Islands, Guam, American Samoa, and the Northern Marianas.

Source: VetPop2004 Ver 1.0, Office of the Actuary, VA

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Medical Programs

Overview

- Supports the operation of the largest direct health care in the country.
- Provides health care to 5.8 million unique patients in 2009.
  - Includes 333,275 OIF/OEF veterans (5.8% of all patients).
- Requests $41.2 billion to provide medical care to our Nation's veterans.
- Increases funding by $2.3 billion or more than twice the funding available at the beginning of the Bush Administration.
- Proposes mandatory legislative revenue proposals to focus our resources on the core medical care mission of serving veterans returning from combat and those with military disabilities, lower incomes, and special needs.
- Expands and improves access by funding:
  - $1.3 billion to meet the needs of 333,275 veterans with service in OIF/OEF.
  - $3.9 billion to continue our effort to improve access to mental health services across the country.
  - $762 million for non-institutional long-term care services to provide extended care services to veterans in a more clinically appropriate setting, closer to home and in the comfort of their homes.
  - $1.5 billion to support the increasing workload for prosthetics to improve veterans' quality of life.

- The Medical Care budget is submitted using a new structure that combines the Medical Services and Medical Administration appropriations' accounts.

Summary of the Health Care Budget Request

	2007	2008	2009
Full-Time Equivalents	204,574	215,515	218,591

- Requests $41.2 billion for health care services, long-term care, other health care programs, and initiatives.
- **Health Care Services** request of $34.8 billion.
  - Acute care request of $26.3 billion to treat inpatients requiring acute care for general medical ailments and surgery; provide ambulatory outpatient care to deliver community-based health care to our eligible veterans; and deliver pharmacy services to provide these veterans with medication.
  - Mental health services request of $3.9 billion to improve access to mental health services across the country.
  - Prosthetics request of $1.5 billion to purchase and repair prosthetics and sensory aids such as hearing aids, pacemakers, artificial hip and knee joints, and ocular lenses.
  - OIF/OEF veterans request of $1.3 billion to care for veterans returning from OIF and OEF.

- Non-recurring maintenance (NRM) request of $800 million for NRM projects to ensure VA continues to provide a safe and healthy medical care environment for our veterans.
- Rehabilitative care and dental care request of $1.1 billion to provide these services to our veterans.

- **Long-Term Care** request of $4.8 billion.
  - Non-institutional care request of $762 million for home-based primary care, homemaker health aid services, and adult day health care.
  - VA nursing home care request of $3.1 billion for 11,000 ADC due to increased intensity of services.
  - State nursing home care request of $525 million for 18,451 ADC, an increase of 183 ADC.
  - Community nursing home care request of $425 million for 5,519 ADC , an additional 154 ADC.
- **Other Health Care Programs** request of $1.5 billion for various other health care services such as the Civilian Health and Medical Program of the Department of Veterans Affairs and readjustment counseling.
- **Initiatives** request of $341 million for various initiatives to include facility activations, establishment of patient evacuation capabilities, and the primary care access improvement project.
- **Legislative Proposals** request of $42 million for seven legislative proposals recommending the expansion of health care benefits for our veterans. In addition, three legislative changes are proposed to assess an income-based enrollment fee; increase pharmacy co-payments from $8 to $15; and eliminate the practice of offsetting or reducing VA first-party co-payment debts. These proposals are mandatory receipts to the Treasury and will not reduce the medical care appropriations.

Medical Patient Case Load—2009 Request

- Continues to focus its health care system priorities on meeting the needs of our highest priority veterans—those who need VA the most.
- Supports an increase of nearly 90,000, or 1.6 percent, unique patients over the 2008 estimate.
  - Priority 1-6 patients. In 2009, there are 4 million patients, an increase of over 2008 of 1.7 percent, or 66,195 new patients. We devote 84 percent of our health care resources to meet the needs of these veterans.
  - Priority 7-8 patients. In 2009, there are 1.4 million patients, 2,621 more Priority 7 and 8 patients, or .2 percent more patients.
- Increases outpatient visits from 64.9 million in 2008 to 70.5 million in 2009, an increase of 5.6 million, or 8.6 percent.
- Increases inpatients treated from 827,808 in 2008 to 843,438 in 2009, an increase of 15,630, or 1.9 percent.

Quality of Care for Our Veterans—Resources Support Secretary's Priorities

- Provide timely and accessible health care that sets a national standard of excellence for the health care industry.
- Maintain our exceptional performance in 2008 by scheduling 97 percent of primary care appointments within 30 days of the desired date and scheduling 95 percent of specialist appointments within 30 days of the desired date.
- Continue substantial improvements in reducing the number of all veterans waiting more than 30 days beyond their desired appointment date. As of January 1, 2008, the number of patients waiting more than 30 days for their desired appointments has been reduced by 65 percent from October 1, 2006.

Medical Care Collections Fund (MCCF)

- VA estimates collections of $2.5 billion, representing over 7 percent of the available resources in 2009 and an increase of $126.1 million, or a 5.4 percent increase, over the 2008 estimate.
- This fund supplements our appropriations by collecting co-payments from veterans for pharmacy co-payments, and first-party other co-payments which includes inpatient and outpatient co-payments, and nursing home co-payments. VA also collects third-party insurance payments.
- Of the $126.1 million increase in collections, $98.0 million is for additional third-party insurance collections and $27.3 million is for increased pharmacy co-payments.

Medical and Prosthetic Research

	2007	2008	2009
Full-Time Equivalents	3,175	3,250	3,201

- VA is anticipating $1.8 billion in total resources for Medical and Prosthetic Research in 2009.
- The direct Medical and Prosthetic Research appropriation request is $442 million.
- Other Federal and Other Non-Federal resources will grow in 2009 to $1.0 billion, an increase of $47 million or 5.1 percent.
- Total projects for Research are anticipated to be 1,956.
- Medical Research Obligations are expected to be $517 million in 2009.

Research Funding Priorities

- **Research Related to Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) Veterans and Deployment Health -** VA Research has implemented a comprehensive agenda to develop new treatments and tools for clinicians to ease physical and psychological pain, improve access to VA healthcare services, and address the full range of health issues of OIF/OEF veterans. These health issues include: Traumatic Brain Injury and Other Neurotrauma (Spinal Cord Injury and Sensory Loss), Combat-related Mental Health – PTSD, Prosthetics and Amputation Healthcare, Polytrauma, Gulf War Veterans' Illnesses.

- **Mental Health Research -** In addition to combat-related mental health, VA Research continues to support a strong behavioral and psychiatric disorders research portfolio focused on further understanding and treating mental health problems in veterans. Investigations are directed toward substance abuse, PTSD, adjustment and anxiety disorders, psychotic disorders, dementia and memory disorders, and related brain damage, as well as Alzheimer's Disease, Substance Abuse, and Depression.

- **Personalized Medicine, Chronic Diseases and Heath Promotion, Women's Health, and Long-Term Care -** Other key areas of research will focus on tailoring care to the individual for medical (Genomics) and prosthetic needs as well as managing chronic conditions like diabetes, obesity, heart disease and HIV/AIDS. Addressing the special healthcare needs of women veterans and the growing importance of attending to the long-term care needs of older veterans will also be a priority for Research.

Veterans Benefits Administration

Overview

Highlights of the 2009 Request

- Of the $52.5 billion in total obligations, 96.8 percent is for costs associated with Veterans Benefits payments.
  - 76.4 percent of the total represents costs associated with Compensation while 7.6 percent is for the Pension programs.
  - 6.1 percent of the total funds the Education Program.
  - 5.0 percent represents the Insurance Program.
  - 1.7 percent is a combined total for the Vocational Rehabilitation & Employment (VR&E) Program and the Housing Program.
- 3.2 percent will fund the discretionary costs associated with administering all benefit programs.

Summary of VBA Benefits Budget Request

2009 Benefit Budget Highlights

- Total 2009 benefit appropriation request for VBA is $46.4 billion; an increase of $848 million or 1.86 percent over the 2008 level.
- 3,356,343 veterans and survivors will receive Compensation and 517,736 will receive Pension benefits in 2009, surpassing 2008 total recipients by 115,043.
- Over 621,000 veterans, reservists, and dependents will receive Readjustment Benefits in 2009, including nearly 551,000 receiving education benefits and over 70,000 receiving VR&E payments.
- 6,930,955 servicemembers, veterans, and family members will be insured under VA life insurance programs in 2009.
- 182,694 servicemembers and veterans will receive VA-guaranteed housing loans in 2009, with a face value of $36 billion.

Summary of the VBA Discretionary Budget Request

2009 Discretionary Budget Highlights

With a workforce that is sufficiently sized and correctly balanced, VBA can successfully meet the needs of our veterans, while also ensuring stewardship of taxpayer funds.

- $1,696 million in obligations and 15,570 FTE for administrative expenses in 2009.
- $59.6 million increase for pay raises, inflation and increased employee benefit costs to fund 713 new FTE.
- $15.4 million net increase required for rent/utilities and supplies to support additional new FTE and an increase for contract medical exams.
- Major 2009 initiatives focus on providing enhanced program training for Compensation & Pensions, VR&E, Education and Loan Guaranty business lines.

- In 2008, VA and DoD began the joint Disability Evaluation System (DES) pilot project. DES seeks to integrate the military disability evaluation process and the VA disability rating process to reduce the overall time it takes a servicemember to process through the military disability system and, for the same person after separation, to receive VA disability compensation. Participants in the pilot are from the National Capital Region. The pilot is scheduled to conclude in one year. If successful, the program may expand to other military treatment facilities in the U.S. and overseas.

Administrative Workload

	2007 Actual	2008 Estimate	2009 Estimate
Compensation and Pensions			
Rating Related Actions	838,141	854,904	872,002
Non-Rating Related Actions	581,563	593,195	605,063
Education			
Original Claims	257,514	268,587	280,136
Adjustments/Supplemental Claims	1,275,705	1,330,560	1,387,774
VR&E			
Total workload (all active participants)	87,485	89,672	91,690

- VBA is adding over 700 new FTE in Compensation and Pension in 2009 to meet the demands of the increasing volume and complexity of the workload.

- Education productivity improvements will be gained as new staff become more experienced, thus enabling them to complete claims more quickly and accurately.

- VR&E is poised to meet the additional demands of an increasing workload through implemention of recommendations outlined in the VR&E Task Force report. VR&E has already implemented over eighty of the Task Force recommendations.

Program Goals, Objectives, and Performance Measures

Performance Summary Table: Average Days in Claims Processing			
Measure Description	**2007 Actual**	**2008 Target**	**2009 Target**
Average Days to Process Compensation and Pension Claims – Rating Related	183	169	145
Average Days Pending – Compensation Claims– Rating Related	132	120	100

- The table above highlights two of the major performance measures used to monitor the effectiveness and efficiency of VBA operations.

- "Average days to process" refers to the average amount of time it takes for claims to be adjudicated.

- "Average days pending - compensation claims – rating related" refers to the average age of all compensation claims pending in VBA's inventory.

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General Operating Expenses

Overview

- The General Operating Expenses program is comprised of two activities: the Veterans Benefits Administration and General Administration.
  - VBA operates a network of 57 regional offices and specialized centers that assist veterans with all matters pertaining to non-medical benefits.
  - General Administration, which includes the Office of the Secretary, provides policy guidance and technical expertise necessary for the Department to fulfill its mission of serving the nation's veterans.

Summary of the GOE Budget Request

1/ Includes the transfer of $23 million in 2007 and $47 million in 2008 to the General Administration Account for the realignment of the Constrcution & Facilities Management office. Consistent with VA's IT realignment, FY 2008 reflects the transfer of the Office of Information Technology from the GOE account to the IT Systems account.

Full Time Equivalents	2007	2008	2009
Gen. Ad.	2,901	2,512	2,575
VBA	13,504	14,857	15,570
GOE	16,405	17,369	18,145

Highlights of the 2009 GOE Request

In 2009 VA is requesting $1.7 billion and 18,145 FTE in direct appropriations in the GOE account. This consists of $1.372 billion and 15,570 FTE for the Veterans Benefits Administration (VBA) and $328 million and 2,575 FTE for the General Administration account. Please see the Veterans Benefits section of the Summary Volume for highlights of the VBA GOE request.

- The General Administration Activity requests $328.1 million in direct budget authority and 2,575 FTE. The following table summarizes the resources requested for each Staff Office. Highlights of the 2009 request include:
  - $64.7 million and 487 FTE for the Board of Veterans' Appeals (BVA) to address an increasing number of appeals on decisions of veterans claims, to reverse the trend of a growing backlog of appeals, and to reduce case disposition time. The request also includes funds to continue to contract for for hearing transcription services and for access to electronic research materials essential for accurate decision writing.
  - $69.7 million and 671 FTE for the Office of the General Counsel (GC) to address increasing legal workload, including a growing number of cases before the United States Court of Appeals for Veterans Claims.

General Administration ($ in thousands)	2007 Actual		2008 Current Estimate		2009 Request	
	BA	FTE	BA	FTE	BA	FTE
Office of the Secretary	7,782	79	8,267	82	8,530	82
Board of Contract Appeals [1/]	1,181	1	0	0	0	0
Board of Veterans' Appeals	55,309	444	62,269	466	64,744	487
Office of the General Counsel	65,442	669	68,405	657	69,739	671
Office of Management	39,691	262	37,161	263	36,946	267
Office of Information & Technology [2/]	35,846	604	0	0	0	0
Office of Human Resources & Admin.	64,664	498	61,291	533	61,901	533
Office of Policy & Planning	17,150	65	14,456	55	14,602	65
Office of Security & Preparedness [3/]	12,062	57	11,911	70	12,025	70
Office of Public and Intergovernmental Affairs	10,543	70	9,905	73	10,005	73
Office of Congressional Affairs	4,436	33	4,334	40	4,379	38
Office of Construction & Facilities Mgt. [4/]	23,021	119	46,725	273	45,243	289
Total Budget Authority	**$ 337,127**	**2,901**	**$ 324,724**	**2,512**	**$ 328,114**	**2,575**

1/ VA's Board of Contract Appeals was transferred to GSA as a result of a government wide consolidation in 2007.

2/ All Information & Technology (IT) GOE funding was realigned to the IT Systems account beginning 2008.

3/ The 2007 and 2008 levels for the Office of Construction & Facilities Management reflects the levels transferred for the Construction realignment.

National Cemetery Administration

Overview

Highlights of the 2009 Request

Discretionary

- 42.6% of the total National Cemetery Administration's (NCA) budget is for the operations and maintenance of VA's national cemeteries.
- 30.6% of the NCA budget is for the construction and renovation of VA's national cemeteries and facilities.
- 7.5% of the total resources under NCA are available for grants to states for state cemeteries.

Mandatory

- 10.5% is available for graveliners and Outer Burial Receptacles.
- 8.8% of the total NCA budget is for Headstones and Markers.

Summary of the NCA Operations and Maintenance Budget Request

The National Cemetery Administration requests $181 million in budget authority and 1,603 FTE for operations and maintenance in 2009. This is an increase of $14 million over the 2008 President's Budget levels.

	2007	2008	2009
Full-Time Equivalents	1,541	1,552	1,603

The 2009 NCA Operations and Maintenance request includes:

- An additional $5 million and 43 FTE to support daily operations and interment activities for the six new national cemeteries.
- $4.9 million for 2009 pay raises, inflation and increased employee benefit costs.
- A total of $9.1 million for NCA to continue its commitment to maintain our national cemeteries as national shrines. Projects will raise, realign, and clean headstones and markers and repair turf in the burial sections.
- $2 million to establish a non-recurring maintenance program.

Cemetery Workload

- NCA continues to experience growth in cemetery workload.
- In 2009, NCA projects that interments will increase by 8.3 percent over 2008.
- Cemetery maintenance workload will also continue to increase in 2009 over 2008.
- NCA projects that the number of gravesites maintained will increase by 2.7% and the number of developed acres maintained will increase by 4.0%.

Accomplishments

- In 2006, two new national cemeteries began interment operations providing services to veterans in the areas of Detroit, Michigan and Atlanta, Georgia.
- In 2007, new cemeteries were established to serve veterans in the areas of Sacramento, California and South Florida.
- As a result of this expansion, the percent of veterans served by a burial option within 75 miles of their residence has increased steadily.
- By 2009, six new national cemeteries will open, bringing the total number of VA cemeteries to 131.

Results

The budget request will support the following results in 2009:

- 88% of America's veterans will be served by a burial option, an increase of over 4% from 2008.

Percent of Veterans Served by a Burial Option
2001 - 2009

	2001	2002	2003	2004	2005	2006	2007	2008	2009
% Served	72.6%	73.9%	75.2%	75.3%	77.1%	80.2%	83.4%	83.7%	88.0%

- 98% surveyed will rate the quality of service of NCA as excellent.

- 95% of graves in national cemeteries will be marked within 60 days of interment.

- 80% of applications for headstones and markers will be processed within 20 days for the graves of veterans who are not buried in national cemeteries.

- 99% will rate national cemetery appearance as excellent.

Construction Programs

Overview of FY 2009 Request

The pie chart below reflects appropriations for all Construction Programs.

Construction, Major Projects

- New budget authority of $581,582,000 is requested for the 2009 Construction, Major, appropriation. It is expected that an additional $5,000,000 will be derived from the sale of VA assets.

  - The Construction, Major Projects appropriation provides for constructing, altering, extending, and improving any VA facility, including planning, architectural and engineering services, Capital Asset Realignment for Enhanced Services (CARES) activities, assessments, and site acquisition, where the estimated cost of a project is greater than $10,000,000; or where funds for a project were made available in a previous appropriation under this heading.

  - The major construction request is for 8 medical facility projects: Denver, CO; Orlando, FL; Lee County, FL; St. Louis, MO; Bay Pines,

FL; Tampa, FL; and Palo Alto, CA; and one seismic project in San Juan, PR.

- The construction request also fully funds the gravesite expansion of three National Cemeteries (Massachusetts; Calverton, NY; and Puerto Rico).

- Additionally funds are provided to remove hazardous waste and asbestos from Department-owned buildings, improve facility security, improve sustainability and energy, reimburse Treasury's judgment fund, obtain facilities from Department of Defense resulting from the Base Realignment and Closure process, fund land acquisitions for National Cemeteries, and to support other construction related activities.

A summary of the major construction program funding level by activity is provided below:

Major Construction Detail of Request				
Location	**Description**	**Total Estimated Cost**	**Funding Through 2008 1/**	**2009 Request**
Veterans Health Administration (VHA)				
Denver, CO	New Medical Facility	769,200	168,300	20,000
Orlando, FL	New Medical Facility	656,800	74,100	120,000
San Juan, PR	Seismic Corrections Bldg 1	225,900	69,880	64,400
Lee County, FL	Outpatient Clinic	131,800	20,388	111,412
St. Louis (JB), MO	Medical Facility Improvements and Cemetery Expansion	134,500	7,000	5,000
Bay Pines, FL	Inpatient/Outpatient Improvements	174,300	0	17,430
Tampa, FL	Polytrauma Expansion and Bed Tower Upgrades	223,800	0	21,120
Palo Alto, CA	Centers for Ambulatory Care and Polytrauma Rehab. Center	450,300	0	38,290
Advance Planning Fund	Various Stations	40,000		40,000
Asbestos and Other Airborne Contaminates	Various Stations	3,000		3,000
BRAC Land Acquisition	Various Stations	5,000		5,000
Claims Analyses	Various Stations	2,000		2,000
Facility Security Projects	Various Stations	11,930		11,930
Hazardous Waste Abatement	Various Stations	2,000		2,000
Judgment Fund	Various Stations	10,000		10,000
Sustainability and Energy	Various Stations	5,000		5,000
Sale of VA Assets		-5,000		-5,000
Total VHA		**2,840,530**	**339,668**	**471,582**
National Cemetery Administration (NCA)				
Puerto Rico National Cemetery	Gravesite Expansion & Cemetery Improvements	33,900	0	33,900
Massachusetts National Cemetery	Gravesite Expansion & Cemetery Improvements	20,500	0	20,500
Calverton National Cemetery	Gravesite Expansion & Cemetery Improvements	30,500	1,500	29,000
Advance Planning Fund	Various Stations	6,000		6,000
NCA Land Acquisition Fund	Various Stations	5,000		5,000
Sustainability and Energy	Various Stations	10,600		10,600
Total NCA		**106,500**	**1,500**	**105,000**
General Administration - Staff Offices				
Department APF for Major		5,000		5,000
Major Construction		**2,952,030**	**341,168**	**581,582**

1/Includes funding through FY 08.

Construction, Minor Projects

- $329,418,000 for Construction, Minor Projects appropriation.

The pie chart below reflects appropriations for Minor Construction by Administration:

- The Construction, Minor Projects appropriation provides for constructing, altering, extending, and improving any VA facility, including planning, CARES activities, assessments of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than or equal to $10,000,000.

- VHA's 2009 request will address the most critical minor construction needs in the system by funding efforts such as facilitating realignments; seismic corrections; improving safety; improving access to healthcare; increasing capacity for dental services; enhancing patient privacy; improving treatment of special emphasis programs; and enhancing research capability.

- NCA's 2009 Minor Construction request provides for gravesite expansion and columbaria projects to keep existing national cemeteries open. The minor request will also address infrastructure deficiencies and other requirements necessary to support National Cemetery operations including repair projects identified in the Facility Condition Assessment report of the Millennium Act study on improvements to veteran's cemeteries.

- VBA's minor construction request in 2009 includes an ongoing national need for relocations, realignments, tenant improvements, repair and alteration projects. These projects are critical to ensuring continued world-class service delivery of benefits to veterans and their families and to the well being of our Federal employees.

- Staff Office minor construction funds are used to make infrastructure repairs and enhancements to improve operations and provide an acceptable and operationally effective work environment for the Department's staff offices. Offices contained within the Central Office buildings and other VA-occupied non-patient care buildings are also included in this program.

Grants for the Construction of State Extended Care Facilities

- $85,000,000 for the Grants for the Construction of State Extended Care Facilities.

  - Resources for grants for construction of State extended care facilities provide funding to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans.

Grants for the Construction of State Veterans Cemeteries

- $32,000,000 for Grants for the Construction of State Veterans Cemeteries.

  - Grants are provided to States for the establishment, expansion, or improvement of State veteran cemeteries. The State veterans cemeteries complement the national cemeteries and are a critical part of National Cemetery Administration (NCA) strategy of ensuring that the burial needs of veterans and eligible family members are met.

Construction Related Performance Measures

The FY 09 request enables the Department to continue working towards the goal of improving the capital asset management of VA owned and leased infrastructure. This includes increasing utilization of VA space, decreasing space that is not mission critical, improving the condition of Department infrastructure, and reducing or stabilizing facilities operating costs. VA is also working to decrease energy costs and enhance the use of renewable energy sources.

The charts below illustrate two key VA performance and strategic targets that are used to measure the efficiency and effectiveness of the Department's capital asset management program. These measures are fully consistent with Federal Real Property Council objectives.

The chart above shows the percent of space utilization as compared to overall space (owned and direct-leased) that VA has in its inventory. FY 04 (80%) serves as the baseline with a strategic goal of 95%.

The chart above shows the Facility Condition Index for VA buildings. FY 05 (82%) serves as the baseline with a strategic goal of 87%.

Information Technology Programs

1/Includes Supplemental funding of $35 million and a $1.1 million transfer out.

	2007	2008	2009
Full-Time Equivalents	-	6,686	6,780

Overview

- The 2009 request for Information and Technology (IT) is $2.442 billion which is $389 million (19 percent) over the prior year. In addition, $92 million in reimbursements will support the IT program.

- The budget has been developed to be strategically aligned with supporting veteran facing and internal facing IT systems.
    - *Veteran facing IT systems* include programs that directly impact veterans' services
    - *Internal facing IT systems* include indirect support of veterans' service regarding IT administration and infrastructure

- Staffing in 2009 will reach 6,780 FTE under the consolidated organization and is 94 FTE over 2008.

- The 2008 and 2009 estimates reflect the realignment of all IT development, and operations and maintenance, staff under the Chief Information Officier. This IT budget request also combines all operations and development staff along with project cost in one appropriation account.

Summary of the IT Budget Request

- Total 2009 obligations for IT will be $2.534 which is an increase of $354 million or 16 percent.
- Non-Pay IT activities utilize 70 percent of the Budget Authority, while Staffing and Administration account for 30 percent.
- Veteran facing IT systems resources amount to $1.295 billion, an increase of $292 million or 29 percent.
- Internal facing IT systems funding amounts to $418 million, an increase of $41 million or 11 percent which is primarily associated with IT infrastructure.

Veteran Facing IT Systems Support VA Programs

- IT support for Medical Care programs amount to $1.2 billion, an increase of $271 million, or 31 percent, over the 2008 level. The major IT projects include:
    - VistA Application Development – move existing based applications to new VistA architecture - $116.7 million
    - VistA Foundation Modernization – capital investment for new applications - $95 million
    - Vista Legacy – maintenance - $99 million

- Compensation programs are requesting $95.3 million in IT support, an increase of $14 million or 17 percent, over the 2008.
- IT support for Burial Programs will amount to $6.3 million, an increase of $.5 million, or 9 percent, over 2008.

Internal Facing IT Systems Support Management of Resources

- Internal facing IT development and operational systems ensure the infrastructure and business-critical applications provide the performance and scalability required to support business needs. The major IT projects include:
    - Cyber Security Programs – overarching approach to data security to achieve the "gold standard of information security" - $92.6 million
    - Human Capital Management – replacement of the PAID system with the Human Resources Information System and other payroll related functions - $92.6 million
    - IT Infrastructure and Information Management Programs – support to develop and sustain operating systems, hardware and applications - $141 million

Management of IT Systems

- Management of IT resources will be based on the following investment strategies:
    - Legacy Sustainment – Investments to sustain legacy systems while systems are being modernized
    - Legacy Development – Investments to extend legacy systems to address urgent new program requirements
    - Transition Development – Investments to transition to new architecture
    - Modernization – Investments in new architecture

Information Security

- In FY 2009 IT will continue its focus on supporting information security, testing and deployment of security measures, IT oversight and compliance, and privacy with a staff of 416 and through:
    - Commitment to implementing the strategies that promote information protection and security
    - Changing the culture at VA facilities in order to achieve the objective of the "Gold Standard for Data Security"
    - Ensuring that the appropriate number of Information Security Officers and security engineers are staffed within VA to realize the Department's security objectives
    - The Office of Oversight and Compliance will provide comprehensive compliance assessments to assure VA facilities are keeping sensitive information secure and protected.

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Proposed Legislation Summary

Compensation and Pensions - Proposed Legislation for 2009 Budget

Cost of Living Adjustment (COLA): Legislation will be proposed to provide a 2.5 percent rate increase to all Compensation beneficiaries, including DIC spouses and children, effective December 1, 2008. A 2.5 percent increase is the expected increase in the Consumer Price Index and it is the same increase estimated for Social Security benefits. The cost of this increase is estimated to be $687 million in 2009.

Expand Eligibility for Headstones and Markers for Remarried Spouses: This proposal would allow NCA to be able to fulfill a request for interment or memorialization for a veteran's surviving spouse who married a non-veteran after the veteran's death, regardless of whether remains are available. Lack of eligibility for memorial headstones or markers for remarried spouses is inconsistent with provisions of title 38, United States Code that permit remarried spouses to be buried in a national cemetery. The cost for this proposal would be nominal. NCA does not anticipate receiving many such requests. The average cost of a memorial headstone or marker, including transportation, ranges between $90 and $100.

Readjustment Benefits - Proposed Legislation for 2009 Budget

Establishment of Temporary Residence Assistance Grants: Under the Specially Adapted Housing (SAH) program, legislation will be proposed to permit VA to provide Temporary Residence Assistance (TRA) grants to active duty service members who are residing in a home owned by a family member. There would be no additional cost to correcting the legislative oversight that barred them from receiving TRA grants while residing with a family member. Any amounts received as part of a temporary grant would be deducted from the total amount of SAH grants for which they might be eligible.

Five-Day Waiting Period for Correspondence Courses: The statutory 10-day period is twice the requirement of the Distance Education and Training Council

(DETC) accrediting body standard, which states that institutions will allow a full refund of all tuition expenses paid if a student cancels within five days after enrolling in a course. Reducing the affirmation waiting period to five days would make the statute consistent with the DETC standard and eliminate confusion. It would also permit eligible individuals to begin their programs sooner. Should they decide at any time not to affirm the enrollment agreement, the eligible individuals will still be entitled to a refund of all amounts paid. There is no cost to this proposal.

Eliminate Application Requirement for Program Changes: Under the proposal, VA would accept the new program enrollment based on certification from the school. The certification is already submitted by a school official, but in addition to the enrollment certification, the current law requires the claimant submit an application to VA. VA would still have oversight of program changes by reviewing school records as we currently do during compliance visits. This proposal would allow VA to increase the number of claims processed by our Electronic Certification Automated Processing (ECAP) program without manual review by a veteran's claims examiner. There is no cost for this proposal.

Eliminate Reporting Requirement for Non-Accredited Courses: Amend 38 U.S.C. Section 3676(c)(4) to eliminate the requirement that educational institutions providing non-accredited courses report to VA any credit that was granted for an eligible person's prior training. Currently for non-accredited courses, the statute requires the school to notify VA and the veteran regarding the amount of prior credit the school grants for previous training. The requirement for accredited courses differs in that the school does not have to notify VA or the claimant. We propose to amend the rule to make it similar to that for accredited courses. VA will still have oversight, just as they do with accredited courses. VA will review records during compliance visits to assure the institution is evaluating and appropriately reducing programs for prior training. There is no cost for this proposal.

Eliminate Wage Earning Requirement for Self-Employment Program: This proposal would amend 38 U.S.C. 3677(b)(1)(A) to eliminate the requirement that wages be earned by veterans attending the self-employment training provided by 38 U.S.C. 3452(e). There is no cost for this proposal.

Insurance - Proposed Legislation for 2009 Budget

Technical Amendments to Sections 1967, 1968, 1969, and 1973 of Title 38: Legislation will be proposed (1) to extend Family SGLI coverage to reservists who volunteer for assignment to a mobilization category in the IRR, as defined in section 1965(5)(C) of title 38 of the United States Code; (2) to provide that SGLI with respect to an insurable dependent of a service member will be determined by 120 days after the member's separation or release from service, rather than the date of termination of insurance on the member's life; (3) to provide that VA has the authority to set varying age group premiums for service members' spouses; and (4) to clarify that any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections, refuses to perform service in the Armed Forces of the United States or refuses to wear the uniform of such force, shall forfeit all rights to both Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI). There is no cost to these changes/clarifications.

Expiring Provisions -- Proposed Legislation

Make permanent the authority for IRS Income Data Matching for VA Eligibility determinations: Section 5317 of title 38, United States Code, and a counterpart provision at section 6103(l)(7)(D)(viii) of the Internal Revenue Code, authorize VA to verify the eligibility of recipients of, or applicants for, VA need-based benefits and services using income data from the Internal Revenue Service and the Social Security Administration. The existing authority has been instrumental in correcting amounts of benefits payments and determining health care eligibility, copayment status, and enrollment priority assignment; however, this authority expires on September 30, 2008. .Expiration of this authority would cause interruption of this income verification process.

Contract Medical Disability Examination Expansion: This legislative proposal would make permanent the authority provided in Section 704 of Public Law 108-183 to fund contract medical examinations through use of appropriated funds. Under current law, this authority expires in December 2009. With the increasing complexity of disability claims, more examinations of all types are being requested. This has a negative impact on both patient care and benefit delivery. Entitlements undergo constant changes due to new laws, regulations, and court precedent. These ever-changing benefits require a dynamic system designed to accommodate more claims and new requirements for the development of evidence. Extending this authority and making it permanent will provide needed

flexibility to effectively utilize supplemental and other appropriated funds in responding to unanticipated needs and emergency situations. There are no GOE costs associated with making permanent the authority to fund contract medical examinations through the use of appropriated funds.

Receipts Deposited into Mandatory Account in the Treasury—Proposed Legislation for 2009 Budget

1. Assess Tiered Annual Enrollment Fee for all Priority 7 and Priority 8 Veterans based on the Veteran's Family Income (Effective October 1, 2009)

Proposed Program Change in Laws

This proposal would allow VA to establish an annual enrollment fee, beginning October 1, 2009, (FY 2010), for all Priority 7 and Priority 8 enrolled veterans based on the veteran's family income specified below. These receipts would be deposited into a mandatory account in the Treasury. This proposal will increase receipts to the Treasury by $129 million in FY 2010 and $514 million over 5 years.

Family Income	Annual Enrollment Fee
Under $50,000	None
$50,000-$74,999	$250
$75,000-$99,999	$500
$100,000 and above	$750

2. Increase Pharmacy Co-Payments from $8 to $15 for All Enrolled Priority 7 and Priority 8 Veterans (Effective October 1, 2008)

Proposed Program Change in Laws

This proposal would allow VA to raise the medication co-payment amount for Priority 7 and Priority 8 veterans from $8 to $15 beginning October 1, 2008, (FY 2009). These receipts would be deposited into a mandatory account in the Treasury. This proposal will increase receipts to the Treasury by $335 million in FY 2009 and $1.6 billion over 5 years.

3. Third-Party Offset of First-Party Debt (Effective October 1, 2008)

Proposed Program Change in Laws

This proposal would eliminate the practice of offsetting or reducing VA first-party co-payment debts with collection recoveries from third-party health plans. Veterans receiving medical care services for treatment of non-service connected

disabilities will receive a bill for their entire co-payment, and this co-payment will not be reduced by collection recoveries from third-party health plans. These receipts would be deposited into a mandatory account in the Treasury beginning October 1, 2008, (FY 2009). This proposal will increase receipts to the Treasury by $44 million in FY 2009 and $215 million over 5 years.

Veterans Health Administration (VHA) - Proposed Legislation for 2009 Budget

Hospice Care Co-Pay Exemption:
This proposal expands co-payment exemption for hospice care provided through VA in any inpatient or outpatient setting rather than only in nursing home beds. Public Law 108-422 exempts VA co-payment for hospice care delivered in a nursing home but does not include other inpatient settings or in the veteran's home. This proposal will result in added expenses of $149 million to VA which will be covered by the appropriation in 2009 due to loss of the same amount in collections.

Specialized Residential Care & Rehabilitation for OIF/OEF Veterans:
This proposal expands legislative authority in title 38, United Stated Code, section 1720, to cover payment of Specialized Residential Care and Rehabilitation for OIF/OEF Traumatic Brain Injured (TBI) Veterans. This expansion of authority will permit VA payment for residential rehabilitation of TBI veterans with special needs through the Medical Foster Home component of VA's Community Residential Care Program. This legislation allows VA to develop comprehensive treatment programs for OIF/OEF TBI patients that can be located close to the patient's hometown. This proposal will result in a cost of $1.427 million in 2009.

Extend from 90-days to 180-days for Certain Dental Benefits: This proposal seeks to extend the application time for dental benefits an additional 90 days to 180 days post discharge. This will require legislative change to title 38, United Stated Code, section 1712 (a) (1) (B) (iii). This proposal will result in a cost of $3.179 million in 2009.

Update HIV Testing Policy: This proposal seeks to reduce existing barriers to the early diagnosis of HIV infection by removing requirements for separate written informed consent for HIV testing among veterans as well as specific, codified pre-and post-test counseling as required in section 124 of Public law 100-322. A revision to the VA law is needed so that veteran patients being treated by VA receive the same standard of HIV care that is recommended to non-VA patients in the U.S. This proposal will result in a cost of $73.680 million in 2009.

Permanent Authority for IRS Income Data Matching for VA Eligibility Determinations: This proposal seeks to make permanent the authority for IRS Income Data Matching for VA Eligibility Determinations, which expires on

September 30, 2008. Section 5317 of title 38, United Stated Code, governs VA's use of this information. Expiration of this authority would cause interruption of this income verification process and a potential loss of revenue to VA. This proposal will result in additional collections of $35.000 million and costs of $16.378 million for a net reduction to the appropriation of $18.622 million in 2009.

Authority to Release Certain Health Information to Secure Reimbursement:
This proposal seeks to amend title 38, United Stated Code, section 7332(b) to include a provision for the disclosure of VA records of the identity, diagnosis, prognosis or treatment of a patient relating to drug abuse, alcoholism or alcohol abuse, infection with the human immunodeficiency virus (HIV) or sickle cell anemia to health plans for the purpose of VA obtaining reimbursement for care. This proposal will result in additional collections of $9.025 million which results in a net reduction to the appropriation of $9.025 million in 2009.

Allow "in-lieu-of" Reimbursement for Certain Continuing Education:
This proposal will allow the Secretary of the Department of Veterans Affairs to consider VA-sponsored continuing education opportunities for physicians and dentists in-lieu-of a reimbursement payment by amending title 38, United States Code, Section 7411. This proposal will result in a reduction to the appropriation of $8.700 million.

Proposed Legislation Chart

Proposed Legislation
(dollars in thousands)

The following items with budgetary impact are included in the President's legislative program for the Second Session of the 110th Congress

	2009		2010		2011		2012		2013		2008 to 2013	
$ in thousands	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**
Disability compensation benefits: COLA Legislation												
FY 2009 compensation COLA increase of 2.5 percent effective December 1, 2008 (requesting "such sums as necessary")	687,235	687,235	850,490	850,490	875,039	875,039	898,384	898,384	920,928	920,928	**4,232,076**	**4,232,076**
IRS Income Data Matching for VA Eligibility Determination												
Income Verification Match VBA	0	0	(3,464)	(3,464)	(7,005)	(7,005)	(10,623)	(10,623)	(14,318)	(14,318)	**(35,410)**	**(35,410)**
Income Verification Match VHA	(35,000)	(35,000)	(36,750)	(36,750)	(38,588)	(38,588)	(40,517)	(40,517)	(42,543)	(42,543)	**(193,398)**	**(193,398)**
VBA OBRA and VBA IT OBRA	10,421	10,421	10,733	10,733	11,055	11,055	11,387	11,387	11,729	11,729	**55,325**	**55,325**
VHA OBRA and VHA IT OBRA	16,377	16,377	17,360	17,360	18,402	18,402	19,506	19,506	20,676	20,676	**92,321**	**92,321**
Receipts Deposited in Mandatory Account for the Treasury												
Tiered annual enrollment fee based on veteran's family income for Priority Level 7 and 8 veterans	0	0	(129,175)	(129,175)	(127,326)	(127,326)	(129,730)	(129,730)	(127,962)	(127,962)	**(514,193)**	**(514,193)**
Receipts Deposited in Mandatory Account for the Treasury												
Increase in drug copayments from $8 to $15 for Priority Level 7 and 8 veterans	(334,742)	(334,742)	(291,639)	(291,639)	(287,189)	(287,189)	(333,825)	(333,825)	(354,507)	(354,507)	**(1,601,902)**	**(1,601,902)**
Receipts Deposited in Mandatory Account for the Treasury												
Third-party offset of first-party debt	(43,995)	(43,995)	(43,571)	(43,571)	(43,056)	(43,056)	(42,507)	(42,507)	(41,924)	(41,924)	**(215,053)**	**(215,053)**
Total Receipts	**(378,737)**	**(378,737)**	**(464,385)**	**(464,385)**	**(457,571)**	**(457,571)**	**(506,062)**	**(506,062)**	**(524,393)**	**(524,393)**	**(2,331,148)**	**(2,331,148)**

Proposed Legislation
(dollars in thousands)

The following items with budgetary impact are included in the President's legislative program for the Second Session of the 110th Congress

	2009		2010		2011		2012		2013		2008 to 2013	
$ in thousands	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**	**BA**	**Outlays**
Veterans Health Administration Legislative Proposals:												
Medical Care: First-Party Collections												
Hospice care co-pay exemption	149	149	148	148	146	146	144	144	142	142	**729**	**729**
Medical Care: Specialized Residential Care and Rehabilitation												
Specialized residential care and rehabilitation for OEF/OIF veterans	1,427	1,427	2,605	2,605	3,860	3,860	5,218	5,218	6,679	6,679	**19,789**	**19,789**
Medical Care: Dental												
Extend from 90-days to 180-days certain dental benefits	3,179	3,179	2,192	2,192	1,759	1,759	1,380	1,380	1,476	1,476	**9,986**	**9,986**
Medical Care: HIV testing policy												
Update HIV testing policy	73,680	73,680	73,680	73,680	31,941	31,941	31,941	31,941	16,875	16,875	**228,117**	**228,117**
Medical Care: First and Third Party Collections												
Permanent authority for IRS income data matching for VA eligibility determinations	(18,622)	(18,622)	(19,390)	(19,390)	(20,186)	(20,186)	(21,011)	(21,011)	(21,867)	(21,867)	**(101,076)**	**(101,076)**
Medical Care: First and Third Party Collections												
Authority to release certain health information to secure reimbursement	(9,025)	(9,025)	(9,395)	(9,395)	(9,780)	(9,780)	(10,181)	(10,181)	(10,599)	(10,599)	**(48,980)**	**(48,980)**
Medical Care: Continuing Education												
Allow "in-lieu-of" reimbursement for certain medical education	(8,700)	(8,700)	(8,700)	(8,700)	(8,700)	(8,700)	(8,700)	(8,700)	(8,700)	(8,700)	**(43,500)**	**(43,500)**
Total VHA Medical Care Legislative Proposals	**42,088**	**42,088**	**41,140**	**41,140**	**(960)**	**(960)**	**(1,209)**	**(1,209)**	**(15,994)**	**(15,994)**	**65,065**	**65,065**
Total Receipts	**342,384**	**342,384**	**415,124**	**415,124**	**400,372**	**400,372**	**370,866**	**370,866**	**356,085**	**356,085**	**1,884,831**	**1,884,831**

Legislative Authorization of Programs

The authorizations for VA's programs are contained in title 38 of the U.S. Code. With the exception of major medical construction projects and certain leases, annual authorization by the legislative committees and the Congress is not required. However, title 38 does provide for certain multiple-year authorizations for specific purposes. The authorization of the following items is limited by title 38 in regard to the time and/or amount as indicated:

Item	Section of U.S.C.	Annual Authorization	Expiration Date
Compensation and Pension			
◊ Rounding down of Cost-of-Living Adjustments in Compensation and DIC rates	38 USC 1104, 1303	As appropriated	Authorization extended to 2013 by P.L. 108-183, § 706
◊ Access to IRS data for purposes of verifying eligibility for pension	38 USC 5317(g)	As appropriated	Authorization extended to Sept. 30, 2008 by P.L. 106-419 § 402
◊ Reduction of pension to certain Medicaid-eligible veterans and surviving spouses receiving care in nursing homes	38 USC 5503(d)(7)	As appropriated	Authorization extended to Sept. 30, 2011 by P.L. 107-103 § 504
◊ Extension of authority to presume service-connection for additional diseases	38 USC 1116 (e)	As appropriated	Authorized through Sept. 30, 2015 by P.L. 107-103 § 201
◊ Authority to use National Directory of New Hires for income verification purposes for certain veterans benefits	42 USC 653(j)		Authorized through September 30, 2011 by P.L. 110-157 § 301
◊			

Item	Section of U.S.C.	Annual Authorization	Expiration Date
Readjustment Benefits			
◊ Rounding down of Cost-of-Living Adjustments in chapters 30 and 35 rates through FY 2013	38 USC 3015(h) 38 USC 3564		Authorization in P.L. 108-183 § 304
◊ Increase in benefit for individuals pursuing apprenticeship or on-job training under chapters 30, 32, and 35	38 USC 3032(c)(1), 3233(a), 3687(b)(2)		Authorized through Dec. 31, 2007 by P.L. 108-454 § 103
◊ Authority to provide an educational assistance allowance to persons performing qualifying work-study activities	38 USC 3485(a)(4)		Authorized through June 30, 2010 by P.L. 110-157 § 302
Veterans' Advisory Committee on Education	38 USC 3692		Authorization extended to Dec. 31, 2009 by P.L. 108-183 § 307
Research and Education Corporations			
◊ **Authorizes creation of new corporations**	38 USC 7368	As appropriated	Authorized through Dec. 31, 2008 by P.L. 108-170 § 402(c)

Item	Section of U.S.C.	Annual Authorization	Expiration Date
Housing Program			
◊ Pooled loans asset sales	38 USC 3720(h)		Authorization to Dec. 31, 2011 by P.L. 107-103 § 405
◊ Procedures regarding liquidation sales on defaulted home loans guaranteed by VA	38 USC 3732(c)		Authorization to Sept. 30, 2012 by P.L. 108—183 § 406
◊ Adjusts the loan fee for certain loans closed either before October 1, 2011, or on or after October 1, 2011, and before September 30, 2013	38 USC 3729(b)(2)		Authorization revised and extended through Sept. 30, 2013 by P.L. 108-183 § 405
◊ SAH Assistance for veterans temporarily residing in housing owned by family member	38 USC 2102A		Authorization through June 15, 2011, by P.L. 109-233 § 101
◊ Housing assistance to homeless veterans	38 USC 2041**(c)**		Authorization through December 31, 2011 by P.L. 109-461 §705.
◊ Adjustable Rate Mortgages (ARMs)	38 USC 3707	Aggregate authorization $100,000,000	Authorization through Sept. 30, 2008 by P.L. 108-454 § 404
◊ Hybrid ARMs	38 USC 3707A		Authorization through Sept. 30, 2008 by P.L. 108-454 § 405
◊ Cooperative Housing Developments	38 USC 3710(a)(12		Authorization through Dec. 21, 2011 by P.L. 109-461
◊ Requires a minimum percentage of properties be sold with vendee financing	38 USC 3733(a)(7)		Requirements apply through Sept. 30, 2013 by P.L. 108-183 § 404

Item	Section of U.S.C.	Annual Authorization	Expiration Date
Medical Care			
◊ Treatment and rehabilitation for seriously mentally ill and homeless veterans	38 USC 2031(b)	As appropriated	Authorization through Dec. 31, 2011 by P.L. 109-461 § 704 (a)
◊ Additional services to homeless and seriously mentally ill veterans at certain locations	38 USC 2033(d)	As appropriated	Authorized through Dec. 31, 2011 in P.L. 107-95 § 202(a)
◊ Required nursing home care for certain service-connected veterans	38 USC 1710A		Authorized to Dec. 31, 2008 by P.L. 108-170 § 106(b)
◊ Medical services includes noninstitutional extended care services	38 USC 1701(10)(A)	As appropriated	Authorized through Dec. 31, 2008 by P.L. 108-170 § 106(a)
◊ Agreement with National Academy of Sciences	38 USC 1116 Note		Authorized through Oct. 1, 2014 by P.L. 107-103 § 201
◊ Authorizes care for participation in DOD chemical and biological warfare testing	38 USC 1710(e)(1)(E)	As appropriated	Authorized through Sept. 30, 2008 by P.L. 110-149 § 2.
Sharing of VA and Department of Defense Health Care Resources Joint Incentives Program	38 U.S.C. § 8111(d)		Authorized through September 30, 2010 in P.L. 109-364, section 743.

Co-payments and Medical Care Cost Recovery			
◊ Recovery Audits for fee-basis contracts and other medical services contracts	38 USC § 1703(d)	As appropriated	Authorized through Sept. 30, 2008 by P.L. 108-422 § 601
Medical care cost recovery authority	38 USC 1729(a)(2)(E)		Authorization extended through Oct. 1, 2008 by P.L. 110-161, section 232.
Hospital Co-Pays?	38 USC 1710(e)(1)(E)		Authorized through Sept. 30, 2008 by the CR

Item	Section of U.S.C.	Annual Authorization	Expiration Date
General Operating Expenses			
◊ Maintenance of the VA Regional Office in the Republic of the Philippines	38 USC 315(b)	As appropriated	Authorization extended through Dec. 31, 2009 by P.L. 108-183 § 213.
◊ Temporary authority for performance of medical disability examinations by contract physicians	38 USC 5101 note		Authorized through December 31, 2009 by P.L. 108-183 § 704
◊ Advisory Committee on Minority Veterans	38 USC 544(e)	As appropriated	Termination date extended through Dec. 31, 2009 by P.L. 108-183 § 703
Enhanced-Use			
◊ Authority to enter into enhanced-use leases	38 USC 8169		Authorization extended through Dec. 31, 2011 by P.L. 106-117 § 208(e)

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GAO Audit Reports
Introduction

The reports provided in the Summary Volume are those received by VA during the period of November 1, 2006 through October 31, 2007.

The reports are identified by title and are presented in calendar year order. Each report is summarized to include the responsible organization, the actual GAO recommendations, VA's "actions taken," and budget implications, if any, are noted. The "actions Taken" portion of the report follows closely from VA's comments that are represented in the draft reports that VA provides for all GAO reports. The narrative summarizes the instances where VA has incorporated GAO recommendations into current operations (e.g., where VA has employed a different approach in the budgeting process, or where specific steps have been utilized to improve forecasting results). Budget implications are presented to emphasize the need to recognize the impact of the recommendations on VA resources.

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10. ***VETERANS AFFAIRS: Improved Planning Needed to Guide Development and Implementation of Education Benefits System*** (GAO-07-1045; GAO File #4271) issued July 31, 2007	4B-30
11. ***VETERANS AFFAIRS: Continued Focus on Critical Success Factors is Essential to Achieving Information Technology Realignment*** (GAO-07-844; GAO File #4272) issued June 15, 2007	4B-32
12. ***DISABLED VETERANS' EMPLOYMENT: Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance*** (GAO-07-1020; GAO File #4277) issued September 12, 2007	4B-36
13. ***INFORMATION SECURITY: Sustained Management Commitment and Oversight Vital to Resolving Long-Standing Weaknesses at the Department of Veterans Affairs*** (GAO-07-1019; GAO File #4279) issued September 7, 2007	4B-39

GAO Audits

1. **VA HEALTH CARE: Spending for Mental Health Strategic Plan Initiatives Was Substantially Less Than Planned** (GAO-07-66; GAO File #4246) issued November 21, 2006

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:
To provide information for improved management and oversight of how funds VA allocates are spent to fill identified gaps in mental health services for veterans; we recommend that the Secretary of Veterans Affairs direct the Under Secretary for Health to take the following action:

Track the extent to which the resources allocated for mental health strategic plan initiatives are spent for plan initiatives.

ACTIONS TAKEN:
The Office of Mental Health Services, in collaboration with the Office of the Under Secretary for Health for Operations and Management, regularly tracks the implementation of Mental Health Enhancement Initiatives. An online reporting application was developed and implemented in early 2007 to facilitate reporting and tracking of the Mental Health Enhancement Initiatives.

Since the primary focus of the Mental Health Initiative is on enhancing capacity to provide direct care, a main focus of the monitoring efforts has been on the hiring status of newly-awarded positions, as well as backfill positions created as a result of existing mental health staff moving to those positions. Monthly reports on hiring activity are generated and reviewed by program staff and VHA leadership. Expenditures, by Veterans Integrated Service Network (VISN), facility, and initiative, are also monitored on a monthly basis, through the web-based tracking system. VA has also implemented a Mental Health Staffing Performance Monitor that tracks the hiring status of newly-awarded mental health positions and backfill positions against pre-set targets. Results of the Performance Monitor are reviewed by the Deputy Under Secretary for

Operations and Management and discussed with VISN Directors during quarterly performance evaluations.

In addition to closely monitoring mental health hiring activity and expenditures, VA has taken several actions at multiple levels to promote the recruitment of mental health staff. The Office of Mental Health Services has developed a comprehensive Mental Health Enhancement recruitment initiative that includes the following new recruitment resources:

- Education debt reduction program (effective February 17, 2007);
- Employee incentive referral initiative (effective February 17, 2007);
- Brochure development, and targeted and general advertising, including online and print advertisements in leading psychiatry, psychology, social work, and mental health nursing journals, as well as local and national newspapers;
- Development of a public relations toolkit; and
- Educational conferences and job fairs.

These resources provide significant new opportunities for successfully recruiting highly-qualified mental health staff. The new mental health Education Debt Reduction Program currently provides up to $38,000 of education loan repayment for qualified student debt. The employee incentive referral initiative provides a bonus to VA employees who refer mental health providers who are hired into VA positions. These initiatives have generated significant interest.

As a result of the close monitoring of hiring activity and expenditures and the establishment of the new recruitment resources, hiring activity and implementation efforts increased significantly in 2007. As of the end of October 2007, 3,646 out of 4,347 (86%) newly awarded Mental Health Enhancement positions have been filled. In addition, VA fully spent its Fiscal Year (FY) 2007 Mental Health Initiative budget of $370 million.

BUDGET IMPLICATIONS:
None

2. **VETERANS' DISABILITY BENEFITS: VA Can Improve Its Procedures for Obtaining Military Service Records** (GAO-07-98; GAO File #4247) issued December 12, 2006

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:
We recommend that the Secretary of the Department of Veterans Affairs direct the Under Secretary for Benefits to take the following actions.

- To adequately ensure the quality of the records research done on behalf of regional offices by the VBA unit at the National Personnel Records Center, VBA should move forward in implementing a systematic quality review program that evaluates and measures the accuracy of the unit's responses to all types of regional office research requests.

- To improve its timeliness in deciding PTSD claims, VBA should assess whether it could systematically utilize an electronic library of historical military records, such as the one compiled by the Chicago regional office, to identify veterans whose PTSD claims can be granted on the basis of information contained in such a library, rather than submitting all research requests to the Joint Services Records Research Center.

ACTIONS TAKEN:

Recommendation 1:
The VBA unit at the National Personnel Records Center (NPRC) has had a systematic quality review program in place since October 1, 2005. This unit is presently comprised of a GS-12 program specialist and four GS-9 quality review specialists. The quality review specialists review an average of 25 cases per month for each caseworker (20 cases with actual records and information attached prior to its release to regional offices and 5 cases with no actual records). The quality review team ensures that the caseworker identifies and orders the appropriate record, refers the request to the appropriate location, or requests additional information from the regional office. The quality review team anticipates that they will conduct approximately 15,000 audits during FY 2008.

In FY 2005, a 95 percent accuracy standard was incorporated into the performance plans of the VBA caseworkers assigned to the NPRC. Three percent of each caseworker's completed requests were audited from a

random sample of completed cases. In FY 2006, 7,230 reviews identified 125 errors, resulting in a 98.3 percent accuracy rate.

In September 2006, another quality review specialist was added to the quality review team to increase the amount of work reviewed for each caseworker to five percent of completed workload. In FY 2007, 8,227 reviews identified 235 errors, resulting in a 97.1 percent accuracy rate.

In addition to the quality reviews referenced above, supervisors review errors identified by VBA regional offices (RO) and discuss them with the caseworkers. Training is provided on recurring problem areas.

Also, in response to GAO's recommendation, the VA Records Management Center (RMC) implemented a quality assurance team for other divisions at the RMC. Two quality assurance specialists, a GS-7 trainee and a GS-9 experienced specialist, review the work of the Support Services Division whose primary functions include Control of Veterans Records System (COVERS), service treatment record input, mailroom receipts, and drop file mail. One experienced GS-9 specialist audits the work of the Customer Service Division whose primary functions include answering inquiries from regional offices, medical centers, national cemeteries, veterans and their dependents, and veteran representatives. This quality assurance team has conducted 5,266 reviews.

Recommendation 2:

Prior to GAO's report, the Compensation and Pension (C&P) Service made available to field staff, through its intranet website, an array of links to official websites useful in the corroboration of stressors. After the Chicago RO transferred its database containing over 2,000 declassified military records to C&P Service, it reviewed each document to ensure that it was authentic and official. To facilitate research, C&P Service systematically organized the documents, which contain such items as combat after-action reports, lessons-learned narratives, and unit histories.

On August 9, 2007, C&P Service added the military document database to its intranet web page, under "Rating Job Aids." C&P Service has also developed a training program designed to assist with understanding and using the database.

As a result of this effort, regional office personnel can now conduct the meaningful research necessary to find credible supporting evidence for the stressful events identified by veterans claiming service connection for

PTSD. This will greatly reduce the reliance on JSRRC research and will promote timely resolution of PTSD claims.

BUDGET IMPLICATIONS:

The VA RMC has seven FTE assigned to quality reviews, representing $331,165 in annual payroll expenditures.

There are no budget implications for implementation of the recommendation regarding the electronic library of military records because it was already planned and in process. While several employees dedicated many hours setting up the research database that is now available on the C&P Service intranet website, the FTE were already accounted for in the budget. There were no additional costs associated with adding the research pages to the website.

3. VA HEALTH CARE: VA Should Better Monitor Implementation and Impact of Capital Asset Alignment Decisions (GAO-07-408; GAO File #4256) issued March 21, 2007

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:
To provide the information necessary to monitor the implementation and impact of CARES decisions, we recommend that the Secretary use existing performance measures as well as develop new performance measures for CARES. These measures should include both output measures, such as the implementation status of all CARES decisions, and outcome measures, such as the degree to which CARES has improved access to medical services for veterans, and should be explicitly linked to the goals of CARES.

ACTIONS TAKEN:
From a capital standpoint, a sub-criteria, CARES Realignment, is used to score Major and Minor Construction projects. This sub-criteria provides a higher final score for projects that have a capital need based on a CARES decision. This criteria has been part of the scoring process since FY 2004.

VHA is establishing a Department-wide CARES Implementation Monitoring Work Group that will be responsible for finalizing performance measures and determining oversight and monitoring responsibilities in response to the Government Accountability Office (GAO) report, "*VA Health Care: VA Should Better Monitor Implementation of Capital Asset Realignment Decision* " (GAO-07-408), issued March 2007. The Work Group will identify existing and new output and outcome performance measures for each of the four foundational goals of CARES and a plan to monitor the implementation and impact of the CARES decision. Existing and new performance measures to be considered could include: activation of Community-Based Outpatient Clinics (CBOCs); expansion of health care programming; enrollees within drive time access guidelines; underutilized and vacant space; patient satisfaction; project execution/status; and support to other VA missions, including Department of Defense (DoD) collaboration initiatives. The Work Group is expected to hold a kickoff meeting in the winter and complete their responsibilities no later than spring 2008.

BUDGET IMPLICATIONS:
Implementation of CARES is expected to require billions of dollars in capital investment over several years to renovate and modernize VA's health care system. In addition to improving veteran health quality through modernization and improving access, CARES will allow VA to redirect operating cost avoidances from vacant and obsolete space to patient care.

While cost estimates have not been developed, the latest results in the Phase 2 CARES Studies shows nine medical centers needing Major Construction to implement; at least two of these nine are to construct new medical centers; two are realignments on campus; four are new Nursing Home Care Units (NHCUs) and/or Ambulatory Care Centers. It is anticipated that the total of just these Majors at this point will exceed $2 billion.

4. **VA STUDENT FINANCIAL AID: Management Actions Needed to Reduce Overlap in Approving Education and Training Programs and to Assess State Approving Agencies** (GAO-07-384; GAO File #4257) issued March 8, 2007

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:
To help ensure that federal dollars are spent efficiently and effectively, we are recommending that the Secretary of the Department of Veterans Affairs take steps to monitor its spending and identify whether any of its resources are spent on activities that duplicate the efforts of other agencies. The extent of these actions should be in proportion to the total resources of the program. Specifically:

•VA should require SAAs to track and report data on resources spent on approval activities such as site visits, catalog review, and outreach in a cost-efficient manner.

•VA should collaborate with other agencies to identify any duplicative efforts and use the agency's administrative and regulatory authority to streamline the approval process.

In addition, we are recommending that the Secretary establish outcome-oriented performance measures to assess the effectiveness of SAA efforts.

ACTIONS TAKEN:

Recommendation 1:
The VA has modified the SAA contracts for FY 2008 requiring SAAs to track and report data on resources spent on approval activities.

Recommendation 2:
The VA Education Service has met with both the Department of Labor and the Department of Education to gain a broader knowledge of what roles each agency plays in the program approval process. Although no duplicative efforts have been identified, Education Service will continue to coordinate SAA activities with the Departments of Education and Labor.

Recommendation 3:

The VA Education Service is working to determine what outcome-based performance measures will be used to measure the effectiveness of the SAA efforts. The Education Service will continue to work with the National Association of State Approving Agencies to develop outcome-oriented performance measures.

BUDGET IMPLICATIONS:

None

5. **FEDERAL REAL PROPERTY: Progress Made Toward Addressing Problems, But Underlying Obstacles Continue to Hamper Reform** (GAO-07-349; GAO File #4258) issued April 13, 2007

RESPONSIBLE OFFICE: Office of Asset Enterprise Management

RECOMMENDATIONS:
We are making three recommendations to OMB's Deputy Director for Management. We recommend that the Deputy Director, in conjunction with FRPC, take the following three actions:

•Develop a framework that agencies can use to better ensure the validity and usefulness of key real property data in the FRPP. At a minimum, the framework would suggest standards for frequency of validation methods, error tolerance, and reporting on reliability;

•Develop an action plan for how the FRPC will address key problems, including the continued reliance on costly leasing in cases where ownership is more cost effective over the long term, the challenges of securing real property assets, and reducing the effect of competing stakeholder interests on businesslike outcomes in real property decisions; and

•Establish a clearer link or crosswalk between agencies' efforts under the real property initiative and broader capital planning guidance.

ACTIONS TAKEN:

Framework

- VA works continuously to validate real property data. To formalize the process and in response to OMB's 3rd Qtr Real Property Scorecard requirement, VA developed a Data Validation Plan. It includes standards for frequency of validation methods, error tolerance, and reporting on reliability.

VA Enhanced Data Validation

Background and Purpose

The Government Accountability Office (GAO) Federal Real Property report (GAO-07-349) cites a continuing problem among some federal agencies with data reliability and the lack of a standard framework for assess the validity of

Federal Real Property Profile (FRPP) data. GAO offered a general framework of data validation to be used in conjunction with ad hoc validation efforts. The aim of the framework is increased FRPP data reliability through an enhanced and more comprehensive approach to data validation.

Existing Data Validation

It is true; data reliability is always a challenge. However, VA is validating data now. This paper presents VA's plans for implementing an enhanced data validation framework. Currently, VA's Capital Asset Management System (CAMS) provides the ability to view data collectively across multiple systems, an invaluable tool for data validation. Inventory data is viewed alongside financial, planning and workload data. Data can be viewed at a high level summary or drilled down for detailed analyses. VA continually reviews real property data to identify discrepancies and outliers for accuracy and/or performance issues. For the most part, data is updated monthly and provided for discussion and analysis at the Deputy Secretary's Monthly Performance Review.

The VA Federal Real Property Officer has charged the VA Management Quality Assurance Service (MQAS) with auditing capital asset management assets to improve oversight. The MQAS capital asset management review team audits internal controls related to capital asset management, compliance with Federal and VA policies and procedures, consistency with VA strategic goals and objectives, and effectiveness of operations. Future plans include validation of the data residing in VA's Capital Asset Inventory database.

Enhanced Data Validation

VA will immediately implement the following framework, to be used in conjunction with ad hoc validation, consistent with GAO report.

1. **<u>Frequency of Validation</u>**

   A. Data Load Validation – Monthly and Quarterly

   B. FRPP Submission Validation – Annually

   C. MQAS Audit

2. **<u>Validation Methods</u>**

   A. Data Load Validation

Error Reports: Checks that important data has not been omitted due to missing data elements or incompatible files.

Batch Totals: Critical numerical fields are manually totaled and compared to totals in CAMS.

Consistency Checks: Ensures that current data is consistent by comparing it to like data from prior years.

B. FRPP Submission Validation

Prior to Submission

Error Reports: Checks that important data has not been omitted due to missing data elements or incompatible files.

Format Check: Checks that the data is in a specified format

After Submission

Three separate files are submitted: Buildings (includes direct leases), Land, and Structures. Upon submission a summary validation is received for each file. Confirm that data is present in the following fields:

Buildings
- Total Number Of Records
- Total Square Footage
- Total Value
- Total Operating Costs

Land
- Total Number Of Records
- Total Acreage – Total Rural, Total Urban
- Total Operating Costs

Note: Value is not required for Land

Structures
- Total Number Of Records
- Total Value
- Total Operating Costs

Agency Confirmation Summary Report – Compare current year to prior year submission. A Crystal Report will be developed for current year and prior year data to assist with the confirmation. A scorecard will be added to Inter-Portfolio that will have a summary of the FRPP submission.

The summary report has current and prior year submission data for the following:
Total Assets
- Total Buildings
- Total Land
- Total Structures
- Total Acreage
- Total Rural
- Total Urban
- Total Square Feet
- Total Value
- Total Operating Costs

C. MQAS Audit

The Capital Asset Inventory (CAI) database is VA's primary database for tracking VA capital assets. This database is a "feeder" system for the Capital Asset Management System. Data from the CAI database will eventually be transferred to an ORACLE Real Property module. Subsequent to this transfer, this data will be transferred again into the Financial and Logistics Integrated Technology Enterprise's Strategic Asset Management module. Currently, the CAI database is the source for VA's sustainment model, which is used to budget for non-recurring maintenance needs and could be used to allocate those funds accordingly. One of the fundamental data points in the sustainment model is square footage, which is extracted from the CAI database. Therefore, because the data extracted from the CAI database is used to make important decisions, it is imperative the data entered into it is correct.

An MQAS CAM review of the CAI database would consist of the following objectives:

- Determine if the database contains the required records and ensure the records are accurate and complete.
- Determine if current records are appropriate for the CAI database.
- Determine what internal controls are in place to manage the system and determine if those controls are documented, adequately designed, and fully implemented.

- Determine what actions VA could take to improve control over the CAI database.
- Determine whether the ORACLE Real Property Module contains similar control deficiencies.
- Determine the actions VA could take to improve control over the ORACLE Real Property Module to prevent control deficiencies identified with the CAI database.

3. <u>Error Tolerance</u>

A. Data Load Validation – .01 (e.g., For 784 data elements in the "3.1 Decrease by % Underutilized Space" scorecard, 8 errors would be tolerated)

B. FRPP Submission Validation – Zero tolerance

C. MQAS Audit – As permitted

<u>4. Reporting on Reliability</u>

Quarterly Proud to Be

Action Plans

VA develops Action Plans in response to our performance against FRPC measures. The status of the Action Plans is reported quarterly to the Management Performance Review Board chaired by the Deputy Secretary.

- **Leases**
    - VA strongly disagrees with the GAO premise regarding leases. It is true that VA has an increased reliance on leasing to meet space needs. However, it is not because they "look cheaper in any given year." VA relies on operating leases because of our need for a more flexible facility infrastructure. VA's mission drives its increased use of leasing. The majority of our leases are outpatient or store-front facilities that can be moved or relocated depending on the changes in medical technology and shift in demographic data. This is true for both GSA and VA direct leases. GSA leases allow VA the ability to terminate quickly as they are self-insured for cancellation.

    - It is understood that building or purchasing facilities is more cost effective over a 30-year life cycle. Unfortunately, there are too

many constraints for these to work for VA in all circumstances. This assumes our mission and the delivery of services will be the same for a 30-year period. Not only are veterans mobile, they require different methods of healthcare and service delivery. The needs of today's veterans range from the nursing home care or burial services of a World War II veteran, to behavioral health or community outreach for Vietnam veterans, to acute hearing loss of the returning Operation Enduring Freedom/Iraqi Freedom veteran. CARES revolves around this understanding of changing healthcare needs. VA will continue to need the flexibility of operating leases to meet the needs of delivering services to veterans.

- **Security**
  - **Developed Physical Security Assessment Methodology For VA Facilities, September 2002:**
    - This multi-hazard risk assessment process includes identifying and ranking risks and vulnerabilities, with suggested remedial actions to mitigate the major vulnerabilities at prioritized mission critical facilities.

  - **FEMA Requested VA Assistance To Evolve VA's Assessment Process Into A System Suitable For Both Private And Other Public Facilities:**
    - This collaborative effort resulted in FEMA's *Reference Manual to Mitigate Potential Terrorist Attacks Against Buildings (FEMA 426;* Published December 2003*)* and *Risk Assessment: A How-To Guide to Mitigate Potential Terrorist Attacks (FEMA 452,* Published January 2005*)*. DHS took the unusual step of placing VA's seal with theirs on the cover of FEMA 452 to express's their appreciation of VA's assistance.

  - **Completed Physical Security Assessments Of 140 VA Most Mission Critical Facilities In 2006**

  - **Secretary Concurred In VA Physical Security Strategies Report In May 2006:**
    - The Report outlined 24 elements to enhance the protection of VA facilities and improve their ability to remain in operation and protect the safety of veterans, staff, and visitors. This program includes requirements for four categories of VA facilities, both new and existing, mission critical which must remain in operation, and life safety protected facilities.

- **Beginning in FY 2005, included funding for Physical Security Enhancements in Major Program Project Budgets Requests.**

- **Completed Physical Security Design Manual:**
  - The manual is based on the Physical Security Strategies Report. The two volumes of the Physical Security Design Manual and related Design and Construction Standards have been posted on the VA Office of Construction & Facilities Management website, and are available for use in VA construction projects.

- **Stakeholder Interests**
  - VA works to maintain the highest and best use of its real property portfolio. This is evident under its Enhanced Use Leasing Program which depends on sound economics and business principles. VA works in close coordination with and involvement of the local government and community as full partners in the development process. For example, VA must hold a public hearing at the location of any proposed EU lease to obtain veteran and local community input. VA also must provide a notice to its Congressional oversight committees prior to entering into an enhanced-use lease. Close collaboration with community leaders and interested stakeholders enables VA to address concerns early in the planning and development process. As a result, VA is able to maintain a balance between VA and community needs with a solution that is a win for veterans, the community and taxpayers as well.

VA's real property efforts are clearly aligned with the broader capital planning guidance as the Federal Real Property Council efforts. This is evident with our green scorecard. Two examples are E-Gov/Federal Asset Sales and Energy. OAEM coordinates all VA efforts in each of those areas, this strengthens and provides consistency for real property from each of those perspectives.

BUDGET IMPLICATIONS:
None

6. **VA Vocational Rehabilitation and Employment: Service Contract Management Is Improving, But Challenges Remain** (GAO-07-568R; GAO File #4262) issued April 23, 2007

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:
To help improve VA's management of VR&E service contracting, both at the headquarters and regional office levels, we recommend that the Secretary of Veterans Affairs direct the Under Secretary for Benefits to

•Conduct a management review to assess how regional offices are implementing contracting guidance and take necessary actions to make needed improvements. For example, VA could clarify to VR&E employees how existing VR&E guidance on contract file maintenance applies to local contracts.

•Require regional offices to report on the efficacy of contracting training and take necessary actions to make needed improvements. For example, VA could develop VR&E-specific contracting training.

•Improve VA management of VR&E contracting by improving Corporate WINRS reporting capabilities and its internal controls over contracting data.

ACTIONS TAKEN:

Recommendation 1:

VA hired contract specialists for 18 of its 57 regional offices and has warranted them as contracting officers. This is to ensure that contract administration, maintenance, and monitoring are consistent with Vocational Rehabilitation and Employment Service (VR&E) guidance as identified in VR&E Letter 28-05-16, as well as with Federal Acquisition Regulations and the VA Acquisition Regulations. Also, approval has been given for one contract specialist in each of the National Acquisition Strategy's (NAS) sub areas. Some of these contracting officers are responsible for multiple regional offices. This staff, along with other VR&E warrant holders, must maintain adequate acquisition training to maintain or increase their warrant levels and to stay abreast of all current acquisition statutes, codes, and regulations.

Additionally, VA reviews all local and NAS task orders during VR&E Service quality assurance site visits for proper administration and

maintenance. VR&E Letter 28-07-20 provides the following guidance to regional offices:

- All VR&E contracts for services that are available under NAS must be awarded to a NAS contractor.
- If a NAS contractor is not available to provide the required services, the Regional Office Director must submit a request to the Director of VR&E Service for a waiver to contract locally for the needed services. The request must explain why this need cannot be met under NAS.
- No local contracts for VR&E services utilizing readjustment benefits, general operating expenses, or educational/vocational counseling funds will be allowed without a waiver from the Director of VR&E Service. Responses to waiver requests will be provided within 10 business days.
- VR&E field offices must also provide all local contracting information to VR&E Service.

Recommendation 2:

VA has established specific VR&E contract training. The first session was conducted August 21-24, 2006 in Denver, CO, and the second session was conducted September 11-13, 2007 in Atlanta, GA. This training included local contracting procedures, as well as task order issuance for new NAS contracts. Contracting segments are also presented at the annual management conferences and during VR&E Officer hotline conference calls. With new NAS contracts, Quality Assurance Managers will be appointed for each sub-area to act as a liaison between the sub-area and central office to standardize and streamline contract monitoring and administration.

Recommendation 3:

The Corporate WINRS Functional Requirements Document is currently being updated and will include enhancements to reporting capabilities and internal controls over contracting data. This is the required first step in the identification and development of enhancements to Corporate WINRS that are currently scheduled for FY 2009.

BUDGET IMPLICATIONS:

To date, VA has expended a total of $134,296 on the training of VR&E staff regarding the guidelines and procedures for handling VR&E contracts. Each year, VR&E plans to sponsor a training session on contract management with an estimated cost of $75,000 per year.

The FY 2008 cost for updating the Corporate WINRS Functional Requirements Document is estimated at approximately $330,000. Redesigning and rebuilding

Corporate WINRS software could require up to $3.9 million. The contract monitoring pieces of both the requirements and the design and build have not been separately identified.

7. **DOD and VA Outpatient Pharmacy Data: Computable Data Are Exchanged for Some Shared Patients, but Additional Steps Could Facilitate Exchanging These Data for All Shared Patients** (GAO-07-554R; GAO File #4265) issued April 30, 2007

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:
To help ensure that all shared patients benefit from the exchange of computable outpatient pharmacy data, the Secretary of Defense and the Secretary of Veterans Affairs should expedite certain ongoing efforts. Specifically, we recommend that (1) the Secretary of Defense and the Secretary of Veterans Affairs expedite efforts to develop a solution for activating shared patients when patients' identifying information does not match exactly, (2) the Secretary of Defense expedite efforts to assign a unique DOD identification number to VA patients who were discharged from active duty before 1997, (3) the Secretary of Veterans Affairs expedite efforts to expand to all VA sites the capability to automatically check DOD data that are exchanged through CHDR, and (4) the Secretary of Defense and the Secretary of Veterans Affairs expedite the development of written guidelines for all sites to use for defining and identifying shared patients.

ACTIONS TAKEN:
VA and DoD made substantial progress toward this goal in the 4th quarter of FY 2007 when over 6.1 million records from VA were successfully loaded into the Defense Manpower Data Center/Defense Enrollment and Eligibility Reporting System (DEERS) for the purpose of assigning an Electronic Data Interchange Person Identifier (EDI PI). These records were primarily for veterans who separated prior to DEERS becoming operational. The EDI PI is one of the critical elements upon which active dual consumers are "matched" across VA and DoD thereby triggering the data exchange. Through October 2007, 11,207 active dual consumers have been identified.

During the 4th Quarter of FY 2007, over 6.1 million records from VA were successfully loaded into the Defense Manpower Data Center/Defense Enrollment and Eligibility Reporting System (DEERS) for the purpose of assigning an Electronic Data Interchange Person Identifier (EDI PI) to those veterans who were discharged without having the same assigned. Going forward, VA and DoD are working on an enterprise level approach to develop a unique identifying strategy for service members and veterans that will facilitate the delivery of health care and benefits. The Departments anticipate that the strategy will be implemented by September 2008.

The capability to conduct automatic checks of DoD data is dependent upon the internal VA capability built into our Remote Data Interoperability (RDI) application. RDI is the application that supports the ability of VA to conduct the checks against data in the Health Data Repository (HDR). RDI development and testing is complete. VA is now conducting RDI national deployment. VA anticipates that national deployment will be completed by the end of December 2007 (approximately 28 sites remain outstanding). VA and DoD continue to finalize the implementation of Clinical Data Repository/Health Data Repository (CHDR) to additional locations, which is in part, dependent upon RDI. Within VA, the department continues to test the CHDR framework in the new Health*e*Vet environment (e.g., HDR and RDI) at seven locations.

VA notes that we have actually been calling shared patients 'active dual consumers' for purposes of data sharing through the CHDR interface. This action was completed in July 2007. Subsequently, written guidelines were developed and signed by the Health Executive Council (HEC) Information Management/Information Technology (IMIT) Work Group in July 2007.

BUDGET IMPLICATIONS:
None

8. **VETERANS BENEFITS ADMINISTRATION: Progress Made in Long-Term Effort to Replace Benefits Payment System, but Challenges Persist**; GAO-07-614; GAO File #4266) issued April 27, 2007

RESPONSIBLE OFFICE: Veterans Benefits Administration/Office of Information Technology

RECOMMENDATIONS:
To enhance the likelihood that the replacement system will be successfully completed and implemented, we are recommending that the Secretary of Veterans Affairs take the following five actions:

• Direct the CIO to institute measures to track in-house expenditures for the project.

• Direct the VETSNET project to include activities for capacity planning in the VETSNET Integrated Master Schedule and ensure that resources are available for these activities.

• Direct VBA to (1) develop a strategy to address the risk that large numbers of records may need to be returned to the BDN; (2) determine whether a greater confidence level for accuracy should be required in the conversion process; and (3) develop a detailed validation plan that includes the scheduled conversions for each regional office and the validation team members needed for that specific conversion.

• Direct the CIO to document and incorporate the improved processes for managing risks, requirements, and defects into specific policy and guidance for the replacement initiative and for future use throughout VBA.

• Direct the replacement project to develop effective results-oriented performance measures that show changes in efficiency, economy, or improvements in mission performance, as well as measures of user satisfaction, and to monitor and report on the progress of the initiative according to these measures.

ACTIONS TAKEN:

Recommendation 1:
Costs associated with business line and Information Technology (IT) employees involved in the project are being tracked.

- This is an administrative overhead cost for the employees involved to report and track expenditures.

Recommendation 2:

Capacity planning activities are underway. The appropriate resources from across the VA IT organization and the appropriate business representatives have been actively involved in documenting and implementing capacity needs for full implementation of the VETSNET suite.

- At this time, there are no documented budget implications. However, at some point, additional hardware may be required to ensure all needs are met.

Recommendation 3:

The order of implementation for new functionality and Benefit Delivery Network (BDN) record conversions mitigates the need for return of records to the BDN. In addition, the conversion strategy, to include the validation process and the construct of the validation and implementation team, was designed to enhance the confidence level in the conversion process. Thus far, three regional offices have been through a significant conversion with zero failures.

- Budget implications include travel funds and time for the team members (both technical and business subject matter experts).

Recommendation 4:

All VETSNET process documents have been shared with the VA CIO for consideration.

- At this time there are no budget implications for implementing this recommendation.

Recommendation 5:

Metrics are in place to track the volume of claims processed using the VETSNET suite of applications, the dollar amount of benefits paid, the number of beneficiaries being paid, the number of claims converted from the legacy system to VETSNET, progress against the schedule, expenditures, etc. In addition, the VETSNET team continues to have regular interaction with the user community and tracks "help desk" requests to gauge user satisfaction with the applications. These measures are reported to VA leadership on a monthly basis.

- At this time there are no budget implications for implementing this recommendation.

BUDGET IMPLICATIONS:

Budget implications are included under the action taken for each recommendation above.

9. VETERANS AFFAIRS: Inadequate Controls over IT Equipment at Selected VA Locations Pose Continuing Risk of Theft, Loss, and Misappropriation (GAO-07-505; GAO File #4267) issued July 16, 2007

RESPONSIBLE OFFICE: Office of Information and Technology
Office of Management

RECOMMENDATIONS:
We recommend that the Secretary of Veterans Affairs require that the medical centers and VA headquarters offices we tested and other VA organizations, as appropriate, take the following 12 actions to improve accountability of IT equipment inventory and reduce the risk of disclosure of sensitive personal data, medical data, or both.

• Revise VA property management policy and procedures to include detailed requirements for what transactions must be recorded to document inventory events and to clearly establish individual responsibility for recording all essential transactions in the property management process.

• Revise VA purchase card policy to require purchase card holders to notify property management officials of IT equipment and other property items acquired with government purchase cards at the time the items are received so that they can be recorded in property management systems.

• Establish procedures to require specific, individual user-level accountability for IT equipment. In implementing this recommendation, consideration should be given to making the unit head, or a designee, accountable for shared IT equipment.

• Enforce user-level accountability and IT coordinator responsibility by taking appropriate disciplinary action, including holding employees financially liable, as appropriate, for lost or missing IT equipment.

• Establish specific time frames for finalizing a Report of Survey once an inventory has been completed so that research on missing items is completed expeditiously and does not continue indefinitely without meeting formal reporting requirements.

• Establish a mechanism to monitor adherence by the San Diego and Houston medical centers and other VA organizations, as appropriate, to VA policy for performing annual inventories of sensitive items under $5,000, including IT equipment.

• Require that IRM and IT Services personnel at the various medical centers be given access to the central property database and be furnished with hand scanners so they can electronically update the property control records, as appropriate, during installation, repair, replacement, and relocation or disposal of IT equipment.

• Require physical security personnel to perform inspections of buildings and storage facilities to identify informal and undesignated IT storage locations so that security assessments are performed and corrective actions are implemented, where appropriate. To assure inventory accuracy and prompt resolution of inventory discrepancies and improve security of IT equipment and any sensitive data stored on that equipment, we recommend that the Secretary require the CIO to take the following four actions.

• Establish a formal policy requiring a review of the results of annual inventories to ensure that IT equipment inventory records are properly updated and no blank fields remain.

• Establish a process for reviewing Reports of Survey for lost, missing, and stolen IT equipment items to identify systemic weaknesses for appropriate corrective action.

• Establish and implement a policy requiring IRM personnel and IT coordinators to inform physical security officers of the site of all IT equipment storage locations so that these store rooms can be subjected to required inspections.

• Establish and implement a policy for reviewing the results of physical security inspections of IT equipment storerooms and ensure that needed corrective actions are completed.

ACTIONS TAKEN:
The Office of Acquisition and Logistics (OA&L) has been working in concert with the Office of Information and Technology (OI&T) in addressing the 12 actions to improve accountability and the security of IT equipment. OA&L has been participating in a taskforce that is assisting OI&T in developing an OI&T VA Directive which addresses each of the issues listed in item # 9. In addition, OA&L has recently rewritten VA property management policy which will also address several of these key issues (i.e. listing the fields in the Automated Engineering Management System/Medical Equipment Reporting System which is required to be filled out, developing an Employee Loan Form which will assist in providing more individual tracking and accounting for items loaned, and

providing more comprehensive information regarding the Accountable Officer's responsibilities).

BUDGET IMPLICATIONS:

None.

10. VETERANS AFFAIRS: Improved Planning Needed to Guide Development and Implementation of Education Benefits System (GAO-07-1045; GAO File #4271) issued July 31, 2007

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:
To ensure the successful implementation of a system that provides consistent and effective delivery of education benefits payments, we are recommending that the Secretary of Veterans Affairs, before approving any new funding for TEES and related systems, direct VA's Chief Information Officer to take the following three actions:

• Develop a comprehensive, integrated TEES project plan that

1. defines critical elements, including but not limited to project scope, budget, schedule, risk, planning for data management, needed knowledge and skills, and stakeholder involvement; and

2. addresses redundancy between the requests for developing a TEES rules-based system, the department-level code conversion effort, and integration of the TEES development with FAS.

• Once an integrated plan among related TEES initiatives has been completed and documented, revise the OMB Exhibit 300s for TEES and related efforts to ensure that duplication in efforts and budgets is eliminated and that funding is consistent with timelines.

• Obtain stakeholders' commitment of resources to ensure that functional requirements are revalidated and updated as necessary to provide an interface between FAS and the future VBA education systems.

ACTIONS TAKEN:
The Education Project Management Service (EPMS) has a pending acquisition package to obtain contractor support to conduct a TEES Program Assessment and Validate the Consolidated TEES Functional Requirements Document (August 2003). The program assessment will result in a written report that documents the outcomes of the assessment, provides recommendations on how the program should proceed and incorporates an integrated schedule that maps out how the program objectives can be accomplished. Concurrently with the assessment the consolidated functional requirements will be validated and the document updated to reflect any change in the requirements/business rules. The validated functional requirements document will also incorporate

requirements and business rules for new benefits (such as the chapter 1607) and new or changed business processes. The initial response to the Request for Proposal (RFP) was not technically compliant, therefore VA decided to reissue the acquisition. VBA recently made a strategic decision to add Vocational Rehabilitation and Employment (VR&E) Service Subsistence Allowance (chapter 31) payments into the scope of TEES. Chapter 31 processes parallel educational benefits. The VA will re-release the RFP in December 2007 and anticipates a contract award in January 2008. The period of performance for these activities is eight months. In conjunction with this effort, the EPMS is in the process defining and implementing a program level governance organization, gathering current project documentation so that it can be updated and routed for signature by key stakeholders, and developing an integrated TEES project schedule.

The EPMS will use the results of the TEES Program Assessment and integrated scheduling efforts to revise and update the OMB Exhibit 300 submissions. The EPMS will coordinate with related program offices, such as Benefits Delivery Network (BDN) Rehosting and FAS, to ensure that intersections and dependencies have been identified and accounted for in all scheduled, which will result in an elimination of the possibility of redundant efforts.

The EPMS is revising the current project documentation such as the charter, project management plan, requirements management plan, risk management plan and integrated schedule to reflect TEES program direction and objectives. The EPMS will obtain concurrence from key stakeholders on the revised documents to ensure buy-in and support. The requirements validation effort being undertaken by the EPMS will elicit any requirements associated with new education benefits programs, such as chapter 1607, new education business processes chapter 31. The current document requirements contain the functional requirements associated with sending education transactions to FAS for accounting and payment. These requirements were originally developed, documented and concurred upon by the ORM. These requirements will be expanded to include the FAS processing. Stakeholder commitment to these activities will be obtained through project documentation such as the charter and program management plan.

BUDGET IMPLICATIONS:
Costs for the TEES Assessment and Requirements Validation contract are estimated at $499,893. The modification to add chapter 31 benefits is estimated at $95,000.

11. VETERANS AFFAIRS: Continued Focus on Critical Success Factors is Essential to Achieving Information Technology Realignment (GAO-07-844; GAO File #4272) issued June 15, 2007

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:
To ensure that VA's IT realignment is successfully accomplished, we recommend that the Secretary of Veterans Affairs direct the Chief Information Officer to take the following six actions:

• Develop detailed IT governance process descriptions that address how the department will manage IT resources within the centralized organization.
• Establish a knowledge and skills inventory to determine what skills are available in order to decide the proper roles for all employees transferred to the new organization.
• Assess personnel requirements under the centralized management model, including career paths and appropriate training requirements.
• Fully staff all offices necessary for supporting the new organizational structure.
• Dedicate an implementation team responsible for change management processes throughout the transformation to a centralized IT structure.
• Expedite the development of performance metrics to track the progress of the realignment.

In addition, to ensure that centralized control of the IT budget is established, we recommend that the Secretary of Veterans Affairs direct the Chief Information Officer to take the following three actions:

• Establish milestones to permanently staff the deputy assistant secretary position for IT Enterprise Strategy, Policy, and Programs and the deputy assistant secretary position for IT Resource Management.
• Commit to a date for establishing the Business Needs and Investment Board and the IT Leadership Board.
• Establish a schedule for the implementation of the IT portfolio management and financial management processes.

ACTIONS TAKEN:
In March 2007 the VA Secretary signed the Department of Veterans Affairs, Office of Information and Technology VA IT Governance Plan detailing the roles and responsibilities of the various boards and committees that comprise the governance process for the Department. In May 2007, the Office of Information and Technology formally launched this governance process with the first

meeting of the Business Needs and Investment Board.

A knowledge and skills inventory initiative, lead by the Human Resources Career Development (HRCD) Taskforce, is under way and is expected to be completed by the end of FY 2008. Once the information is loaded into the VA Learning Management System (LMS) VA will have the capability to run employee assessments, determine our current talent set, and identify any existing gaps.

The Office of Information and Technology is developing a Career Development Management System (CDMS) that will provide a career map for any IT employee wishing to follow a specific career path from beginning to end by pursuing the training and development that will equip them with the required competencies for a given grade. CDMS is currently under development and is expected to be fully functional by the end of FY 2008.

A plan has been established that will take OI&T to the required FTE by the end of this fiscal year.

Overall, the Information Technology (IT) executive leadership team is responsible for meeting established performance goals related to the implementation of the IT realignment. For example, the Information Protection and Risk Management (IP&RM) organization is responsible for ensuring proper policies and procedures are in place to protect personally identifiable information of both veterans and employees, as is the Office of Information Technology Oversight and Compliance (ITOC). The Resource Management (RM) organization is responsible for career management, funds execution and asset management. Similarly, the Office of Enterprise Development (OED) ensures appropriate processes are implemented as IT products are developed, Enterprise Operations and Infrastructure (EO&I) is measured on their compliance to service level agreements and the Office of Enterprise Strategy, Policy, Plans and Programs (OESPP&P) ensures multi-year programming and project management activities are implemented as well as developing and describing IT strategic plan goals. Each component of the Office of Information and Technology (OI&T) has developed performance metrics, which will be tracked and managed to ensure goals are met and performance shortfalls identified. Additionally, processes for the 36 major IT business areas have been defined and are in the initial implementation stages. Recently, OI&T has streamlined the organizational management of the realignment to one office, the Office of Quality and Performance. This organization will be responsible for ensuring IT process implementation, performance management, as well as program evaluation and analysis and will advise the Principal Deputy Assistant

Secretary (PDAS) and Assistant Secretary for Information and Technology (AS/IT) on realignment performance goals and areas for improvement.

OI&T plans to develop Service Level Agreements and metrics to measure the performance of the realigned organization by the end of FY 2008. Metrics will cover such areas as service level breaches, time to resolve service level issues, costs of service contracts, and customer satisfaction. Additionally, metrics will be developed to measure progress on IT process implementation in areas such as Risk Management, Financial Management, IT Service Continuity Management, Data and Storage Management, and Stakeholder Compliance Management.

For example, the ITOC conducts routine assessments (18-20 per month) to verify compliance by every organization in the VA with respect to security and other related areas. Specifically, ITOC personnel perform assessments to verify compliance in the areas of cyber security, privacy, and records management. Earlier this year the VA CIO announced ITOC was expanding their assessments coverage to include Information Physical Security. The new addition to the ITOC checklist tool set was closely coordinated with the VA Office of Operations, Security and Preparedness.

The vacancy announcement for DAS for ESPP&P opened on November 29, 2007 and closes January 14, 2008. We expect to interview and hire within 3 months after that date. The DAS for IT Resource Management position was filled effective June 10, 2007.

The initial meeting of the Business Needs and Investment Board was held on May 30, 2007. The BNIB Charter was officially signed by all principal members on June 14, 2007. Subsequent meetings have been held at least once per month since May 2007 and more often as required. The initial meeting of the Information and Technology Leadership Board was held on June 27, 2007. The ITLB Charter was officially signed by all principal members on September 11, 2007. Subsequent meetings of the ITLB have been held monthly.

The approach and schedule for process implementation is currently under review based upon lessons learned from the pilot programs and current implementation experiences. Work on the ten processes in the next series of roll-outs is underway and the implementation plan and timeframes are being revised to reflect the new approach. Processes are owned, implemented, and monitored by Process Owners, with overall ownership of Process Improvement centered in the Office of Quality and Performance. The portfolio and financial management processes entered the refinement stage in August 2007 and are being reviewed by their respective Process Owners.

BUDGET IMPLICATIONS:
Funding will be required for website development initiatives including the procurement of COTS products and/or licenses.

12. DISABLED VETERANS' EMPLOYMENT: Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance (GAO-07-1020; GAO File #4277) issued September 12, 2007

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:
To ensure the complete and timely implementation of the agreement, we recommend that the Secretary of Labor and the Secretary of Veterans Affairs direct VETS and VRE to take the following actions:

- develop a written plan for the full implementation of the agreement that includes long-term time frames, benchmarks by which to track implementation at the state level, and plans for taking action in instances when states are not fully implementing the agreement;
- provide additional direction to the states on implementing the agreement, including examples of promising practices from states, such as strategies for sharing information;
- provide technical assistance to states that are facing difficulties implementing the agreement; and
- collect and assess complete information on the progress of the states in implementing the agreement using well-designed and appropriate methodology, such as a systematic review of state-level memorandums of agreements or a comprehensive survey of all locations.

To ensure the employment coordinator role is being used in the most effective and efficient way possible without duplication of other available services, we recommend that the Secretary of Veterans Affairs, in consultation with the Secretary of Labor, direct VRE to take the following actions:

- determine how best to use the employment coordinator in serving veterans located outside the employment coordinator's local area;
- undertake additional efforts to review how the employment coordinator role has been carried out at the regional level, especially vis-à-vis staff of other workforce agencies;
- determine how this position could best be used in light of other services available to VA program participants; and
- modify the national employment coordinator position description accordingly.

To ensure that resources spent on job resource labs are used efficiently and effectively, we recommend that the Secretary of Veterans Affairs direct VRE to undertake additional efforts to:

• review the number of veterans using the job resource labs and ways in which veterans are using them;
• assess and offer regional offices direction on how the labs could be better used; and
• determine whether there are additional opportunities to coordinate with other agencies and organizations, such as local one-stop career centers.

ACTIONS TAKEN:

Recommendation 1:

VR&E Service has taken steps to ensure implementation of the joint Department of Labor (DOL) and VR&E Memorandum of Understanding. A long-range implementation plan with both short-term and long-term goals and specific time-lines has been developed. The Joint Work Group (JWG) expanded the pilot sites from six to eight locations (Denver, Manchester, Montgomery, Oakland, Philadelphia, St. Louis, St. Petersburg and Little Rock). The Montgomery, Alabama, Regional Office has been identified as one of the "best practice" states. From November 1-2, 2007, several members of the JWG held a pre-pilot site visit and met with the Alabama State Workforce Agency (SWA) and the Department of Labor, Veterans Employment and Training Service (DOL/VETS). The goal of the visit was to identify partnership activities among the VR&E office, DOL/VETS, and the SWA to determine how the partners collaborate and coordinate activities. Information was gathered on how the agencies developed their strategies and a process implemented to successfully work together in providing services to disabled veterans. A fact-finding meeting also took place in another "best practice" state, St. Louis, MO. A meeting will be held on December 11- 13, 2007 in Washington, DC to finalize the pilot project model for implementation in February 2008.

The following accomplishments have been made by JWG:

- Ten new performance measures were developed and will be implemented by February 2008.
- A curriculum design model is being developed and will be implemented during the pilot project.
- A data collection and data sharing model will be developed utilizing the two best practice offices and will be implemented in February 2008.
- The DOL/VA JWG plans to conduct a nine-month pilot project at eight selected stations to test the Best Practice Pilot Plan Model that was modeled after best practices in Montgomery, Alabama, and St. Louis, Missouri.

- Upon completion of the pilot, the DOL/VA JWG will provide additional direction to all offices on implementing the agreement.
- The JWG will develop strategies for sharing information, collecting data, and providing technical assistance to jurisdictions needing assistance to effectively implement the MOU Agreement.
- After rollout of the National Implementation Plan in FY 2009 and FY 2010, the JWG will collect information and assess the progress of each jurisdiction.

Recommendation 2:

VR&E Service has initiated a study that requires regional offices to report specific work completed by the Employment Coordinators (EC). Upon completion of the study, VR&E Service will determine if modification of the EC role is indicated and how to maximize the effectiveness of the EC position relative to other available services.

The study also requires the regional offices to assess the usage and effectiveness of the Job Resource Labs. VR&E Service will provide additional direction to the regional offices on how to enhance utilization of the labs based upon the outcome of the study.

BUDGET IMPLICATIONS:

The DOL- VETS/VR&E MOU Workgroup will incur an estimated $59,000 in FY 2008 travel costs associated with kick-off meetings and the eight planned pilot site visits.

FY 2008 travel costs for planned site visits associated with the Employment Coordinator role and Job Resource Lab study is estimated at $9,000.

13. INFORMATION SECURITY: Sustained Management Commitment and Oversight Vital to Resolving Long-Standing Weaknesses at the Department of Veterans Affairs (GAO-07-1019; GAO File #4279) issued September 7, 2007

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:
To assist the department in improving its ability to protect its information and systems, we are recommending the Secretary of Veterans Affairs take the following 17 actions:

• Finalize and approve Handbook 6500 to provide guidance for developing, documenting, and implementing the elements of the information security program.
• Develop, document, and implement a process for reviewing on a regular basis the performance plans of senior executives to ensure that information security is included as an evaluation element.
• Develop, document, and implement a process for the Director of Field Operations and Security and Director of Cyber Security to coordinate with each other on the implementation of IT security policies and procedures throughout the department.
• Document clearly defined responsibilities in the organization book for the Director of Field Operations and Security and the Director of Cyber Security for coordinating the implementation of IT security policies and procedures within the department.
• Act expeditiously to fill the position of the Chief Information Security Officer.
• Revise Directive 6500 to reflect the new IT management structure and to ensure that roles and responsibilities are consistent in all VA IT directives.
• Develop, document, and implement procedures for the action plan to ensure that action items are addressed in an effective and timely manner.
• Establish tasks with time frames for implementation of policies and procedures in the action plan.
• Develop, document, and implement a process to validate the closure of action plan items.
• Include in the action plan the activities taken to address GAO recommendations.
• Develop, document, and implement clear guidance for identifying devices that require encryption functionality.
• Maintain an accurate inventory of all IT equipment that has encryption installed.

• Develop and document procedures that include a mechanism for obtaining contact information on individuals whose information is compromised in security incidents.
• Conduct an assessment of what constitutes high-risk data for the information located at VA facilities and in information systems.
• Develop and document a process for appropriate coordination and mitigation activities based on the assessment above.
• Develop, document, and implement a standard methodology and established criteria for evaluating the internal controls at facilities.
• Establish a mechanism to track ITOC recommendations made to facilities and conduct regular follow-up on the status of the recommendations.

ACTIONS TAKEN:
On September 18, 2007 the VA Handbook 6500 was signed and released to the field for implementation. Working groups consisting of Field Operations and Security and the Office of Cyber Security have been established to create enterprise-level Standard Operating Procedures to assist in the implementation of VA Handbook 6500.

An information security element was developed as a standard element to be implemented on a regular basis through the performance appraisal period. This element is reviewed annually for all senior executives on their performance plans.

There is continued discussion as to the responsibilities of security functions between the Offices of the Associate Deputy CIO for Field Operations and Security and the Deputy Assistant Secretary for Information Protection and Risk Management. Once these have been defined and approved by the Assistant Secretary the defined responsibilities will be updated in the organization book.

A selection was made for the Chief Information Security Officer (ADAS for Cyber Security). The selection was approved by the Secretary on November 29, 2007 and is pending further processing by OPM.

Changes have been made to revise VA Directive 6500 identifying the Office of Information and Technology as the responsible office for all policies pertaining to information security. The changes were approved and signed by the VA CIO on November 13, 2007.

The Office of Information and Technology has completed the development and has implemented procedures for the action plan to ensure action items are addressed in an effective and timely manner. These procedures have been documented. Tasks have been established with time frames for implementation

of policies and procedures in the draft VA Handbooks and Directives with a planned implementation for the end of FY 2008. OI&T has also included in the draft a process to validate the closure of action plan items as well as activities taken to address GAO recommendations.

VA is drafting clear guidance for identifying devices that require encryption. This guidance will be included in VA Handbook 6500. A wall to wall inventory of all IT equipment that has encryption is currently underway and is expected to be completed no later than the end of FY 2008.

Each administration within VA maintains records on individuals served. If personal information is compromised in a security incident these databases are used to provide contact information. In the vast majority of incidents VA is able to use these databases to find the correct information. When VA databases do not provide the needed contact information, VA works with other agencies as appropriate to produce the information, e.g. United States Postal Service and Centers for Medicare and Medicaid Services.

VA is currently conducting an assessment of what constitutes high-risk data and plans to complete this assessment by the end of FY 2008. OI&T has also included in the draft VA Handbooks and Directives a process for coordinating and mitigating activities based on the assessment of what constitutes high-risk data. This will be complete by the end of FY 2008. The budget implications are unknown at this time.

All observations revealed during an Information Technology Office of Compliance (ITOC) assessment are fully briefed to the hospital Director, hospital CIO, Information Security Officer (ISO), and other staff members during the outbrief and officially documented. Within 24 hours, observations are briefed to the VA CIO, ADAS/Information Protection and Risk Management (IPRM) and the Director of Field Services. In the event ITOC discovers an issue that requires additional attention beyond the assessment timeline, ITOC, in coordination with the hospital staff will establish new deadlines for remediation. When an observation is critical in nature, the possibility exists that an Emergency Response Team (ERT) may be dispatched to assist. When directed by the VA CIO, reassessments are conducted within 90 days. The decision on whether, when, and how to remediate a given observation must be made by each facility's leadership team in consultation with Office of Information and Technology's IT Operations leadership where appropriate. However, once a determination on a remediation course of action has been made, ITOC offers assistance in the form of advice, coaching, and implementation guidance to help ensure compliance. Additional funding would be required if assessment durations were increased beyond the current 5 day period, facility reassessments occur outside the ITOC's

regular reassessment schedule, the need arises to deploy ERTs, or unforeseen travel becomes a reality.

In accordance with the approved process developed by Field Security Operations, ITOC's observations are captured in the Security Management and Reporting Tool (SMART) database. The local ISO, with ITOC oversight, is responsible for the input of the observations into the SMART database. As a result, a Plan of Action and Milestones (POA&Ms) is developed. The POA&Ms are provided to ITOC's Operations in order to validate the remediation actions per VA Handbook 6500 during the follow-on assessment. Additional funding would be required if retraining on the SMART database becomes necessary or a major enhancement to the database is required.

BUDGET IMPLICATIONS:
Budget implications are included under the appropriation action above.

High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In January 2007, GAO issued an update to its High-Risk Series (GAO-07-310). The GAO-identified High-Risk areas (specific to VA as well as governmentwide) are summarized in the table below.

The Department's responses were published in its FY 2007 Performance and Accountability Report (PAR) published in November 2007. In the PAR, for each High-Risk area, VA provides ***key actions taken*** in 2007 as well as ***key actions planned*** for 2008, the ***anticipated impacts*** of the key actions, and the ***estimated resolution timeframe*** (fiscal year) for each high-risk area. Some of the impact statements affect more than one key action since some actions are interrelated. The PAR is available on line at:
http://www.va.gov/budget/report/2007/index.htm.

The table below shows the strategic goal to which each high-risk area is most closely related, as well as its estimated resolution timeframe.

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)
No.	Description	
Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans		
GAO 1	**Modernizing Federal Disability Programs**	**2009**
Enabling Goal: Applying Sound Business Principles		
GAO 2	**Strategic Human Capital Management: A Governmentwide High-Risk Area**	**2012**
GAO 3	**Managing Federal Real Property: A Governmentwide High-Risk Area**	**2010**
GAO 4	**Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures: A Governmentwide High-Risk Area**	**2010**
GAO 5	**Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area**	**Ongoing**
GAO 6	**Management of Interagency Contracting: A Governmentwide High-Risk Area**	**2009**

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Major Management Challenges Identified by the OIG

The Department's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. The OIG submitted the following update of the most serious management challenges facing VA.

We reviewed OIG's report and provided responses, which are integrated within the OIG's report in the Department's FY 2007 Peformance and Accountability Report (PAR). Within the PAR, our responses include the following for each challenge area:

- ***Key actions taken*** in 2007 in response to the challenges identified by the OIG
- ***Key actions planned*** for 2008
- ***Anticipated impacts*** of the key actions
- ***Estimated resolution timeframe***

The PAR is available on line at:
http://www.va.gov/budget/report/2007/index.htm.

The table below shows the strategic goal to which each challenge is most closely related, as well as its estimated resolution timeframe.

Challenge		Estimated Resolution Timeframe (Fiscal Year)
No.	Description	
Strategic Goal 3: Honoring, Serving, and Memorializing Veterans		
OIG 1	**Health Care Delivery**	
1A	Quality of Care	2008 and beyond
1B	Electronic Medical Records	2008 and beyond
1C	New and Significantly-Increased Health Problems Associated with OIF/OEF	2008 and beyond
1D	Research	2008 and beyond
Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans		
OIG 2	**Benefits Processing**	
2A	Pending Claims and Estimated Receipts	2008
2B	Appeals	2009
2C	Accuracy and Variance	2008
Enabling Goal: Applying Sound Business Principles		
OIG 3	**Financial Management**	

Challenge		Estimated Resolution Timeframe (Fiscal Year)
No.	Description	
3A	Lack of an Integrated Financial Management System	2012
3B	Operational Oversight	2009
OIG 4	**Procurement Practices**	
4A	Procurement Failures	2009
4B	Lack of Corporate Knowledge	2009
OIG 5	**Information Management**	
5A	Confusion of Rules and Guidance	2009
5B	Material Weakness in IT Security Controls	2010
5C	VA Information Security Program Reviews	2010
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Expenditures by States

Amounts Included in FY 2009 President's Budget (dollars in thousands)	2007 Actuals	2008 Estimates	2009 Estimates
Alabama			
Compensation and pensions	$823,807	$970,001	$1,027,825
Readjustment benefits	$60,657	$72,004	$76,297
General operating expenses	$20,590	$24,427	$25,884
Medical and construction programs	$541,107	$646,726	$685,279
Insurance and indemnities	$22,973	$27,256	$28,880
Total	**$1,469,134**	**$1,740,415**	**$1,844,165**
Alaska			
Compensation and pensions	$112,871	$134,085	$142,078
Readjustment benefits	$10,701	$12,693	$13,450
General operating expenses	$11,846	$14,052	$14,890
Medical and construction programs	$107,170	$127,302	$134,891
Insurance and indemnities	$2,302	$2,730	$2,893
Total	**$244,890**	**$290,863**	**$308,202**
Arizona			
Compensation and pensions	$759,145	$907,708	$961,818
Readjustment benefits	$82,623	$98,110	$103,958
General operating expenses	$35,130	$41,687	$44,172
Medical and construction programs	$686,653	$822,386	$871,411
Insurance and indemnities	$36,753	$43,614	$46,214
Total	**$1,600,305**	**$1,913,505**	**$2,027,573**
Arkansas			
Compensation and pensions	$540,900	$646,477	$685,014
Readjustment benefits	$34,404	$40,825	$43,258
General operating expenses	$25,390	$30,124	$31,920
Medical and construction programs	$561,083	$670,792	$710,780
Insurance and indemnities	$14,039	$16,655	$17,648
Total	**$1,175,816**	**$1,404,873**	**$1,488,620**
California			
Compensation and pensions	$2,660,830	$3,248,170	$3,441,800
Readjustment benefits	$302,606	$360,447	$381,934
General operating expenses	$107,547	$127,751	$135,366
Medical and construction programs	$3,036,405	$3,693,125	$3,913,280
Insurance and indemnities	$165,349	$196,571	$208,289
Total	**$6,272,737**	**$7,626,064**	**$8,080,670**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	2008 Estimates	2009 Estimates
Colorado			
Compensation and pensions	$590,421	$706,162	$748,257
Readjustment benefits	$75,011	$89,062	$94,371
General operating expenses	$32,717	$38,822	$41,136
Medical and construction programs	$1,098,637	$1,290,369	$1,367,291
Insurance and indemnities	$26,761	$31,752	$33,645
Total	**$1,823,548**	**$2,156,167**	**$2,284,701**
Connecticut			
Compensation and pensions	$200,987	$239,059	$253,310
Readjustment benefits	$41,575	$49,339	$52,280
General operating expenses	$8,812	$10,453	$11,076
Medical and construction programs	$342,369	$408,041	$432,365
Insurance and indemnities	$25,616	$30,393	$32,205
Total	**$619,358**	**$737,284**	**$781,235**
Delaware			
Compensation and pensions	$84,648	$100,517	$106,509
Readjustment benefits	$8,014	$9,506	$10,072
General operating expenses	$2,641	$3,132	$3,319
Medical and construction programs	$111,611	$132,585	$140,489
Insurance and indemnities	$5,165	$6,127	$6,492
Total	**$212,079**	**$251,867**	**$266,881**
District of Columbia			
Compensation and pensions	$50,450	$59,879	$63,449
Readjustment benefits	$13,507	$16,023	$16,979
General operating expenses	$1,213,545	$1,334,864	$1,414,438
Medical and construction programs	$767,572	$920,365	$975,230
Insurance and indemnities	$2,915	$3,458	$3,664
Total	**$2,047,990**	**$2,334,589**	**$2,473,759**
Florida			
Compensation and pensions	$2,597,220	$3,071,078	$3,254,151
Readjustment benefits	$215,150	$255,957	$271,215
General operating expenses	$86,448	$102,656	$108,776
Medical and construction programs	$2,433,427	$2,803,215	$2,970,321
Insurance and indemnities	$148,167	$176,102	$186,600
Total	**$5,480,412**	**$6,409,009**	**$6,791,063**
Georgia			
Compensation and pensions	$1,156,058	$1,393,954	$1,477,051
Readjustment benefits	$163,944	$194,898	$206,516
General operating expenses	$63,787	$75,722	$80,236
Medical and construction programs	$777,466	$932,360	$987,940
Insurance and indemnities	$38,246	$45,387	$48,092
Total	**$2,199,501**	**$2,642,321**	**$2,799,835**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	2008 Estimates	2009 Estimates
Hawaii			
Compensation and pensions	$164,815	$195,935	$207,615
Readjustment benefits	$21,565	$25,585	$27,110
General operating expenses	$9,077	$10,767	$11,409
Medical and construction programs	$124,314	$147,702	$156,507
Insurance and indemnities	$14,457	$17,151	$18,173
Total	**$334,229**	**$397,140**	**$420,815**
Idaho	$0		
Compensation and pensions	$189,450	$225,300	$238,731
Readjustment benefits	$18,513	$21,963	$23,273
General operating expenses	$4,463	$5,294	$5,610
Medical and construction programs	$112,118	$133,188	$141,128
Insurance and indemnities	$7,403	$8,782	$9,305
Total	**$331,948**	**$394,528**	**$418,046**
	$0		
Illinois	$0		
Compensation and pensions	$693,758	$830,980	$880,516
Readjustment benefits	$503,721	$601,721	$637,591
General operating expenses	$68,565	$81,400	$86,252
Medical and construction programs	$1,133,110	$1,317,066	$1,395,579
Insurance and indemnities	$67,424	$80,045	$84,816
Total	**$2,466,577**	**$2,911,212**	**$3,084,756**
Indiana			
Compensation and pensions	$488,490	$583,402	$618,179
Readjustment benefits	$44,061	$52,291	$55,408
General operating expenses	$18,224	$21,620	$22,908
Medical and construction programs	$435,176	$519,334	$550,293
Insurance and indemnities	$24,744	$29,358	$31,109
Total	**$1,010,695**	**$1,206,004**	**$1,277,897**
Iowa			
Compensation and pensions	$258,183	$307,340	$325,661
Readjustment benefits	$25,633	$30,413	$32,226
General operating expenses	$8,363	$9,920	$10,511
Medical and construction programs	$373,265	$445,059	$471,590
Insurance and indemnities	$20,316	$24,103	$25,540
Total	**$685,760**	**$816,834**	**$865,527**
Kansas			
Compensation and pensions	$275,607	$328,162	$347,724
Readjustment benefits	$30,827	$36,578	$38,758
General operating expenses	$9,168	$10,876	$11,524
Medical and construction programs	$431,499	$514,919	$545,615
Insurance and indemnities	$16,121	$19,124	$20,264
Total	**$763,222**	**$909,659**	**$963,886**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	2008 Estimates	2009 Estimates
Kentucky			
Compensation and pensions	$582,253	$696,311	$737,820
Readjustment benefits	$43,417	$51,527	$54,598
General operating expenses	$15,897	$18,859	$19,983
Medical and construction programs	$417,492	$498,105	$527,798
Insurance and indemnities	$16,602	$19,695	$20,869
Total	**$1,075,660**	**$1,284,496**	**$1,361,068**
	$0		
Louisiana	$0		
Compensation and pensions	$578,702	$692,030	$733,283
Readjustment benefits	$45,217	$53,664	$56,863
General operating expenses	$17,502	$20,763	$22,001
Medical and construction programs	$491,680	$587,237	$622,244
Insurance and indemnities	$18,812	$22,318	$23,649
Total	**$1,151,913**	**$1,376,012**	**$1,458,039**
Maine			
Compensation and pensions	$293,877	$350,007	$370,871
Readjustment benefits	$24,363	$28,906	$30,629
General operating expenses	$7,849	$9,311	$9,866
Medical and construction programs	$179,393	$213,310	$226,026
Insurance and indemnities	$9,034	$10,717	$11,356
Total	**$514,518**	**$612,250**	**$648,748**
	$0		
Maryland	$0		
Compensation and pensions	$514,834	$615,094	$651,761
Readjustment benefits	$60,118	$71,363	$75,618
General operating expenses	$16,393	$19,448	$20,607
Medical and construction programs	$411,648	$491,092	$520,367
Insurance and indemnities	$34,067	$40,425	$42,835
Total	**$1,037,060**	**$1,237,422**	**$1,311,188**
	$0		
Massachusetts	$0		
Compensation and pensions	$575,703	$688,414	$729,452
Readjustment benefits	$45,168	$53,606	$56,801
General operating expenses	$15,914	$18,879	$20,004
Medical and construction programs	$727,361	$871,648	$923,609
Insurance and indemnities	$42,901	$50,914	$53,949
Total	**$1,407,047**	**$1,683,460**	**$1,783,815**
	$0		
Michigan	$0		
Compensation and pensions	$751,559	$900,957	$954,665
Readjustment benefits	$63,929	$75,892	$80,416
General operating expenses	$27,419	$32,533	$34,472
Medical and construction programs	$764,621	$916,787	$971,439
Insurance and indemnities	$44,926	$53,318	$56,496
Total	**$1,652,453**	**$1,979,487**	**$2,097,489**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	2008 Estimates	2009 Estimates
Minnesota			
Compensation and pensions	$540,577	$646,087	$684,602
Readjustment benefits	$44,942	$53,337	$56,517
General operating expenses	$48,225	$57,236	$60,648
Medical and construction programs	$606,897	$726,038	$769,318
Insurance and indemnities	$34,507	$40,947	$43,388
Total	**$1,275,147**	**$1,523,645**	**$1,614,472**
	$0		
Mississippi	$0		
Compensation and pensions	$377,277	$449,868	$476,686
Readjustment benefits	$25,586	$30,357	$32,167
General operating expenses	$18,613	$22,082	$23,398
Medical and construction programs	$514,921	$615,199	$651,872
Insurance and indemnities	$11,416	$13,542	$14,349
Total	**$947,813**	**$1,131,048**	**$1,198,472**
	$0		
Missouri	$0		
Compensation and pensions	$659,252	$789,260	$836,310
Readjustment benefits	$62,667	$74,392	$78,827
General operating expenses	$59,201	$70,274	$74,463
Medical and construction programs	$765,108	$917,378	$972,065
Insurance and indemnities	$31,296	$37,136	$39,349
Total	**$1,577,524**	**$1,888,439**	**$2,001,013**
	$0		
Montana	$0		
Compensation and pensions	$170,229	$202,387	$214,452
Readjustment benefits	$13,896	$16,485	$17,467
General operating expenses	$4,824	$5,722	$6,063
Medical and construction programs	$116,392	$138,274	$146,517
Insurance and indemnities	$6,758	$8,016	$8,494
Total	**$312,098**	**$370,883**	**$392,992**
Nebraska			
Compensation and pensions	$202,222	$240,533	$254,872
Readjustment benefits	$24,642	$29,236	$30,979
General operating expenses	$8,039	$9,536	$10,104
Medical and construction programs	$234,464	$279,010	$295,643
Insurance and indemnities	$12,284	$14,572	$15,440
Total	**$481,651**	**$572,887**	**$607,038**
Nevada			
Compensation and pensions	$302,395	$360,195	$381,667
Readjustment benefits	$26,424	$31,352	$33,221
General operating expenses	$9,137	$10,839	$11,485
Medical and construction programs	$387,554	$462,190	$489,742
Insurance and indemnities	$11,179	$13,261	$14,051
Total	**$736,690**	**$877,837**	**$930,166**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	2008 Estimates	2009 Estimates
New Hampshire			
Compensation and pensions	$155,332	$184,637	$195,643
Readjustment benefits	$17,278	$20,498	$21,720
General operating expenses	$6,575	$7,799	$8,264
Medical and construction programs	$95,085	$112,928	$119,660
Insurance and indemnities	$8,750	$10,379	$10,997
Total	**$283,020**	**$336,240**	**$356,284**
New Jersey			
Compensation and pensions	$517,826	$618,695	$655,577
Readjustment benefits	$61,732	$73,281	$77,650
General operating expenses	$11,608	$13,770	$14,591
Medical and construction programs	$380,812	$454,106	$481,176
Insurance and indemnities	$55,510	$65,890	$69,818
Total	**$1,027,488**	**$1,225,742**	**$1,298,811**
	$0		
New Mexico	$0		
Compensation and pensions	$377,023	$449,564	$476,363
Readjustment benefits	$30,601	$36,310	$38,475
General operating expenses	$9,444	$11,202	$11,870
Medical and construction programs	$296,936	$353,665	$374,748
Insurance and indemnities	$12,720	$15,089	$15,988
Total	**$726,725**	**$865,831**	**$917,445**
	$0		
New York	$0		
Compensation and pensions	$1,185,225	$1,423,855	$1,508,734
Readjustment benefits	$157,041	$186,673	$197,801
General operating expenses	$73,213	$86,924	$92,105
Medical and construction programs	$1,889,598	$2,202,526	$2,333,824
Insurance and indemnities	$104,707	$124,372	$131,786
Total	**$3,409,784**	**$4,024,350**	**$4,264,250**
North Carolina			
Compensation and pensions	$1,342,232	$1,622,758	$1,719,494
Readjustment benefits	$130,752	$155,365	$164,627
General operating expenses	$40,453	$48,007	$50,869
Medical and construction programs	$926,510	$1,113,472	$1,179,848
Insurance and indemnities	$44,504	$52,817	$55,966
Total	**$2,484,451**	**$2,992,419**	**$3,170,804**
	$0		
North Dakota	$0		
Compensation and pensions	$84,300	$100,103	$106,070
Readjustment benefits	$11,271	$13,371	$14,168
General operating expenses	$4,030	$4,781	$5,066
Medical and construction programs	$119,411	$141,867	$150,324
Insurance and indemnities	$4,197	$4,979	$5,275
Total	**$223,210**	**$265,099**	**$280,903**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	**2008 Estimates**	**2009 Estimates**
Ohio	$0		
Compensation and pensions	$974,460	$1,067,892	$1,131,551
Readjustment benefits	$84,817	$100,718	$106,723
General operating expenses	$433,342	$517,132	$547,960
Medical and construction programs	$1,372,558	$1,601,837	$1,697,326
Insurance and indemnities	$59,440	$70,558	$74,764
Total	**$2,924,617**	**$3,358,137**	**$3,558,323**
	$0		
Oklahoma	$0		
Compensation and pensions	$836,416	$996,699	$1,056,114
Readjustment benefits	$73,204	$86,914	$92,095
General operating expenses	$46,393	$55,060	$58,342
Medical and construction programs	$424,009	$505,928	$536,087
Insurance and indemnities	$19,125	$22,690	$24,042
Total	**$1,399,148**	**$1,667,290**	**$1,766,681**
	$0		
Oregon	$0		
Compensation and pensions	$569,965	$681,497	$722,123
Readjustment benefits	$58,998	$70,033	$74,208
General operating expenses	$22,123	$26,247	$27,811
Medical and construction programs	$559,958	$669,436	$709,342
Insurance and indemnities	$21,236	$25,194	$26,696
Total	**$1,232,280**	**$1,472,408**	**$1,560,181**
Pennsylvania			
Compensation and pensions	$1,102,036	$1,264,028	$1,339,379
Readjustment benefits	$91,132	$108,227	$114,678
General operating expenses	$96,677	$114,820	$121,665
Medical and construction programs	$1,414,389	$1,690,828	$1,791,622
Insurance and indemnities	$84,131	$99,902	$105,857
Total	**$2,788,365**	**$3,277,805**	**$3,473,202**
	$0		
Puerto Rico	$0		
Compensation and pensions	$583,658	$698,006	$739,615
Readjustment benefits	$6,419	$7,614	$8,068
General operating expenses	$14,590	$17,308	$18,340
Medical and construction programs	$405,586	$483,818	$512,659
Insurance and indemnities	$3,908	$4,635	$4,911
Total	**$1,014,161**	**$1,211,381**	**$1,283,594**
	$0		
Rhode Island	$0		
Compensation and pensions	$118,501	$140,784	$149,176
Readjustment benefits	$7,467	$8,858	$9,386
General operating expenses	$4,913	$5,828	$6,175
Medical and construction programs	$150,028	$178,319	$188,949
Insurance and indemnities	$6,687	$7,932	$8,405
Total	**$287,597**	**$341,720**	**$362,091**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	2008 Estimates	2009 Estimates
South Carolina			
Compensation and pensions	$712,972	$854,229	$905,151
Readjustment benefits	$62,737	$74,475	$78,914
General operating expenses	$20,632	$24,478	$25,937
Medical and construction programs	$481,529	$575,031	$609,310
Insurance and indemnities	$24,266	$28,791	$30,507
Total	**$1,302,136**	**$1,557,004**	**$1,649,820**
South Dakota			
Compensation and pensions	$128,611	$152,817	$161,926
Readjustment benefits	$13,642	$16,183	$17,148
General operating expenses	$5,299	$6,286	$6,660
Medical and construction programs	$236,969	$282,001	$298,812
Insurance and indemnities	$5,451	$6,466	$6,851
Total	**$389,972**	**$463,753**	**$491,398**
Tennessee			
Compensation and pensions	$740,717	$887,823	$940,748
Readjustment benefits	$62,015	$73,617	$78,006
General operating expenses	$32,341	$38,375	$40,663
Medical and construction programs	$914,448	$1,023,396	$1,084,403
Insurance and indemnities	$25,456	$30,203	$32,003
Total	**$1,774,977**	**$2,053,415**	**$2,175,823**
	$0		
Texas	$0		
Compensation and pensions	$3,031,407	$3,604,134	$3,818,984
Readjustment benefits	$298,543	$355,587	$376,785
General operating expenses	$334,636	$398,780	$422,553
Medical and construction programs	$2,191,157	$2,669,729	$2,828,877
Insurance and indemnities	$96,925	$115,115	$121,978
Total	**$5,952,668**	**$7,143,346**	**$7,569,176**
Utah			
Compensation and pensions	$172,409	$204,985	$217,204
Readjustment benefits	$23,391	$27,752	$29,406
General operating expenses	$13,679	$16,227	$17,194
Medical and construction programs	$239,434	$284,945	$301,931
Insurance and indemnities	$10,334	$12,258	$12,989
Total	**$459,246**	**$546,166**	**$578,724**
Vermont			
Compensation and pensions	$68,543	$81,374	$86,225
Readjustment benefits	$17,540	$20,809	$22,050
General operating expenses	$2,212	$2,624	$2,781
Medical and construction programs	$119,543	$142,024	$150,490
Insurance and indemnities	$3,722	$4,415	$4,678
Total	**$211,561**	**$251,246**	**$266,223**

Amounts Included in FY 2009 President's Budget (dollars in thousands)			
	2007 Actuals	2008 Estimates	2009 Estimates
Virginia			
Compensation and pensions	$1,106,717	$1,183,587	$1,254,142
Readjustment benefits	$141,133	$167,726	$177,724
General operating expenses	$42,706	$50,682	$53,703
Medical and construction programs	$626,264	$749,414	$794,089
Insurance and indemnities	$47,644	$56,546	$59,917
Total	**$1,964,464**	**$2,207,955**	**$2,339,575**
Washington			
Compensation and pensions	$968,480	$1,112,387	$1,178,699
Readjustment benefits	$92,824	$110,239	$116,811
General operating expenses	$24,844	$29,477	$31,234
Medical and construction programs	$604,069	$722,626	$765,703
Insurance and indemnities	$36,444	$43,246	$45,824
Total	**$1,726,662**	**$2,017,975**	**$2,138,271**
West Virginia			
Compensation and pensions	$353,804	$421,737	$446,878
Readjustment benefits	$57,242	$67,947	$71,998
General operating expenses	$30,442	$36,121	$38,274
Medical and construction programs	$500,770	$598,172	$633,830
Insurance and indemnities	$9,310	$11,044	$11,702
Total	**$951,568**	**$1,135,021**	**$1,202,682**
Wisconsin	$0		
Compensation and pensions	$538,129	$643,139	$681,478
Readjustment benefits	$47,077	$55,872	$59,203
General operating expenses	$27,178	$32,247	$34,170
Medical and construction programs	$582,842	$697,021	$738,572
Insurance and indemnities	$35,494	$42,118	$44,629
Total	**$1,230,719**	**$1,470,399**	**$1,558,052**
Wyoming			
Compensation and pensions	$68,912	$81,813	$86,690
Readjustment benefits	$7,277	$8,632	$9,146
General operating expenses	$718	$852	$902
Medical and construction programs	$123,028	$146,171	$154,885
Insurance and indemnities	$3,073	$3,645	$3,862
Total	**$203,007**	**$241,111**	**$255,485**
Manila			
Compensation and pensions	$110,378	$131,119	$138,935
Readjustment benefits	$136	$161	$171
General operating expenses	$4,907	$5,820	$6,167
Medical and construction programs	$7,220	$8,564	$9,075
Insurance and indemnities	$506	$600	$636
Total	**$123,147**	**$146,264**	**$154,983**
Guam			
Compensation and pensions	$23,872	$28,323	$30,011
Readjustment benefits	$289	$342	$363
General operating expenses	$0	$0	$0
Medical and construction programs	$5,175	$6,138	$6,504
Insurance and indemnities	$3,269	$3,877	$4,109
Total	**$32,604**	**$38,681**	**$40,986**

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Appropriation Structure

Appropriations and funds are listed below with a brief description of the scope of the account:

Medical Programs

Appropriations

MEDICAL CARE PROGRAMS: Provides for a comprehensive, integrated health care delivery system that addresses the needs of the Nation's veterans by financing the operation, maintenance, and administration from the following accounts that are required to address the health care needs of eligible veterans.

MEDICAL SERVICES: Provides for a comprehensive, integrated health care delivery system that addresses the needs of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the Civilian Health and Medical Programs for the Department of Veterans Affairs (CHAMPVA). In the FY 2009 request, the Medical Administration appropriation is being consolidated into the Medical Services appropriation. Merging these two accounts will improve the execution of the budget and will allow VA to respond rapidly to unanticipated changes in the health care environment throughout the year. This portion of the Medical Services appropriation finances the expenses of management, security, and administration of the VA health care system through the operation of VA medical centers, other facilities, Veterans Integrated Service Network offices and facility director offices, chief of staff operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, and human resource management. This is an annual, multi-year, and no-year account.

MEDICAL FACILITIES: Provides for the operations and maintenance of the VA health care system's vast capital infrastructure required to provide health care to the Nation's veterans. These costs include utilities, engineering, capital planning, leases, laundry services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition. This is an annual, multi-year, and no-year account.

DOD VA HEALTH CARE SHARING INCENTIVE FUND: Provides a minimum of $15,000,000 for a joint incentive program to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives at the facility, intra-regional, and nationwide levels. Section 8111(d) of title 38, United States Code requires each Secretary to contribute a minimum of $15,000,000 from the funds appropriated to the Secretary's Department fund and to establish the fund effective October 1, 2003. P.L. 109-364, John Warner National Defense Authorization Act for Fiscal Year 2007, section 743, amended section 8111(d)(4) of title 38, United States Code, to extend the program 3 years to September 30, 2010. This is a no-year account.

MEDICAL AND PROSTHETIC RESEARCH: Supports research that facilitates and improves the primary function of VHA, which is to provide high-quality and cost-effective medical care to eligible veterans and contribute to the Nation's knowledge about disease and disability. This is a multi-year appropriation and no-year appropriation.

Special Funds

MEDICAL CARE COLLECTIONS FUND: Provides medical collections that are used for specified purposes to support the health care for eligible veterans. Public Law 105-33, the Balanced Budget Act of 1997, established the Department of Veterans Affairs Medical Care Collections Fund (MCCF). It required that amounts collected or recovered after June 30, 1997, be deposited in the MCCF. The amounts collected in the fund are available only for: 1) VA medical care and services during any fiscal year; and 2) VA expenses for identifying, billing, auditing, and collecting amounts owed the government. VA has the authority to collect inpatient, outpatient, medication, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for non-service connected conditions; and authority to collect revenue from enhanced use leases. Public Law 108-7, the Consolidated Appropriations Resolution, 2003, granted permanent authority to recover pharmacy co-payments for outpatient medication. VA's authority to do income verification with the Social Security Administration and Internal Revenue Service was extended through September 30, 2008, by section 402(d) of Public Law 106-419, the Veterans Benefits and Health Care Improvement Act of 2000. Public Law 108-199, the

Consolidated Appropriations Act, 2004, and P.L. 108-447, the Consolidated Appropriations Act, 2005, require revenue from the following accounts to be deposited into the MCCF beginning in FY 2004:

Long-Term Care Co-Payments (Formerly Veterans Extended Care Revolving Fund: This account was established by Public Law 106-117, the Veterans Millennium Health Care and Benefits Act. This account receives per diems and co-payments from certain patients receiving extended care services as authorized in title 38, U.S.C., § 1701B. Amounts deposited in the account are used to provide extended care services.

Compensated Work Therapy Program (formerly Special Therapeutic and Rehabilitation Activities Fund): This program, established pursuant to the Veterans Omnibus Health Care Act of 1976, Public Law 94-581, approved October 21, 1976, provides a mechanism for furnishing rehabilitative services to certain veteran beneficiaries receiving medical care and treatment from VA. Funds to operate the various rehabilitative activities and provide therapeutic work for remuneration of patients and members in VA facilities are derived from contractual arrangements with private industry, non-profit organizations, and State and Federal entities. This is a self-sustaining activity that does not require an appropriation.

Compensation and Pensions Living Expenses Program (formerly Medical Facilities Revolving Fund): This program provides for operating expenses of VA medical facilities furnishing nursing home care to certain veterans who receive Pensions. Title 38, U.S.C., provides that a veteran with no spouse or child will receive $90 per month in Pensions beginning the third full month following the month of admission to VA-furnished nursing home care. The difference between the $90 the veteran receives and the amount otherwise authorized is transferred to this fund to cover the expenses of the facility furnishing the nursing home care. Public Law 105-368, Veterans Programs Enhancement Act of 1998, has granted permanent authority for the transfer of Pensions funds in excess of $90 per month from the Compensation and Pensions account, in accordance with the provisions of title 38, U.S.C. § 5503(a)(1)(B). This authority will be retroactive as of October 1, 1997.

Parking Program (formerly Parking Revolving Fund): VA collects parking fees for the use of parking facilities at VA facilities.

Other Revolving Funds

MEDICAL CENTER RESEARCH ORGANIZATIONS: The Veterans' Benefits and Services Act of 1988, P.L. 100-322 authorized VA Research and Education Corporations to provide a mechanism whereby non-VA funds may be received and administered to perform research by a nonprofit corporation at any VA medical center.

CANTEEN SERVICE REVOLVING FUND: This fund finances the operation of canteens at all medical facilities. These activities are under the management of the Veterans Canteen Service, established by Congress in 1946. Income from sales makes this a self-sustaining activity.
Other Trust Funds

Other Trust Funds

GENERAL POST FUND: This trust fund consists of gifts, bequests, and proceeds from the sale of property left in the care of VA facilities by former beneficiaries who die leaving no heirs or without having otherwise disposed of their estates. Such funds are used to promote the comfort and welfare of veterans in hospitals and other facilities where no general appropriation is available for this purpose. In addition, donations from pharmaceutical companies, non-profit corporations, and individuals to support VA medical research are deposited in this fund.

Benefits Programs

Appropriations

COMPENSATION AND PENSIONS: Provides for compensation payments to service-connected disabled veterans and their survivors; provides for pension payments, subject to an income standard, to war-time veterans who are permanently and totally disabled from non-service-connected causes and their survivors; and provides burial and other benefits to veterans and their survivors.

READJUSTMENT BENEFITS: Provides payments for education and training for eligible veterans and dependents, as well as special assistance to disabled veterans. Funding provided for this program consists of direct appropriations to this VA account, as well as offsetting collections received from the Department of Defense.

VETERANS INSURANCE AND INDEMNITIES: Provides payment for extra hazard costs to the National Service Life Insurance and United States Government Life Insurance funds, supplements the Service-Disabled Veterans Insurance Fund, and provides direct payment to policyholders. It also provides funds for expenses of the Veterans Mortgage Life Insurance Program.

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT: Funding for this account consists primarily of voluntary contributions by eligible servicepersons and Department of Defense matching contributions on behalf of specific servicepersons. The account serves as a depository and disbursing account for the contributory-matching education program which provides educational assistance payments to participants who entered the service between January 1, 1977 and June 30, 1985, and are pursuing training under chapter 32 (38 U. S. C.). Public Law 99-576, enacted October 28, 1986, permanently closed the program to new enrollees after March 31, 1987. However, the enactment of Public Law 101-510 allows servicepersons enrolled or eligible to enroll in the program who are involuntarily separated from the service on or after February 3, 1991, an opportunity to receive assistance under the Montgomery GI Bill (MGIB) program in lieu of Post-Vietnam Era Veterans Education Program (VEAP). Public Law 102-484 extended the same opportunity to certain servicepersons who voluntarily separated from the military on or after December 5, 1991. An opportunity to enroll in the MGIB program also was extended to Chapter 32 (and section 903) servicepersons, who were VEAP participants on October 9, 1996, under Public Law 104-275.

Revolving Funds

VOCATIONAL REHABILITATION REVOLVING FUND: Loans (advances) will be made to disabled veterans eligible for vocational rehabilitation who are without sufficient funds to meet their expenses. Under the Federal Credit Reform Act of 1990, this fund now receives a direct appropriation for its administrative expenses, which it reimburses directly to the General Operating Expenses appropriation. Subsidy budget authority is provided for costs associated with loans obligated in 1992 and beyond.

VETERANS HOUSING BENEFIT PROGRAM FUND: The Veterans Housing Benefit Program Fund (VHBPF) reflects the loan financing activity in the Direct Loan Financing Account, Guaranteed Loan Financing Account, the Loan Sales Securities Guaranteed Loan Financing Account, and the Transitional Housing Direct Loan Financing Account. All direct and

guaranteed loans made prior to September 30, 1991, are scored in the VHBPF Liquidating Account. Under the Federal Credit Reform Act of 1990, all direct and guaranteed loans made after September 30, 1991, are financed by subsidy appropriations to the VHBPF Program Account. This account also receives an appropriation for administrative expenses. The principal objective of the loan guaranty program is to encourage and facilitate the extension of favorable credit terms by private lenders to veterans for the purchase, construction, or improvement of homes to be occupied by veterans and their families.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM: This program was established in the Veterans Benefits Improvement Act of 1998, Public Law 105-368. The program is a pilot project designed to expand the supply of transitional housing for homeless veterans by authorizing the Secretary to guarantee loans for self-sustaining housing projects specifically designed to create long-term transitional housing for homeless veterans. VA may guarantee up to 15 loans with a maximum aggregate value of $100 million. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee. All funds authorized for this program were appropriated by the end of 2000; therefore, no appropriation language has been included in this budget. The loan financing activity of this account is shown under the "Transitional Housing Direct Loan Financing Account" in the President's budget.

NATIVE AMERICAN VETERANS HOUSING PROGRAM: This program was designed to test the feasibility of enabling VA to make direct home loans to Native American Veterans who live on U.S. trust lands. Annual appropriations are received for administrative expenses associated with this program. This program began as a pilot program in 1993 and was made permanent in 2006. The direct loan financing activity of this account is shown under the "Native American Direct Loan Financing Account" in the President's budget.

SERVICEMEMBER'S GROUP LIFE INSURANCE FUND: Established in 1965 as the financing mechanism to provide Group Life Insurance to members of the uniformed forces on active duty and certain members of the Reserves. Premiums, including the cost of administration, are deducted monthly from the serviceperson's pay and remitted by each uniformed service to VA and, in turn, to the primary insurer. The Government contributes toward the military extra hazard cost by paying for all death claims over a certain maximum as defined by law. Public Law 109-80 increased the maximum amount of coverage available to $400,000, effective September 1, 2005. In addition, Public

Law 109-13 provides for Traumatic Servicemember's Group Life Insurance, effective December 1, 2005. This program provides for payment between $25,000 and $100,000 to any member of the uniformed services covered by SGLI who sustains a traumatic injury that results in certain serious losses.

Public Enterprise Funds

SERVICE-DISABLED VETERANS INSURANCE FUND: This program finances claim payments on non-participating policies issued to service-disabled veterans who served in the Armed Forces after April 25, 1951. The program provides insurance coverage for service-disabled veterans at standard rates. Claim payments exceed premium receipts each year. Funds are derived mainly from premiums and payments from the Veterans Insurance and Indemnities appropriation. Public Law 106-419 allowed for term premiums to be frozen, effective November 1, 2000, at the first renewal after the insured reaches age 70 and remain frozen thereafter.

VETERANS REOPENED INSURANCE FUND: Established in 1965 as the financing mechanism for a program authorizing reopening of National Service Life Insurance for one year, for certain disabled veterans of World War II and the Korean conflict. Operations are financed from premiums collected from policyholders and interest on investments.

Trust Funds

NATIONAL SERVICE LIFE INSURANCE FUND: Started in 1940 as the financing mechanism for World War II insurance. Closed to new issues in 1951. Income is derived from premiums, interest on investments, and transfers from Veterans Insurance and Indemnities appropriation.

UNITED STATES GOVERNMENT LIFE INSURANCE FUND: Started in 1919 as the financing mechanism for converted insurance issued under the War Risk Insurance Act of 1914, as amended. Closed to new issues April 1951. Income is derived from interest on investments and transfers from the Veterans Insurance and Indemnities appropriation.

VETERANS SPECIAL LIFE INSURANCE FUND: Finances the payment of claims for the insurance program authorized for insurable veterans who served after April 1951 and before January 1, 1957. Income is derived mainly from premiums and interest on investments.

Departmental Administration

Appropriations

GENERAL OPERATING EXPENSES: For the administration of all VA non-medical benefits and support functions for the entire Department. Includes the Veterans Benefits Administration and the General Administration activities. While the program accounts associated with credit reform receive an appropriation directly for associated administrative expenses, total obligations from those appropriations are reflected under the General operating expenses account, with financing provided as offsetting collections.

NATIONAL CEMETERY ADMINISTRATION: This appropriation provides funding for the administration of all functions associated with the National Cemetery Administration. Provides, upon request, for the interment in any national cemetery with available grave space the remains of eligible deceased service persons and discharged veterans (together with their spouses and certain dependents).

OFFICE OF THE INSPECTOR GENERAL: Responsible for the audit, investigation, and inspection of all Department of Veterans Affairs programs and operations.

INFORMATION TECHNOLOGY SYSTEMS ACCOUNT: This appropriation will fund payroll and non-payroll information technology requirements of the Department. In addition, this account will receive reimbursements from the credit programs, the insurance benefit programs, and other revolving funds.

CONSTRUCTION, MAJOR PROJECTS: For constructing, altering, extending, and improving any VA facility, including planning, assessments of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is $10 million or more or where funds for a project were made available in a previous major project appropriation.

CONSTRUCTION, MINOR PROJECTS: For constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is equal to or less than $10 million.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES: This account was approved on August 19, 1964, and authorized as an appropriation in 1965. Grants to States are to acquire or construct State nursing

home and domiciliary facilities and to remodel, modify, or alter existing hospitals, nursing homes, and domiciliary facilities in State homes. A grant may not exceed 65 percent of the total cost of the project. Public Law 102-585 granted permanent authority for this program. Public Law 104-262 added Adult Day Health Care and another level of care that may be provided by State homes. This is a no-year account.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES: Grants to aid States in establishing, expanding or improving State veterans' cemeteries. A grant can be up to 100 percent of the total value of the land and the cost of improvement. Federal funding for the cost of initial equipment when the cemetery is established is also permitted. The States remain responsible for providing the land and paying for all costs related to the operation and maintenance of the state cemeteries, including the cost for subsequent equipment purchases.

Other Revolving Funds

PERSHING HALL REVOLVING FUND: Established by Public Law 102-86 for the operation and maintenance of Pershing Hall, an asset of the United States located in Paris, France. Receipts generated by the operation of Pershing Hall are also deposited in the revolving fund.

NATIONAL CEMETERY GIFT FUND: Consists of gifts and bequests which are made for the purpose of beautifying national cemeteries or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona.

DEPARTMENT OF VETERANS AFFAIRS CAPITAL ASSET FUND: Provides for costs associated with the transfer and future transfers of real property, including costs of demolition, environmental remediation, maintenance and repair, improvements to facilitate the transfer, and administrative expenses. This account also finances costs associated with enhancing medical care services to veterans by improving, renovating, replacing, updating, or establishing patient care facilities through construction projects. Additionally, costs associated with the transfer, lease, or adaptive use of a structure or property under the jurisdiction of the Secretary that is listed on the National Register of Historic Places will be financed in this account. Receipts to this account will be realized from the transfer of real property to another department or agency of the United States, to a State (or a political subdivision of a state), or to any public or private entity, including an Indian tribe in accordance with P. L. 108-422. This is a no-year revolving fund.

Intragovernmental Funds

SUPPLY REVOLVING FUND: Established in 1953, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. Functioning as an intragovernmental fund, without fiscal year limitation, it seeks to assure the most timely, cost-effective acquisition of goods and services for VA programs. As a self-sustaining fund, the majority of its operating expenses are recovered through a mark-up on goods sold.

FRANCHISE FUND: The Franchise Fund has permanent authority under P.L. 104-204, as amended by P.L. 109-114. Established in 1997, the Franchise Fund provides VA program offices with common administrative services and is financed on a fee-for-service basis.

2007-2009 Budget Tables

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Department of Veterans Affairs

Discretionary and Mandatory Programs Funding and Average Employment for 2007 - 2009

(dollars in thousands)

	2007 (BY)			2008- Current Estimate (BY)			2009 (BY)			Change (BY - CY)			Percentage Change [(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Discretionary Programs															
Medical Programs- VHA															
Medical Services (with Medical Administration)	$28,973,009	$27,625,131	177,896	$32,500,837	$31,910,389	191,610	$34,075,503	$33,448,270	194,410	$1,574,666	$1,537,881	2,800	4.85%	4.82%	1.46%
Recission P.L 110-161 (non-add)				*-$66,000*											
Collections	2,219,169	2,098,642	0	2,340,787	2,286,059	0	2,466,860	2,410,127	0	$126,073	$124,068	0	5.39%	5.43%	#DIV/0!
Subtotal Medical Services	**31,192,178**	**29,723,773**	**177,896**	**34,841,624**	**34,196,448**	**191,610**	**36,542,363**	**35,858,397**	**194,410**	**$1,700,739**	**$1,661,949**	**2,800**	**4.88%**	**4.86%**	**1.46%**
Medical Facilities	4,548,165	3,544,804	26,678	4,073,182	4,152,205	23,905	4,661,000	4,658,601	24,181	$587,818	$506,396	276	14.43%	12.20%	1.15%
VA/DoD Sharing Incentive Fund	70,000	35,663	88	15,000	36,250	88	0	28,750	88	$-15,000	$-7,500	0	-100.00%	-20.69%	0.00%
Total Medical care	**35,810,343**	**33,304,240**	**204,662**	**38,929,806**	**38,384,903**	**215,603**	**41,203,363**	**40,545,748**	**218,679**	**$2,273,557**	**$2,160,845**	**3,076**	**5.84%**	**5.63%**	**1.43%**
Medical research	446,480	403,841	3,175	480,000	462,100	3,250	442,000	444,354	3,201	$-38,000	$-17,746	-49	-7.92%	-3.84%	-1.51%
Subtotal, VHA	**36,256,823**	**33,708,081**	**207,837**	**39,409,806**	**38,847,003**	**218,853**	**41,645,363**	**40,990,102**	**221,880**	**$2,235,557**	**$2,143,099**	**3,027**	**5.67%**	**5.52%**	**1.38%**
National Cemetery Administration- NCA															
Burial Administration	**160,231**	**156,263**	**1,541**	**193,858**	**175,773**	**1,552**	**180,959**	**187,750**	**1,603**	**$-12,899**	**$11,978**	**51**	**-6.65%**	**6.81%**	**3.29%**
Information Technology															
Information Technology	**1,247,846**	**1,111,376**	**0**	**2,053,247**	**1,898,833**	**6,686**	**2,442,066**	**2,265,158**	**6,780**	**$388,819**	**$366,325**	**94**	**18.94%**	**19.29%**	**1.41%**
Construction															
Veterans Health Administration	307,350	356,149		901,700	689,103		471,582	662,617		$-430,118	$-26,486	0	-47.70%	-3.84%	#DIV/0!
Supplemental PL 110-161 (non-add)				*66,000*											
Veterans Benefits Administration	0	-82		0	92		0	23		$0	$-69	0	#DIV/0!	-75.00%	#DIV/0!
National Cemetary Administration	53,400	76,189		167,400	54,303		105,000	69,067		$-62,400	$14,764	0	-37.28%	27.19%	#DIV/0!
Staff Offices	38,250	4,880		0	6,907		5,000	10,975		$5,000	$4,068	0	#DIV/0!	58.90%	#DIV/0!
Subtotal Major Construction	***399,000***	***437,136***	***0***	***1,069,100***	***750,405***	***0***	***581,582***	***742,682***	***0***	$-487,518	$-7,723	0	-45.60%	-1.03%	#DIV/0!
Minor															
Veterans Health Administration	476,000	212,705		508,539	395,438		273,418	430,714		$-235,121	$35,276	0	-46.23%	8.92%	#DIV/0!
Veterans Benefits Administration	14,000	22,317		31,000	18,009		13,000	22,466		$-18,000	$4,457	0	-58.06%	24.75%	#DIV/0!
National Cemetary Administration	25,000	25,943		75,000	33,519		25,000	49,688		$-50,000	$16,169	0	-66.67%	48.24%	#DIV/0!
Staff Offices	9,937	6,350		15,996	9,198		18,000	13,865		$2,004	$4,667	0	12.53%	50.74%	#DIV/0!
Subtotal Minor Construction	***524,937***	***267,315***	***17***	***630,535***	***456,164***	***19***	***329,418***	***516,733***	***19***	$-301,117	$60,569	0	-47.76%	13.28%	0.00%
Grants For State Extended Care Facilities	85,000	108,793		165,000	95,384		85,000	96,769		$-80,000	$1,385	0	-48.48%	1.45%	#DIV/0!
Grants For State Cemeteries	32,000	25,585		39,500	26,831		32,000	23,747		$-7,500	$-3,084	0	-18.99%	-11.49%	#DIV/0!
Total Construction	**1,040,937**	**838,829**	**17**	**1,904,135**	**1,328,784**	**19**	**1,028,000**	**1,379,931**	**19**	$-876,135	$51,147	0	-46.01%	3.85%	0.00%
Departmental Administration- GOE															
Veteran Benefits Administration															
Compensation Administration (includes Burial)	883,043	781,773	8,410	940,228	907,917	9,956	969,904	943,457	10,920	$29,676	$35,540	964	3.16%	3.91%	9.68%
Pensions Administration	140,027	144,547	1,515	140,770	137,909	1,461	143,632	140,095	1,200	$2,862	$2,186	-261	2.03%	1.59%	-17.86%
Subtotal, Compensation and Pension	**1,023,070**	**926,320**	**9,925**	**1,080,998**	**1,045,826**	**11,417**	**1,113,536**	**1,083,552**	**12,120**	**$32,538**	**$37,726**	**703**	**3.01%**	**3.61%**	**6.16%**
Education Administration	86,468	87,817	958	90,044	87,599	971	96,693	93,440	991	$6,649	$5,841	20	7.38%	6.67%	2.06%
Vocational Rehabilitation and Employment	134,804	134,229	1,187	151,751	145,542	1,185	156,632	152,234	1,179	$4,881	$6,692	-6	3.22%	4.60%	-0.51%
Insurance Administration	4,903	5,167	451	4,044	3,977	396	4,892	4,529	392	$848	$552	-4	20.97%	13.88%	-1.01%
Subtotal GOE, VBA without Credit Reform	**1,249,245**	**1,153,533**	**12,521**	**1,326,837**	**1,282,944**	**13,969**	**1,371,753**	**1,333,755**	**14,682**	**$44,916**	**$50,811**	**713**	**3.39%**	**3.96%**	**5.10%**
GOE- SSA (Mandatory)				-4,961	-3,961			-1,000		$4,961	$2,961	0	-100.00%	-74.75%	#DIV/0!
Discretionary VBA GOE	**1,249,245**	**1,153,533**	**12,521**	**1,321,876**	**1,278,983**	**13,969**	**1,371,753**	**1,332,755**	**14,682**	**$49,877**	**$53,772**	**713**	**3.77%**	**4.20%**	**5.10%**

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding and Average Employment for 2007 - 2009
(dollars in thousands)

	2007 (BY)			2008- Current Estimate (BY)			2009 (BY)			Change (BY - CY)			Percentage Change [(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Discretionary Programs															
General Administration		322,559			319,443			320,789		$0	$1,346	0	#DIV/0!	0.42%	#DIV/0!
Office of the Secretary	7,782		79	8,267		82	8,530		82	$263	$0	0	3.18%	#DIV/0!	0.00%
Office of Construction Facilities Management	23,021		119	46,725		273	45,243		289	$-1,482	$0	16	-3.17%	#DIV/0!	5.86%
Board of Contract Appeals	1,181		1	0		0	0		0	$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Board of Veterans Appeals	55,309		444	62,269		466	64,744		487	$2,475	$0	21	3.97%	#DIV/0!	4.51%
General Counsel	65,442		669	68,405		657	69,739		671	$1,334	$0	14	1.95%	#DIV/0!	2.13%
AS for Management	39,691		262	37,161		263	36,946		267	$-215	$0	4	-0.58%	#DIV/0!	1.52%
AS for Information and Technology	35,846		604	0		0	0		0	$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
AS for Human Resources & Administration	64,664		498	61,291		533	61,901		533	$610	$0	0	1.00%	#DIV/0!	0.00%
AS for Policy, and Planning	17,150		65	14,456		55	14,602		65	$146	$0	10	1.01%	#DIV/0!	18.18%
AS for Operations, Security & Preparedness	12,062		57	11,911		70	12,025		70	$114	$0	0	0.96%	#DIV/0!	0.00%
AS for Public and Intergovernmental Affairs	10,543		70	9,905		73	10,005		73	$100	$0	0	1.01%	#DIV/0!	0.00%
AS for Congressional and Legislative Affairs	4,436		33	4,334		40	4,379		38	$45	$0	-2	1.04%	#DIV/0!	-5.00%
Subotal General Administration	**337,127**	**322,559**	**2,901**	**324,724**	**319,443**	**2,512**	**328,114**	**320,789**	**2,575**	**$3,390**	**$1,346**	**63**	**1.04%**	**0.42%**	**2.51%**
GOE- SSA (Mandatory)				-1,039	-1,039					$1,039	$1,039	0	-100.00%	-100.00%	#DIV/0!
Discretionary General Administration GOE	**337,127**	**322,559**	**2,901**	**323,685**	**318,404**	**2,512**	**328,114**	**320,789**	**2,575**	**$4,429**	**$2,385**	**63**	**1.37%**	**0.75%**	**2.51%**
Office of Inspector General															
Total Office of Inspector General	70,641	71,696	470	80,500	76,584	521	76,500	75,211	465	$-4,000	$-1,373	-56	-4.97%	-1.79%	-10.75%
Credit Reform Administrative									465						
Credit Reform Administrative- VBA															
Native American loan administrative	*564*	*552*	*0*	*608*	*589*	*0*	*626*	*611*	*0*	$18	$22	0	2.96%	3.74%	#DIV/0!
Vocational rehabilitation loan program - admin	306	299	0	311	304	0	320	312	0	$9	$8	0	2.89%	2.63%	#DIV/0!
Veterans housing benefit program fund program	*125,711*	*126,019*	*983*	*114,216*	*117,357*	*888*	*116,903*	*119,156*	*888*	$2,687	$1,799	0	2.35%	1.53%	0.00%
Subtotal VBA	*126,581*	*126,870*	*983*	*115,135*	*118,250*	*888*	*117,849*	*120,079*	*888*	$2,714	$1,829	0	2.36%	1.55%	0.00%
Credit Reform Administrative- General Counsel										$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Native American loan administrative	20	19		20	19		20	19		$0	$0	0	0.00%	0.00%	#DIV/0!
Transitional Housing for Homeless Veterans (Non-Add)	20	19		20	19		20	19		$0	$0	0	0.00%	0.00%	#DIV/0!
Veterans housing benefit program fund program	4,885	4,767		4,989	4,869		5,140	5,011		$151	$142	0	3.03%	2.92%	#DIV/0!
Subtotal General Counsel	*4,905*	*4,786*	*0*	*5,009*	*4,888*	*0*	*5,160*	*5,030*	*0*	$151	$142	0	3.01%	2.91%	#DIV/0!
Credit Reform Administrative- VHA										$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Transitional Housing for Homeless Veterans (Non-Add)	730	714		730	715		730	715		$0	$0	0	0.00%	0.00%	#DIV/0!
Subtotal VBA	730	714	0	730	715	0	730	715	0	$0	$0	0	0.00%	0.00%	#DIV/0!
Credit Reform Administrative- OIT										$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Veterans Housing	21,731	20,671	0	35,357	32,772		35,167	34,314		$-190	$1,542	0	-0.54%	4.71%	#DIV/0!
Subtotal OIT	21,731	20,671	0	35,357	32,772	0	35,167	34,314	0	$-190	$1,542	0	-0.54%	4.71%	#DIV/0!
Credit Reform Subsidy										$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Vocational rehabilitation loan program - subsidy	53	51	0	71	67	0	61	62	0	$-10	$-5	0	-14.08%	-7.46%	#DIV/0!
Subtotal, Credit Reform Subsidy	**53**	**51**	**0**	**71**	**67**	**0**	**61**	**62**	**0**	$-10	$-5	0	-14.08%	-7.46%	#DIV/0!
Subtotal, Credit Reform Administrative	**153,217**	**152,327**	**983**	**155,501**	**155,910**	**888**	**158,176**	**159,423**	**888**	**$2,675**	**$3,513**	**0**	**1.72%**	**2.25%**	**0.00%**
Total, Other Discretionary	**4,705,777**	**4,210,475**	**21,608**	**6,512,873**	**5,695,438**	**29,397**	**6,027,629**	**6,165,433**	**30,213**	**$-485,244**	**$469,996**	**816**	**-7.45%**	**8.25%**	**2.78%**
Total, Discretionary Program w/o Collections	**38,296,951**	**35,416,073**	**226,270**	**43,101,892**	**41,794,282**	**245,000**	**44,764,132**	**44,301,054**	**248,892**	**$1,662,240**	**$2,506,773**	**3,892**	**3.86%**	**6.00%**	**1.59%**
Total, Discretionary Program with Collections	**40,516,120**	**37,514,715**	**226,270**	**45,442,679**	**44,080,341**	**245,000**	**47,230,992**	**46,711,181**	**248,892**	**$1,788,313**	**$2,630,841**	**3,892**	**3.94%**	**5.97%**	**1.59%**
Proprietary Receipts															
Medical Care Collections Fund (MCCF)	-2,226,653	-2,226,653		-2,340,787	-2,340,787		-2,466,860	-2,466,860		$-126,073	$-126,073	0	5.39%	5.39%	#DIV/0!
Receipts- Construction	0														
Subtotal, Proprietary Receipts	**-2,226,653**	**-2,226,653**		**-2,340,787**	**-2,340,787**		**-2,466,860**	**-2,466,860**		**$-126,073**	**$-126,073**	**0**	**5.39%**	**5.39%**	**#DIV/0!**
Total, Discretionary Programs	**$38,289,467**	**$35,288,062**	**226,270**	**$43,101,892**	**$41,739,554**	**245,000**	**$44,764,132**	**$44,244,321**	**248,892**	**$1,662,240**	**$2,504,768**	**3,892**	**3.86%**	**6.00%**	**1.59%**

Department of Veterans Affairs

Discretionary and Mandatory Programs Funding and Average Employment for 2007 - 2009

(dollars in thousands)

	2007 (BY)			2008- Current Estimate (BY)			2009 (BY)			Change (BY - CY)			Percentage Change [(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Mandatory Programs															
Benefit Programs															
Compensation and Pensions															
Disability Compensation Benefits	34,313,268	31,055,100		37,126,268	37,263,586		38,199,058	39,041,439		$1,072,790	$1,777,853	0	2.89%	4.77%	#DIV/0!
Proposed legislation - COLA Increase of 2.5% in 2009							687,235	687,235		$687,235	$687,235	0	#DIV/0!	#DIV/0!	#DIV/0!
Transfer from Readjustment Benefits	450,000									$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Subtotal Compensation	***34,763,268***	***31,055,100***		***37,126,268***	***37,263,586***		***38,886,293***	***39,728,674***		$1,760,025	$2,465,088	0	4.74%	6.62%	#DIV/0!
Pensions Benefits	3,690,217	3,375,828		3,897,626	3,884,175		4,032,790	4,018,873		$135,164	$134,698	0	3.47%	3.47%	#DIV/0!
Subtotal Pension	***3,690,217***	***3,375,828***		***3,897,626***	***3,884,175***		***4,032,790***	***4,018,873***		$135,164	$134,698	0	3.47%	3.47%	#DIV/0!
Burial Benefits	168,875	168,875		212,428	212,428		192,598	192,598		$-19,830	$-19,830	0	-9.33%	-9.33%	#DIV/0!
National cemetery gift fund										$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Subtotal Burial	***168,875***	***168,875***	***0***	***212,428***	***212,428***	***0***	***192,598***	***192,598***	***0***	**$-19,830**	**$-19,830**	**0**	**-9.33%**	**-9.33%**	**#DIV/0!**
Total Compensation and Pensions	**38,622,360**	**34,599,803**	**0**	**41,236,322**	**41,360,189**	**0**	**43,111,681**	**43,940,145**	**0**	**$1,875,359**	**$2,579,956**	**0**	**4.55%**	**6.24%**	**#DIV/0!**
Readjustment Benefits															
Education Benefits	**2,686,963**	**2,429,746**		**2,684,827**	**2,639,559**		**2,427,353**	**2,746,845**		**$-257,474**	**$107,286**	**0**	**-9.59%**	**4.06%**	**#DIV/0!**
Transfer to Compensation Benefits	**-450,000**	**0**													
Subtotal Education	***2,236,963***	***2,429,746***		***2,684,827***	***2,639,559***		***2,427,353***	***2,746,845***		***$-257,474***	***$107,286***	***0***	***-9.59%***	***4.06%***	***#DIV/0!***
Vocational Rehabilitation & Employment	**575,043**	**569,722**		**615,462**	**613,185**		**659,591**	**656,659**		**$44,129**	**$43,474**	**0**	**7.17%**	**7.09%**	**#DIV/0!**
Total Readjustment Benefits	**2,812,006**	**2,999,468**	**0**	**3,300,289**	**3,252,744**	**0**	**3,086,944**	**3,403,504**	**0**	**$-213,345**	**$150,760**	**0**	**-6.46%**	**4.63%**	**#DIV/0!**
Housing Program	49,518	54,381		815,478	815,478		1,979	2,919		$-813,499	$-812,559	0	-99.76%	-99.64%	#DIV/0!
Native American Veteran housing Loan Program	2,634	2,634		5,233	5,233		0	0		$-5,233	$-5,233		-100.00%	-100.00%	#DIV/0!
Vocational Rehabilitation Upward Reestimate	677	677		83	83		0	0		$-83	$-83		-100.00%	-100.00%	#DIV/0!
Veterans housing benefit program fund liquidating	-42,000	-28,340		-20,794	-18,437		-15,750	-15,750		$5,044	$2,687	0	-24.26%	-14.57%	#DIV/0!
Subtotal Housing	***10,829***	***29,352***		***800,000***	***802,357***		***-13,771***	***-12,831***		***$-813,771***	***$-815,188***	***0***	***-101.72%***	***-101.60%***	***#DIV/0!***
Insurance Benefits	49,850	49,873		41,250	42,114		42,300	42,300		$1,050	$186	0	2.55%	0.44%	#DIV/0!
Subtotal Insurance	***49,850***	***49,873***		***41,250***	***42,114***		***42,300***	***42,300***		***$1,050***	***$186***	***0***	***2.55%***	***0.44%***	***#DIV/0!***
Trust Funds															
Post-Vietnam era veterans education account	230	2,200		230	2,305		223	2,219		$-7	$-86	0	-3.04%	-3.73%	#DIV/0!
Service-disabled veterans insurance fund	0	-8,085		0	10,317		0	10,558		$0	$241	0	#DIV/0!	2.34%	#DIV/0!
Veterans reopened insurance fund	0	22,973		0	25,864		0	26,530		$0	$666	0	#DIV/0!	2.58%	#DIV/0!
Servicemembers' group life insurance fund	0	-25		0	-30		0	-19		$0	$11	0	#DIV/0!	-36.67%	#DIV/0!
National service life insurance	1,138,518	1,168,739		1,121,400	1,149,816		1,116,730	1,158,620		$-4,670	$8,804	0	-0.42%	0.77%	#DIV/0!
U.S. Government life insurance	4,000	7,003		5,130	6,578		4,740	6,220		$-390	$-358	0	-7.60%	-5.44%	#DIV/0!
Veterans special life insurance fund	0	-25,224		0	-10,869		0	-5,060		$0	$5,809	0	#DIV/0!	-53.45%	#DIV/0!
Subtotal Trust Funds	***1,142,748***	***1,167,581***		***1,126,760***	***1,183,981***		***1,121,693***	***1,199,068***		**$-5,067**	**$15,087**	**0**	**-0.45%**	**1.27%**	**#DIV/0!**
Subtotal, Benefits Programs	**42,637,793**	**38,846,077**	**0**	**46,504,621**	**46,641,385**	**0**	**47,348,847**	**48,572,186**	**0**	**844,226**	**1,930,801**	**0**	**-1**	**-1**	**#DIV/0!**

Department of Veterans Affairs

Discretionary and Mandatory Programs Funding and Average Employment for 2007 - 2009

(dollars in thousands)

	2007 (BY)			2008- Current Estimate (BY)			2009 (BY)			Change (BY - CY)			Percentage Change [(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Mandatory Programs															
Medical Programs															
Canteen service revolving fund	0	-3,355	2,953	0	1,000	2,960	0	1,250	2,960	$0	$250	0	#DIV/0!	25.00%	0.00%
General post fund	30,754	29,670	0	32,958	30,685	0	34,004	30,992	0	$1,046	$307	0	3.17%	1.00%	#DIV/0!
Subtotal Veterans Health Administration	**30,754**	**26,315**	**2,953**	**32,958**	**31,685**	**2,960**	**34,004**	**32,242**	**2,960**	**$1,046**	**$557**	**0**	**3.17%**	**1.76%**	**0.00%**
Departmental Administration															
General Operating Expenses- SSA				6,000	5,000			1,000		$-6,000	$-4,000	0	-100.00%	-80.00%	#DIV/0!
Pershing Hall revolving fund	0	-141	0	0	0	0	0	0	0	$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Supply Fund	0	29,000	426	0	0	480	0	0	558	$0	$0	78	#DIV/0!	#DIV/0!	16.25%
Franchise Fund	0	10,000	726	0	-76,000	955	0	-76,000	954	$0	$0	-1	#DIV/0!	0.00%	-0.10%
Subtotal Departmental Administration	**0**	**38,859**	**1,152**	**6,000**	**-71,000**	**1,435**	**0**	**-75,000**	**1,512**	**$-6,000**	**$-4,000**	**77**	**-100.00%**	**5.63%**	**5.37%**
Benefits Programs Proprietary receipts															
GI Bill	-202,991	-202,991	0	-202,991	-202,991	0	-202,991	-202,991	0	$0	$0	0	0.00%	0.00%	#DIV/0!
National service life insurance fund	-139,427	-139,427	0	-127,480	-127,480	0	-118,170	-118,170	0	$9,310	$9,310	0	-7.30%	-7.30%	#DIV/0!
Post-Vietnam era veterans education account	-230	-230	0	-230	-230	0	-223	-223	0	$7	$7	0	-3.04%	-3.04%	#DIV/0!
Downward Reestimates:										$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Third party offset of first party debt							-43,995	-43,995		-44,325	-44,325				
Pharmacy Co-Pays							-334,742	-334,742		-310,880	-310,880				
Acquired Direct	-102,323	-102,323		-649,268	-649,268					$649,268	$649,268	0	-100.00%	-100.00%	#DIV/0!
Vendee Direct	0	0	0	0	0	0	0	0	0	$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Transitional housing- Direct Loans	0	0	0	-91	-91										
Veterans housing benefit fund guaranteed loan	-763,793	-763,793	0	-532,110	-532,110	0	0	0	0	$532,110	$532,110	0	-100.00%	-100.00%	#DIV/0!
Veterans housing benefit fund loan sales securities	-94,132	-94,132	0	-44,180	-44,180	0	0	0	0	$44,180	$44,180	0	-100.00%	-100.00%	#DIV/0!
Native American veterans program account	-1,044	-1,044	0	-1,836	-1,836	0	0	0	0	$1,836	$1,836	0	-100.00%	-100.00%	#DIV/0!
Vocational rehabilitation loan program	-46	-46		-701	-701		0	0		$701	$701	0	-100.00%	-100.00%	#DIV/0!
Negative Subsidy:										$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Acquired Direct	0	0		0	0		0	0		$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Vendee Direct	-1,590	-1,590	0	-4,261	-4,261	0	-8,444	-8,444	0	$-4,183	$-4,183	0	98.17%	98.17%	#DIV/0!
Veterans housing benefit fund guaranteed loans	-87,070	-87,070		-128,617	-128,617		-236,389	-236,389		$-107,772	$-107,772	0	83.79%	83.79%	#DIV/0!
U.S. Government life insurance	0			0			0			$0	$0	0	#DIV/0!	#DIV/0!	#DIV/0!
Native American veterans program account	-664	-664	0	-1,800	-1,800	0	-1,276	-1,276	0	$524	$524	0	-29.11%	-29.11%	#DIV/0!
Subtotal, Proprietary receipts	**-1,393,310**	**-1,393,310**	**0**	**-1,693,565**	**-1,693,565**	**0**	**-946,230**	**-946,230**	**0**	**$747,335**	**$747,335**	**0**	**-44.13%**	**-44.13%**	**#DIV/0!**
Intragovernmental transactions															
National service life insurance fund	-595	-595	0	-590	-590	0	-580	-580	0	$10	$10	0	-1.69%	-1.69%	#DIV/0!
Post-Vietnam era veterans education account	-130	-130	0	-669	-669	0	-1,205	-1,205	0	$-536	$-536	0	80.12%	80.12%	#DIV/0!
Subtotal, Intragovernmental transactions	**-725**	**-725**	**0**	**-1,259**	**-1,259**	**0**	**-1,785**	**-1,785**	**0**	**$-526**	**$-526**	**0**	**41.78%**	**41.78%**	**#DIV/0!**
Total, Mandatory Programs	**41,274,512**	**37,517,216**	**4,105**	**44,848,755**	**44,907,246**	**4,395**	**46,434,836**	**47,581,413**	**4,472**	**$1,586,081**	**$2,674,167**	**77**	**3.54%**	**5.95%**	**1.75%**
Total Net, Department Veterans Affairs	**79,563,979**	**72,805,278**	**230,375**	**87,950,647**	**86,646,800**	**249,395**	**91,198,968**	**91,825,734**	**253,364**	**$3,248,321**	**$5,178,935**	**3,969**	**3.69%**	**5.98%**	**1.59%**
Total Gross, Department Veterans Affairs	**81,790,632**	**75,031,931**	**230,375**	**90,291,434**	**88,987,587**	**249,395**	**93,665,828**	**94,292,594**	**253,364**	**$3,374,394**	**$5,305,008**	**3,969**	**3.74%**	**5.96%**	**1.59%**

Appropriation-Reconciliation *(dollars in thousands)*				
Appropriation/Fund Account	2007	2008	2009	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability Compensation				
Mandatory Benefits	$34,313,268	$37,126,268	$38,199,058	$1,072,790
Proposed 2.5 Percent COLA increase in 2009	0		687,235	$687,235
Transfer from Readjustment Benefits	450,000			$0
Total Disability Compensation	34,763,268	37,126,268	38,886,293	$1,760,025
Burial Mandatory Benefits	168,875	212,428	192,598	-$19,830
Pensions Mandatory Benefits	3,690,217	3,897,626	4,032,790	$135,164
Subtotal, Compensation and Pension	**38,622,360**	**41,236,322**	**43,111,681**	**1,875,359**
Education Mandatory Benefits	2,686,963	2,684,827	2,427,353	-$257,474
Transfer to Compensation	-450,000			$0
Vocational rehabilitation and employment Mandatory Benefits	575,043	615,462	659,591	$44,129
Vocational rehabilitation loan subsidy (non-add)	53	71	61	-$10
Subtotal, Readjustment Benefits	**2,812,006**	**3,300,289**	**3,086,944**	**-213,345**
Insurance Mandatory Benefits	49,850	41,250	42,300	$1,050
Housing Mandatory Benefits	49,518	815,478	1,979	-$813,499
Total Benefits Mandatory	**41,533,734**	**45,393,339**	**46,242,904**	**849,565**
Medical Research and Support	413,980	480,000	442,000	-$38,000
Emergency Supplemental - P.L. 110-28	32,500			$0
Total Medical Research and Support	**446,480**	**480,000**	**442,000**	**-38,000**
Medical programs:				$0
Medical services	28,696,222	32,621,220	34,075,503	$1,454,283
Emergency Supplemental - P.L. 110-28	716,778			$0
Transfer of Emergency Supplemental - P.L. 110-28 to Facilities	-42,000			$0
Transfer for Construction Reorganization	-8,846	-18,271		$18,271
Transfer to VA/DoD- Presidents Commission	-20,000			$0
Transfer to VA/DoD	-15,000	-15,000		$15,000
Transfer of Supplemental - P.L. 109-234 to Facilities	-7,077			$0
Transfer to Facilities	-347,068			$0
Transfer for Information Technology Reorganization		-87,112		$87,112
Medical care collection fund	2,219,169	2,340,787	2,466,860	$126,073
Total Medical services with collections	**31,192,178**	**34,841,624**	**36,542,363**	**1,700,739**
Medical facilities	3,569,533	4,100,000	4,661,000	$561,000
Emergency Supplemental - P.L. 110-28	595,000			$0
Transfer of Emergency Supplemental - P.L. 110-28 from Services	42,000			$0
Transfer for Construction Reorganization	-13,587	-26,818		$26,818
Transfer of Supplemental - P.L. 109-234 to Facilities	7,077			$0
Transfer of Supplemental - P.L. 109-234 from IT	1,074			$0
Transfer from Services	347,068			$0
Total Medical facilities	**4,548,165**	**4,073,182**	**4,661,000**	**587,818**
VA/DoD Health Care Sharing Incentive Fund[1]	70,000	15,000	0	-$15,000
Total Medical Care	**35,810,343**	**38,929,806**	**41,203,363**	**2,273,557**
Total medical programs	**36,256,823**	**39,409,806**	**41,645,363**	**2,235,557**

Appropriation-Reconciliation *(dollars in thousands)*				
Appropriation/Fund Account	2007	2008	2009	Increase (+) Decrease (-)
Federal funds:				
National Cemetery Administration	160,747	195,000	180,959	-$14,041
Transfer for Construction Reorganization	-516	-1,142		$1,142
Total National Cemetery Administration	**160,231**	**193,858**	**180,959**	**-14,041**
Department Administration:				$0
General administration	312,905	277,999	328,114	$50,115
Emergency Supplemental - P.L. 110-28	1,200			
Transfer for Construction Reorganization	23,022	46,725		-$46,725
Transfer for Information Technology Reorganization				$0
Mandotory Costs for SSA		-1,039		$1,039
Credit Reform - General Counsel (non-add)	4,905	5,009	5,160	$151
VBA-GOE	1,168,567	1,327,001	1,371,753	$44,752
Emergency Supplemental - P.L. 110-28	82,000			$0
Transfer Supplemental to DoD	-1,250			
Transfer for Construction Reorganization	-72	-164		$164
Transfer for Information Technology Reorganization				$0
Mandotory Costs for SSA		-4,961		$4,961
Subtotal, GOE	**1,586,372**	**1,645,561**	**1,699,867**	**94,867**
Office of Inspector General	70,641	80,500	76,500	-$4,000
Construction Major	399,000	1,069,100	581,582	-$487,518
Supplemental (non-add)		66,000		-$66,000
Construction Minor	198,937	630,535	329,418	-$301,117
Emergency Supplemental - P.L. 110-28	326,000			$0
Grants for State Extended Care	85,000	165,000	85,000	-$80,000
Grants for State Cemeteries	32,000	39,500	32,000	-$7,500
Credit Reform	153,270	155,572	158,237	$2,665
Information Technology	1,213,820	1,966,465	2,442,066	$475,601
Emergency Supplemental - P.L. 110-28	35,100			$0
Transfer to Medical Facilities	-1,074			$0
Transfer for Information Technology Reorganization		87,112		-$87,112
Transfer for Construction Reorganization		-330		$330
Total Departmental Administration	**4,099,066**	**5,839,015**	**5,404,670**	**-373,002**
Total appropriations	**$82,049,854**	**$90,836,018**	**$93,473,896**	**$2,698,079**
Total Mandatory	**$41,533,734**	**$45,393,339**	**$46,242,904**	**$849,565**
Total Discretionary without MCCF	**$38,296,951**	**$43,101,892**	**$44,764,132**	**$1,722,441**
Total Discretionary with MCCF and other receipts	**$40,516,120**	**$45,442,679**	**$47,230,992**	**$1,848,514**

Budget Authority (Net) *(dollars in thousands)*			
Appropriation/Fund Account	2007	2008	2009
Federal funds:			
Benefit programs:			
Disability compensation benefits	$34,763,268	$37,126,268	$38,199,058
Proposed 1.4 Percent COLA increase in 12/1/2007	0	0	687,235
Pensions benefits	3,690,217	3,897,626	4,032,790
Education Benefits	2,236,963	2,684,827	2,427,353
Vocational rehabilitation and employment benefits	575,043	615,462	659,591
Insurance benefits	49,850	41,250	42,300
Housing program account mandatory	49,518	815,478	1,979
Native American	2,634	5,233	
Burial benefits	168,875	212,428	192,598
GOE SSA		6,000	
Total benefit programs	**41,536,368**	**45,404,572**	**46,242,904**
Medical programs:			
Medical services	28,973,009	32,500,837	34,075,503
Medical care collections fund	2,219,169	2,340,787	2,466,860
Total medical care	31,192,178	34,841,624	36,542,363
Medical administration	0	0	0
Medical facilities	4,548,165	4,073,182	4,661,000
VA/DoD Health Sharing Incentive Fund	70,000	15,000	0
Medical and prosthetic research	446,480	480,000	442,000
Total medical programs	**36,256,823**	**39,409,806**	**41,645,363**
National Cemeteries Administration	**160,231**	**193,858**	**180,959**
Departmental Administration:			
General administration	337,127	323,685	328,114
Office of Inspector General	70,641	80,500	76,500
VBA-GOE	1,249,245	1,321,876	1,371,753
Construction Major	399,000	1,069,100	581,582
Construction Minor	524,937	630,535	329,418
Grants for State Extended Care	85,000	165,000	85,000
Grants for State Cemeteries	32,000	39,500	32,000
Credit Reform	153,270	155,572	158,237
Information Technology	1,247,846	2,053,247	2,442,066
Total Departmental administration	**4,099,066**	**5,839,015**	**5,404,670**
Total appropriations, adjusted	**82,052,488**	**90,847,251**	**93,473,896**

Budget Authority (Net) *(dollars in thousands)*			
Appropriation/Fund Account	2007	2008	2009
Proprietary receipts from the public:			
GI Bill receipts	-202,991	-202,991	-202,991
National service life insurance fund	-139,427	-127,480	-118,170
Post-Vietnam era veterans education account	-230	-230	-223
Downward reestimates:			
Third party offset of first party debt			-43,995
Transitional Housing		-91	
Veterans housing benefit fund guaranteed loan account	-763,793	-532,110	0
Veterans housing benefit fund loan sale securities	-94,132	-44,180	0
Veterans housing benefit fund direct loan account			0
Native American veterans program account	-1,044	-1,836	0
Vocational rehabilitation loan program	-46	-701	
Negative subsidy:			
Acquired Direct Loan	-102,323	-649,268	0
Vendee Direct	-1,590	-4,261	-8,444
Veterans housing benefit fund guaranteed loan account	-87,070	-128,617	-236,389
Native American veterans program account	-664	-1,800	-1,276
Medical care collections fund	-2,226,653	-2,340,787	-2,466,860
Receipts - Construction			
Proposed Legislation			
Pharmacy co-payments		0	-334,742
Enrollment fees		0	0
Total proprietary receipts from the public	**-3,619,963**	**-4,034,352**	**-3,413,090**
Total federal funds	**78,432,525**	**86,812,899**	**90,060,806**
Trust funds:			
Post-Vietnam era veterans education account	230	230	223
General post fund	30,754	32,958	34,004
Pershing Hall revolving fund	0	0	0
National service life insurance	1,138,518	1,121,400	1,116,730
U.S. Government life insurance	4,000	5,130	4,740
Service-disabled veterans insurance fund	0	0	0
Veterans reopened insurance fund	0	0	0
Veterans special life insurance fund	0	0	0
Servicemembers' group life insurance fund	0	0	0
Total trust funds (gross)	**1,173,502**	**1,159,718**	**1,155,697**
Veterans housing benefit program fund liquidating account	**-42,000**	**-20,794**	**-15,750**
Intragovernmental transactions			
Post-Vietnam era veterans education account	-130	-669	-580
National service life insurance	-595	-590	-1,205
Total Intergovernmental transactions	**-725**	**-1,259**	**-1,785**
Total Department of Veterans Affairs	**$79,563,302**	**$87,950,564**	**$91,198,968**

Outlays (Net) *(dollars in thousands)*				
Appropriation/Fund Account	2007	2008	2009	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability compensation benefits	$31,055,100	$37,263,586	$39,041,439	$1,777,853
Proposed 2.5 Percent COLA increase 2009	0	0	687,235	$687,235
Pensions benefits	3,375,828	3,884,175	4,018,873	$134,698
Burial Benefits	168,875	212,428	192,598	-$19,830
Education Benefits	2,429,746	2,639,559	2,746,845	$107,286
Vocational rehabilitation and employment benefits	570,399	613,268	656,659	$43,391
Insurance benefits	49,873	42,114	42,300	$186
Veterans housing benefit program fund liquidating account	-28,340	-18,437	-15,750	$2,687
Housing program account benefits	57,015	820,711	2,919	-$817,792
Credit Reform	152,378	155,977	159,485	$3,508
Service-disabled veterans insurance fund	-8,085	10,317	10,558	$241
Veterans reopened insurance fund	22,973	25,864	26,530	$666
Servicemembers' group life insurance fund	-25	-30	-19	$11
Total benefit programs	**37,845,737**	**45,649,532**	**47,569,672**	**1,920,140**
Medical programs:				
Medical services (with Medical Administration)	27,625,131	31,910,389	33,448,270	1,537,881
Medical care collections fund	2,098,642	2,286,059	2,410,127	124,068
Total medical services	29,723,773	34,196,448	35,858,397	1,661,949
Medical facilities	3,544,804	4,152,205	4,658,601	506,396
VA/DoD Healthcare Sharing Incentive Fund	35,663	36,250	28,750	-7,500
Medical and prosthetic research	403,841	462,100	444,354	-17,746
Canteen service revolving fund	-3,355	1,000	1,250	250
Total medical programs	**33,704,726**	**38,848,003**	**40,991,352**	**2,143,349**
Departmental Administration				
General Administration	322,559	318,404	320,789	2,385
VBA GOE	1,153,533	1,278,983	1,332,755	53,772
National Cemetery Administration	156,263	175,773	187,750	11,977
Construction-Major	437,136	750,405	742,682	-7,723
Construction-Minor	267,315	456,164	516,733	60,569
Grants for State Extended Care Facilities	108,793	95,384	96,769	1,385
Grants for State Cemeteries	25,585	26,831	23,747	-3,084
Information Technology	1,111,376	1,898,833	2,265,158	366,325
Office of Inspector General	71,696	76,584	75,211	-1,373
Franchise fund	10,000	-76,000	-76,000	0
Supply fund	29,000	0	0	0
General Operating Expenses-SSA	0	5,000	1,000	-4,000
Pershing hall revolving fund	-141	0	0	0
Total GOE & Miscellaneous	**3,693,115**	**5,006,361**	**5,486,594**	**480,233**
Total appropriations & funds	**75,243,578**	**89,503,896**	**94,047,618**	**4,543,722**

Outlays (Net) *(dollars in thousands)*				
Appropriation/Fund Account	2006	2007	2008	Increase (+) Decrease (-)
Proprietary receipts from the public:				
GI Bill	-202,991	-202,991	-202,991	0
Downward reestimates				
Third party offset of first party debt			-43,995	-43,995
Pharmacy Co-Pays			-334,742	-334,742
Direct Loans	-102,323	-649,268		649,268
Transitional Housing - Direct Loans	0	-91	0	91
Veterans housing benefit fund guaranteed loan	-763,793	-532,110	0	532,110
Veterans housing benefit fund loan sale securities	-94,132	-44,180	0	44,180
Native American veterans program account	-1,044	-1,836	0	1,836
Vocational rehabilitation loan program	-46	-701	0	701
Negative subsidy:				
Acquired Direct	0	0	0	0
Vendee Direct	-1,590	-4,261	-8,444	-4,183
Veterans housing benefit fund guaranteed loan	-87,070	-128,617	-236,389	-107,772
Native American veteran housing loan program account	-664	-1,800	-1,276	524
Medical care collections fund	-2,226,653	-2,340,787	-2,466,860	-126,073
Total proprietary receipts from the public	**-3,480,306**	**-3,906,642**	**-3,294,697**	**611,945**
Total federal funds	**71,763,272**	**85,597,254**	**90,752,921**	**5,155,667**
Trust funds:				
General post fund	29,670	30,685	30,992	307
Post-Vietnam era veterans education account	2,200	2,305	2,219	-86
National service life insurance	1,168,739	1,149,816	1,158,620	8,804
U.S. Government life insurance	7,003	6,578	6,220	-358
Veterans special life insurance	-25,224	-10,869	-5,060	5,809
National cemetery gift fund	0	0	0	0
Total trust funds (gross)	**1,182,388**	**1,178,515**	**1,192,991**	**14,476**
Proprietary receipts from the public	**-139,657**	**-127,710**	**-118,393**	**9,317**
Post-Vietnam era veterans education account	-230	-230	-223	7
U.S. Government life insurance	0	0	0	0
National service life insurance	-139,427	-127,480	-118,170	9,310
Total trust funds (net)	**1,042,731**	**1,050,805**	**1,074,598**	**23,793**
Intragovernmental transactions	**-725**	**-1,259**	**-1,785**	**-526**
Post-Vietnam era veterans education account	-130	-669	-1,205	-536
U.S. Government life insurance	0			
National service life insurance	-595	-590	-580	10
Total Department of Veterans Affairs	**$72,805,278**	**$86,646,800**	**$91,825,734**	**$5,178,934**

Functional Distribution of Budget Authority (Net)
(dollars in thousands)

Function and Program	2007	2008	2009
701: Income security for veterans:			
Disability compensation benefits	$34,763,268	$37,126,268	$38,199,058
Proposed 2.6 Percent COLA increase in 12/1/2006	0	0	687,235
Pensions benefits	3,690,217	3,897,626	4,032,790
Burial benefits	168,875	212,428	192,598
National cemetery gift fund	0	6,000	0
Insurance benefits	49,850	41,250	42,300
Service-disabled veterans insurance fund	0	0	0
Veterans reopened insurance fund	0	0	0
National service life insurance	1,138,518	1,121,400	1,116,730
US Government life insurance	4,000	5,130	4,740
Veterans special life insurance fund	0	0	0
Servicemember's group life insurance fund	0	0	0
Subtotal, income security for veterans	**39,814,728**	**42,410,102**	**44,275,451**
702: Veterans education, training and rehabilitation:			
Education benefits	2,236,963	2,684,827	2,427,353
Vocational rehabilitation and employment benefits	575,043	615,462	659,591
Post-Vietnam era veterans education account	230	230	223
Post-Vietnam era veterans education receipts	-130	-669	-580
National service life insurance receipts	-595	-590	-1,205
Downward reestimates:			
Vocational Rehabilitation loan program	-46	-701	0
GI Bill receipts	-202,991	-202,991	-202,991
National service life insurance fund	-139,427	-127,480	-118,170
Post-Vietnam era veterans education account	-230	-230	-223
Subtotal, veterans education, training and rehabilitation	**2,468,817**	**2,967,858**	**2,763,998**
703: Hospital & Medical Care for veterans:			
Medical services	28,973,009	32,500,837	34,075,503
Medical care collections fund	2,219,169	2,340,787	2,466,860
Total medical services	31,192,178	34,841,624	36,542,363
Medical administration	0	0	0
Medical facilities	4,548,165	4,073,182	4,661,000
VA/DoD Health Sharing Incentive Fund	70,000	15,000	0
Medical research and support	446,480	480,000	442,000
Medical care collections fund, receipts	-2,226,653	-2,340,787	-2,466,860
Downward reestimates:			
Pharmacy co-payments	0	0	-334,742
Third party offset of first party debt	0	0	-43,995
Subtotal, hospital and medical care for veterans	**34,030,170**	**37,069,019**	**38,799,766**

Functional Distribution of Budget Authority (Net)
(dollars in thousands)

Function and Program	2006	2007	2008
704: Veterans housing:			
Veterans housing benefit program fund liquidating account	-42,000	-20,794	-15,750
Veterans housing benefit program fund program account	52,152	820,711	1,979
Downward reestimates:			
Veterans housing benefit guaranteed loan	-763,793	-532,110	0
Veterans housing benefit fund loan sale securities	-94,132	-44,180	0
Veterans housing benefit direct loan	0	0	0
Native American veterans program account	-1,044	-1,836	0
Negative subsidy:			
Acquired Direct Loan	-102,323	-649,268	0
Vendee Direct	-1,590	-4,261	-8,444
Veterans housing benefit fund guaranteed loan account	-87,070	-128,617	-236,389
Native American veterans program account	-664	-1,800	-1,276
Subtotal, veterans housing	**-1,040,464**	**-562,155**	**-259,880**
705: Other veterans benefits and services:			
National Cemeteries Administration	160,231	193,858	180,959
General post fund	30,754	32,958	34,004
General administration	337,127	323,685	328,114
Office of Inspector General	70,641	80,500	76,500
VBA-GOE	1,249,245	1,321,876	1,371,753
Construction Major	399,000	1,069,100	581,582
Construction Minor	524,937	630,535	329,418
Grants for State Extended Care	85,000	165,000	85,000
Grants for State Cemeteries	32,000	39,500	32,000
Credit Reform	153,270	155,572	158,237
Information Technology	1,247,846	2,053,247	2,442,066
Subtotal, other veterans benefits and services	**4,290,051**	**6,065,831**	**5,619,633**
Total, function 700 distribution of Budget Authority for the Department of Veterans Affairs	**79,563,302**	**87,950,655**	**91,198,968**
Deduction for offsetting receipts (function 902)	0	0	0
Total Department of Veterans Affairs	**$79,563,302**	**$87,950,655**	**$91,198,968**

Functional Distribution of Outlays
(dollars in thousands)

Function and Program	2006	2007	2008	Increase (+) Decrease (-)
701: Income security for veterans:				
Disability compensation benefits	$31,055,100	$37,263,586	$39,041,439	$1,777,853
Proposed 2.3 Percent COLA increase in 12/1/2005	0	0	687,235	687,235
Pensions benefits	3,375,828	3,884,175	4,018,873	134,698
Burial benefits	168,875	212,428	192,598	-19,830
Insurance benefits	49,873	42,114	42,300	186
Service-disabled veterans insurance	-8,085	10,317	10,558	241
Veterans reopened insurance fund	22,973	25,864	26,530	666
Servicemembers' group life insurance fund	-25	-30	-19	11
National service life insurance	1,168,739	1,149,816	1,158,620	8,804
U.S. Government life insurance	7,003	6,578	6,220	-358
Veterans special life insurance	-25,224	-10,869	-5,060	5,809
NSLI & USGLI receipts	-140,022	-128,070	-118,750	9,320
Subtotal, income security for veterans	**35,675,035**	**42,455,909**	**45,060,544**	**2,604,635**
702: Veterans education, training, and rehabilitation:				
Education benefits	2,429,746	2,639,559	2,746,845	107,286
Vocational rehabilitation and employment benefits	570,399	613,268	656,659	43,391
Credit Reform	152,378	155,977	159,485	3,508
Post-Vietnam era veterans education	2,200	2,305	2,219	-86
Post-Vietnam era veterans education receipts	-360	-899	-1,428	-529
Downward reestimates:				
Vocational rehabilitation loan program	-46	-701	0	701
GI Bill receipts	-202,991	-202,991	-202,991	0
Subtotal, veterans education, training and rehabilitation	**2,951,326**	**3,206,518**	**3,360,789**	**154,271**
703: Hospital and medical care for veterans:				
Medical services (with Medical Administration)	29,723,773	34,196,448	35,858,397	1,661,949
Medical facilities	3,544,804	4,152,205	4,658,601	506,396
VA/DoD Health Sharing Incentive Fund	35,663	36,250	28,750	-7,500
Medical and prosthetic research	403,841	462,100	444,354	-17,746
Medical care collections fund, receipts	-2,226,653	-2,340,787	-2,466,860	-126,073
Downward reestimates:				
Pharmacy co-payments	0	0	-334,742	-525
Third party offset of first party debt	0	0	-43,995	-186,772
Subtotal, hospital and medical care for veterans	**31,481,428**	**36,506,216**	**38,144,505**	**2,017,026**

Functional Distribution of Outlays
(dollars in thousands)

Function and Program	2006	2007	2008	Increase (+) Decrease (-)
704: Veterans Housing				
Veterans housing benefit program fund liquidating account	-28,340	-18,437	-15,750	2,687
Housing program account benefits	57,015	820,711	2,919	-817,792
Downward reestimates:				
Transitional Housing - Direct Loans	0	-91	0	91
Veterans housing benefit guaranteed loan	-763,793	-532,110	0	532,110
Veterans housing benefit loan securities	-94,132	-44,180	0	44,180
Veterans housing benefit direct loan	-102,323	-649,268	0	649,268
Native American veterans program account	-1,044	-1,836	0	1,836
Negative subsidy:				
Acquired Direct	0	0	0	0
Vendee Direct	-1,590	-4,261	-8,444	-4,183
Veterans housing benefit fund guaranteed loan	-87,070	-128,617	-236,389	-107,772
Native American veteran housing loan program account	-664	-1,800	-1,276	524
Subtotal, veterans housing	**-1,021,941**	**-559,889**	**-258,940**	**410,544**
705: Other veterans benefits and services:				
VBA-GOE	1,153,533	1,278,983	1,332,755	53,772
National Cemetery Administration	156,263	175,773	187,750	11,977
Canteen service revolving fund	-3,355	1,000	1,250	250
Supply fund	29,000	0	0	0
General post fund	29,670	30,685	30,992	307
General Administration	322,559	318,404	320,789	2,385
Construction-Major	437,136	750,405	742,682	-7,723
Construction- Minor	267,315	456,164	516,733	60,569
Grants for State Extended Care	108,793	95,384	96,769	1,385
Grants for State Cemeteries	25,585	26,831	23,747	-3,084
Information Technology	1,111,376	1,898,833	2,265,158	366,325
National cemetery gift fund	0	0	0	0
Office of Inspector General	71,696	76,584	75,211	-1,373
Franchise fund	10,000	-76,000	-76,000	0
General Operating Expenses-SSA	0	5,000	1,000	
Pershing hall revolving fund	-141	0	0	0
Subtotal, other veterans benefits and services	**3,719,430**	**5,038,046**	**5,518,836**	**480,790**
Total, function 700 Distribution of Budget Outlays for the Department of Veterans Affairs	**$72,805,278**	**$86,646,800**	**$91,825,734**	**$5,667,266**
Deduction for offsetting receipts (Function 902)				0
Total Department of Veterans Affairs	**$72,805,278**	**$86,646,800**	**$91,825,734**	**$5,178,934**

Obligations (dollars in thousands)				
Appropriation/Fund Account	2007	2008	2009	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability compensation benefits	$33,813,223	$37,392,627	$39,179,017	$1,786,390
Proposed legislation (COLA)	0	0	687,235	687,235
Pensions benefits	3,690,217	3,897,625	4,032,790	135,165
Burial benefits	168,875	212,428	192,598	-19,830
Education benefits	2,879,917	3,090,657	3,217,911	127,254
Post-Vietnam era veterans' education account	2,256	2,256	2,172	-84
Vocational rehabilitation and employment benefits	575,043	615,462	659,591	44,129
Vocational rehabilitation loan program account	1,031	464	381	-83
Insurance benefits	51,941	44,046	44,500	454
Housing program account benefits	201,845	970,040	165,359	-804,681
Native American Direct Loan Program Account	3,218	5,861	646	-5,215
Service-disabled veterans insurance fund	82,029	95,210	97,350	2,140
Veterans reopened insurance fund	55,823	55,570	52,730	-2,840
Servicemembers' group life insurance fund	1,344,801	1,327,580	834,090	-493,490
Total benefits programs	**42,870,219**	**47,709,826**	**49,166,370**	**1,456,544**
Medical programs:				
Medical care	35,232,474	40,478,018	41,448,363	970,345
Medical research and support	479,200	553,802	517,000	-36,802
Medical center research organizations	212,192	222,600	233,730	11,130
VA/DoD Health Care Sharing Incentive Fund	37,931	57,000	30,000	-27,000
Canteen service revolving fund	254,093	276,601	289,601	13,000
Total medical programs	**36,215,890**	**41,588,021**	**42,518,694**	**930,673**
National Cemetery Administration:	**163,147**	**195,547**	**181,116**	**-14,431**
Departmental administration:				
VBA- GOE	1,449,472	1,621,477	1,695,784	74,307
General administration	336,034	403,212	385,430	-17,782
Pershing Hall revolving fund	171	193	193	0
Franchise fund	253,458	303,037	304,003	966
Office of Inspector General	73,659	84,022	80,096	-3,926
Supply fund	1,280,977	2,085,000	2,169,089	84,089
Information Technology	1,387,548	2,179,725	2,533,869	354,144
Construction, Major & Minor	693,505	1,922,266	1,659,280	-262,986
Grants for State Extended Care	73,515	174,588	86,650	-87,938
Grants for State Cemeteries	45,888	39,838	32,000	-7,838
Total Departmental administration	**5,594,227**	**8,813,358**	**8,946,394**	**63,347**
Total federal funds	**84,843,483**	**98,306,752**	**100,812,574**	**2,436,133**
Trust funds:				
General post fund	28,982	30,765	31,001	236
National service life insurance	1,406,319	1,377,820	1,357,010	-20,810
U.S. Government life insurance	5,835	5,390	4,960	-430
Veterans special life insurance	202,368	212,280	208,900	-3,380
National cemetery gift fund	117	180	180	0
Total trust funds	**1,643,621**	**1,626,435**	**1,602,051**	**-24,384**
Total Department of Veterans Affairs	**$86,487,104**	**$99,933,187**	**$102,414,625**	**$2,411,749**
Non-Budget				
Veterans housing benefit program direct loan financing account	314,797	1,147,512	516,569	-630,943
Veterans housing benefits program loan sale securities financing account	109,131	536,908	31,674	-505,234
Veterans housing benefit program guaranteed loan financing account	1,777,474	2,731,486	2,226,587	-504,899
Native American and transitional housing direct loan financing account	13,188	18,355	22,888	4,533
Vocational rehabilitation loan financing account	2,630	4,001	3,216	-785
Total Non-Budget	**$2,217,220**	**$4,438,262**	**$2,800,934**	**-$1,637,328**

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Ten Year Tables

Ten Year Budget Authority	6I – 1
Ten Year Outlays	6J - 1
Ten Year Total Average Employment	6K – 1

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Budget Authority
1997 - 2007 Actuals
(dollar in thousands)

Appropriation/Fund Account	1997 (Net)	1998 (Net)	1999 (Net)	2000 (Net)	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)
Federal funds:											
Benefit programs											
Compensation and pensions	$19,599,259	$20,482,997	$21,857,058	$21,568,364	$23,355,690	$26,044,288	$28,949,000	$29,842,126	$32,361,923	$33,897,787	$38,622,360
Readjustment benefits	1,377,000	1,366,000	1,175,358	1,469,000	1,981,000	2,135,000	2,264,808	2,529,734	2,801,997	3,309,234	2,812,006
Veterans insurance and indemnities	38,970	51,360	46,450	25,510	24,393	26,200	27,957	32,017	44,380	45,907	49,850
Veterans housing benefit program fund program account	556,423	1,079,177	1,547,766	1,660,155	497,515	918,890	1,464,750	356,581	2,042,210	198,009	204,479
Veterans housing benefit program fund liquidating account, permanent	100,000	269,999	153,555	0	0	0	-60,000	-40,000	-45,000	-49,485	-42,000
Native American veteran housing loan program account	205	515	515	520	531	544	886	1,265	567	580	584
Guaranteed transitional housing loans for homeless veterans	0	0	3,000	45,250	0	0	0	0	0	0	0
Education loan fund program account	195	200	206	214	221	65	70	197	0	0	0
Vocational rehabilitation loans program account	417	430	449	463	478	346	329	350	356	355	358
Total benefits programs	**21,672,469**	**23,250,678**	**24,784,357**	**24,769,476**	**25,859,828**	**29,125,333**	**32,647,800**	**32,722,270**	**37,206,433**	**37,402,387**	**41,647,637**
Medical programs:											
Medical care	17,012,406	17,723,975	17,818,771	19,462,191	20,949,897	22,592,233	25,369,020				
Medical services								20,449,427	22,584,161	24,139,378	31,192,178
Medical administration								4,095,078	4,437,300	3,430,542	
Medical facilities								3,188,817	3,329,749	3,357,869	4,548,165
Total Medical care programs	17,012,406	17,723,975	17,818,771	19,462,191	20,949,897	22,592,233	25,369,020	27,733,322	30,351,210	30,927,789	35,740,343
Medical and prosthetic research	262,000	272,000	315,652	321,000	350,228	367,707	392,400	405,593	402,348	412,000	446,480
Medical administration and miscellaneous operating expenses	61,207	59,860	62,933	59,703	61,780	66,681	74,230	0	0	0	0
DoD/VA health care sharing Incentive fund								30,000	30,000	30,000	70,000
Medical care cost recovery fund, permanent	107,044	0	0	0	0	0	0	0	0	0	0
Total medical programs	**17,442,657**	**18,055,835**	**18,197,356**	**19,842,894**	**21,361,905**	**23,026,621**	**25,835,650**	**28,168,915**	**30,783,558**	**31,369,789**	**36,256,823**

Budget Authority
1997 - 2007 Actuals
(dollar in thousands)

Appropriation/Fund Account	1997 (Net)	1998 (Net)	1999 (Net)	2000 (Net)	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)
Construction programs:											
Construction, major projects	250,858	177,900	142,287	65,140	65,895	183,180	99,526	671,578	481,498	1,560,519	399,000
Advance appropriation	-32,100	32,100	0	0	0	0	0	0	0	0	0
Construction, minor projects	175,000	175,000	174,984	160,000	165,974	210,900	224,531	250,656	245,476	233,137	524,937
Grants for the construction of State extended care facilities	47,397	80,000	90,000	90,000	99,780	100,000	99,350	101,498	104,322	85,000	85,000
Grants for the construction of State veterans cemeteries	1,000	10,000	10,000	25,000	24,945	25,000	31,792	31,811	31,744	32,000	32,000
Parking revolving fund	12,300	0	-23	0	6,486	4,000	0	0	0	0	0
Total construction programs	**454,455**	**475,000**	**417,248**	**340,140**	**363,080**	**523,080**	**455,199**	**1,055,543**	**863,040**	**1,910,656**	**1,040,937**
Information Technology									1,283,517	1,231,420	1,247,846
National cemetery administration	76,864	84,183	91,794	97,138	109,137	121,078	132,284	143,352	147,784	149,798	160,231
General operating expenses and misc.:											
General operating expenses	827,584	786,577	881,643	940,643	1,100,469	1,197,914	1,353,196	1,275,201	1,433,700	1,373,240	1,586,372
Office of Inspector General	30,900	31,013	35,927	43,170	46,256	52,269	57,623	61,634	69,153	69,074	70,641
Total GOE and miscellaneous	**858,484**	**817,590**	**917,570**	**983,813**	**1,146,725**	**1,250,183**	**1,410,819**	**1,336,835**	**1,502,853**	**1,442,314**	**1,657,013**
Total appropriations (adjusted)	**40,428,065**	**42,599,103**	**44,316,531**	**45,936,323**	**48,731,538**	**53,925,217**	**60,349,468**	**63,283,563**	**70,355,884**	**72,125,146**	**80,602,410**
DEDUCT: Proprietary receipts from the public	-1,651,724	-930,532	-1,360,619	-1,737,422	-2,476,478	-3,206,663	-1,485,924	-1,697,725	-1,868,383	-1,994,172	-2,226,653
Total federal funds	**38,776,341**	**41,668,571**	**42,955,912**	**44,198,901**	**46,255,060**	**50,718,554**	**58,863,544**	**61,585,838**	**68,487,501**	**70,130,974**	**78,375,757**
Trust funds:											
Post-Vietnam era veterans education account	17,120	38,475	5,152	3,979	3,552	2,298	1,266	1,024	619	333	230
General post fund	29,796	30,974	33,331	32,185	35,295	35,334	30,576	31,066	30,926	31,851	30,754
Pershing Hall revolving fund	0	0	0	-250	-250	-250	-250	0	0	0	0
National service life insurance	1,247,795	1,195,577	1,248,935	1,236,168	1,239,233	1,219,747	1,192,335	1,238,240	1,210,888	1,185,856	1,138,518
U.S. Government life insurance	6,495	6,133	11,319	11,132	10,579	9,682	8,506	7,877	7,323	6,322	4,000
Service-disabled veterans insurance fund	0	0	-10,279	6,803	7,609	4,219	0	0	1	0	0
Veterans reopened insurance fund	0	0	10,317	11,687	13,216	14,781	0	0	-1	0	0
Veterans special life insurance fund	0	0	-18,945	-22,328	-26,520	-28,696	0	0	0	0	0
Servicemembers' group life insurance fund	0	0	0	-33	-596	-64	957	0	-21	-20	0
National cemetery gift fund	130	102	62	187	98	183	78	78	0	396	0
Total trust funds (gross)	**1,301,336**	**1,271,261**	**1,279,892**	**1,279,530**	**1,282,216**	**1,257,234**	**1,233,468**	**1,278,285**	**1,249,735**	**1,224,738**	**1,173,502**
DEDUCT: Proprietary receipts from the public	-234,113	-219,321	-206,820	-203,129	-203,558	-185,392	-1,282,639	-2,677,090	-1,474,804	-1,710,188	-1,393,310
Total trust funds (net)	**1,067,223**	**1,051,940**	**1,073,072**	**1,076,401**	**1,078,658**	**1,071,842**	**-49,171**	**-1,398,805**	**-225,069**	**-485,450**	**-219,808**
DEDUCT: Intragovernmental transactions	-15,478	-37,475	-8,537	-3,200	-2,463	-2,693	-1,665	-1,279	-1,670	-886	-725
Total Department of Veterans Affairs	**$39,904,950**	**$42,767,219**	**$44,112,241**	**$45,369,240**	**$47,440,392**	**$51,908,781**	**$58,944,992**	**$60,329,106**	**$69,692,063**	**$71,025,856**	**$79,563,302**

Budget Outlays
1997 - 2007 Actuals
(dollar in thousands)

Appropriation/Fund Account	1997 (Net)	1998 (Net)	1999 (Net)	2000 (Net)	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)
Federal Funds:											
Benefit programs:											
Compensation & pensions	$19,388,765	$20,289,481	$21,147,622	$23,819,890	$21,419,720	$25,678,949	$28,020,904	$29,783,850	$34,693,641	$34,680,630	$34,599,803
Readjustment benefits	1,287,931	1,310,475	1,445,217	1,497,293	1,608,226	1,987,727	2,364,257	2,684,382	2,936,589	2,949,314	2,999,468
Veterans insurance and indemnities	37,736	50,863	46,660	25,578	24,484	25,661	27,958	31,638	44,649	45,956	49,873
Reinstated entitlement program for survivors	-4,004	8,774	0	1,466	-2,130	733	3,478	0	0	0	0
Veterans housing benefit program fund liquidating account	48,562	-38,608	-370,788	-255,081	-3,966	-126,537	-61,218	-92,958	-76,577	-71,812	-28,340
Veterans housing benefit program fund program account	556,423	1,077,995	1,547,766	1,660,155	497,515	918,886	1,450,699	370,964	2,033,378	213,086	208,472
Native American veteran housing loan program account	378	726	664	663	647	935	886	1,278	555	566	571
Service-disabled veterans insurance fund	-362	-18,919	-10,667	6,764	7,933	3,237	5,548	3,002	-6,281	-5,713	-8,085
Veterans reopened insurance fund	3,170	5,714	6,586	9,588	11,707	12,543	15,065	17,896	19,840	20,956	22,973
Education loan fund liquidating account	-397	-276	-183	-88	-49	-27	-43	109			
Education loan modification								-129			
Education loan fund program account	195	200	206	214	221	64	70	69			
Vocational rehabilitation loans program account	417	430	449	463	478	332	329	337	347	348	350
Servicemembers' group life insurance fund	4,853	-180	-264	-288	-330	-331	-3,466	5,239	-21	-19	-25
Total benefits programs	**21,323,667**	**22,686,675**	**23,813,268**	**26,766,617**	**23,564,456**	**28,502,172**	**31,824,467**	**32,805,677**	**39,646,120**	**37,833,312**	**37,845,060**
Medical programs:											
Medical care	16,601,655	17,271,136	17,846,220	19,249,329	20,926,823	22,624,343	24,755,762				
Medical services								21,877,112	21,861,500	23,855,420	29,723,773
Medical administration								3,418,844	4,171,364	3,695,558	
Medical facilities								2,472,619	3,015,958	3,341,474	3,544,804
Total Medical care programs	16,601,655	17,271,136	17,846,220	19,249,329	20,926,823	22,624,343	24,755,762	27,768,575	29,048,822	30,892,452	33,268,577
Medical and prosthetic research	234,851	246,871	316,192	329,400	339,056	359,523	363,988	389,091	389,759	406,094	403,841
Medical administration and miscellaneous operating expenses	63,489	57,426	60,682	58,540	64,473	64,723	68,370	0	0	0	0
DoD/VA health care sharing Incentive fund	0	0	0	0	0	0	0	0	811	6,861	35,663
Medical care cost recovery fund	122,664	11,483	599	0	0	0	0	0	0	0	0
Health professional scholarship program	1,788	51	17	0	0	0	0	0	0	0	0
Medical facilities revolving fund	-469	1,631	-193	621	713	327	167	212			
Veterans extended care revolving fund	0	0	0	0	0	0	-3,076	-1,673			
Special therapeutic and rehabilitation activities fund	-1,875	-1,669	-2,069	-1,652	-1,317	-1,762	-1,116	-796			
Canteen service revolving fund	3,330	485	138	-1,941	5,948	5,050	-4,814	3,447	-5,813	2,622	-3,355
Total medical programs	**17,025,433**	**17,587,414**	**18,221,586**	**19,634,297**	**21,335,696**	**23,052,204**	**25,179,281**	**28,158,856**	**29,433,579**	**31,308,029**	**33,704,726**

Budget Outlays
1997 - 2007 Actuals
(dollar in thousands)

Appropriation/Fund Account	1997 (Net)	1998 (Net)	1999 (Net)	2000 (Net)	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)
Construction programs:											
Construction, major projects	396,187	307,042	290,429	171,797	178,846	176,434	124,886	118,396	146,228	237,185	437,136
Construction, minor projects	148,825	155,563	175,561	163,988	156,774	156,632	173,260	199,766	217,353	259,427	267,315
Parking revolving fund	4,602	8,793	11,681	14,636	4,814	504	795	3,404			
Grants to the Republic of the Philippines	473	36	2	0	0	0	0	0	0	0	0
Grants for the construction of State extended care facilities	40,665	49,273	39,899	101,073	60,482	83,123	86,286	77,369	96,780	122,106	108,793
Grants for the construction of State veterans cemeteries	6,111	2,638	3,943	12,256	20,347	28,537	25,286	39,168	22,510	37,354	25,585
Nursing home revolving fund	-277	-76	-52	-172	158	0	0	0	0	0	0
Total construction programs	**596,586**	**523,269**	**521,463**	**463,578**	**421,421**	**445,230**	**410,513**	**438,103**	**482,871**	**656,072**	**838,829**
Information Technology									731,605	622,136	1,111,376
National cemetery administration	77,413	80,734	88,720	95,336	103,351	119,874	125,218	135,593	150,028	148,734	156,263
General operating expenses and misc.:											
General operating expenses	815,062	785,853	866,699	881,602	1,071,700	1,145,365	1,220,932	1,252,361	1,293,600	1,544,925	1,476,092
Franchise fund	-11,241	-18,910	-948	-11,315	-7,060	-21,037	-17,300	-5,532	0	0	10,000
Office of Inspector General	30,864	29,209	34,571	38,805	47,236	52,179	53,228	57,819	65,952	72,815	71,696
Supply fund	-1,484	16,009	-27,746	-91,640	-48,909	-193,259	-313,041	-146,211	0	261,043	29,000
Pershing hall revolving fund	46	91	-303	4	-446	0	-264	-109	-45	-45	-45
Total GOE and miscellaneous	**833,247**	**812,252**	**872,273**	**817,456**	**1,062,521**	**983,248**	**943,555**	**1,158,328**	**1,359,507**	**1,878,738**	**1,586,743**
Total appropriations (adjusted)	**39,778,933**	**41,609,610**	**43,428,590**	**47,681,948**	**46,384,094**	**52,982,854**	**58,357,816**	**62,560,964**	**70,922,077**	**71,676,151**	**73,975,358**
DEDUCT: Proprietary receipts from the public	-1,651,724	-930,532	-1,360,619	-1,737,422	-2,476,478	-3,206,663	-1,485,924	-1,697,725	-1,868,383	-1,994,172	-2,226,653
Total federal funds	**38,127,209**	**40,679,078**	**42,067,971**	**45,944,526**	**43,907,616**	**49,776,191**	**56,871,892**	**60,863,239**	**69,053,694**	**69,681,979**	**71,748,705**
Trust funds:											
Post-Vietnam era veterans education account	85,678	39,378	20,467	13,272	14,402	9,006	4,658	3,560	2,897	2,375	2,200
General post fund	26,557	27,904	28,871	28,439	31,910	30,921	30,367	27,487	30,508	30,324	29,670
National service life insurance	1,226,565	1,210,483	1,201,357	1,241,852	1,221,445	1,175,521	1,178,204	1,231,445	1,206,851	1,199,743	1,168,739
U.S. Government life insurance	13,395	12,146	11,581	11,405	10,866	9,904	9,525	9,316	8,525	7,661	7,003
Veterans special life insurance	-30,229	-18,238	-37,250	-42,676	-46,643	-51,856	-43,404	-37,141	-40,256	-31,852	-25,224
National cemetery gift fund	69	88	115	132	92	99	144	51	0	79	
Total trust funds (gross)	**1,322,035**	**1,271,761**	**1,225,141**	**1,252,424**	**1,232,072**	**1,173,595**	**1,179,494**	**1,234,718**	**1,208,525**	**1,208,330**	**1,182,388**
DEDUCT: Proprietary receipts from the public	-234,113	-219,321	-206,820	-203,129	-203,558	-185,392	-1,282,639	-2,677,090	-1,474,804	-1,710,188	-1,393,310
Total trust funds (net)	**1,087,922**	**1,052,440**	**1,018,321**	**1,049,295**	**1,028,514**	**988,203**	**-103,145**	**-1,442,372**	**-266,279**	**-501,858**	**-210,922**
DEDUCT: Intragovernmental transactions	-15,478	-37,475	-8,537	-3,200	-2,463	-2,693	-1,665	-1,279	-1,670	-886	-725
Total Department of Veterans Affairs	**$39,277,066**	**$41,774,777**	**$43,166,475**	**$47,085,957**	**$45,037,018**	**$50,881,575**	**$56,892,300**	**$59,555,181**	**$69,667,378**	**$69,950,105**	**$72,804,697**

Total Average Employment
1997 - 2007 Actuals

Appropriation/Fund Account	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Medical programs											
Medical care	186,135	184,768	182,661	179,520	182,946	183,712	186,553	*	*	*	*
Medical services								131,140	135,283	135,186	177,896
Medical administration								34,218	35,652	36,244	
Medical facilities								28,914	26,715	26,470	26,678
Total medical care programs	186,135	184,768	182,661	179,520	182,946	183,712	186,553	194,272	197,650	197,900	204,574
Medical and prosthetic research	2,957	2,758	2,974	3,014	3,019	3,096	3,217	3,234	3,206	3,193	3,175
VA/DoD Sharing Incentive Fund											88
Medical administration and miscellaneous operating expenses	569	522	488	514	528	534	551	*	*	*	*
Canteen service revolving fund			3,010	2,933	2,933	2,899	2,837	2,890	2,952	2,965	2,953
Total medical programs	**189,661**	**188,048**	**189,133**	**185,981**	**189,426**	**190,241**	**193,158**	**200,395**	**203,808**	**204,058**	**210,790**
Construction programs											
Construction, major projects	25	26	34	21	21	6	6	0	6	0	0
Construction, minor projects	50	57	45	50	43	53	50	36	50	19	17
Total construction programs	**75**	**83**	**79**	**71**	**64**	**59**	**56**	**36**	**56**	**19**	**17**
General operating expenses											
Veterans Benefits Administration	11,919	11,254	11,247	11,356	12,152	13,073	13,206	12,795	12,576	12,810	13,504
General administration	2,229	2,153	2,388	2,459	2,555	2,598	2,385	2,431	2,499	2,589	2,901
Total general operating expenses	**14,148**	**13,407**	**13,635**	**13,815**	**14,707**	**15,671**	**15,591**	**15,226**	**15,075**	**15,399**	**16,405**
National Cemetery Administration	1,283	1,328	1,357	1,399	1,385	1,454	1,476	1,492	1,523	1,527	1,541
Office of Inspector General	339	322	342	354	370	393	399	434	454	435	470
Franchise Fund	433	546	357	358	636	670	662	706	832	688	726
Office of Acquisition and Materiel Management	350	355	644	643	361	382	410	421	451	469	426
Total Non-exempt employment	**206,289**	**204,089**	**205,547**	**202,621**	**206,949**	**208,870**	**211,752**	**218,710**	**222,199**	**222,595**	**230,375**
Exempt											
Medical care cost recovery	2,239	…	…	…	…			…	…	…	…
Canteen service revolving fund	2,979	2,977	…	…	…			…	…	…	…
Total Department of Veterans Affairs	**211,507**	**207,066**	**205,547**	**202,621**	**206,949**	**208,870**	**211,752**	**218,710**	**222,199**	**222,595**	**230,375**

* Reflects change in the Veterans Health Administration appropriations structure as enacted in 2004

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Estimates of Combat Theatre Obligations

- **In compliance with provisions of the Veterans' Judicial Review Act, P. L. 100-687, Section 1404.**

Estimates of Combat Theatre Obligations from the National Survey of Veterans
(dollars in millions)

Appropriations	2007 Obligations	Estimate of Combat Theatre Veterans *	Estimated Obligation on Combat Theatre Veterans
Employment Services			
HIRE/CETA	N/A	N/A	
EJTP/VJTP	N/A	N/A	
Compensation	$29,091	58%	$16,873
Dependency and Indemnity Compensation	4,548	N/A	
Pensions			
Veterans	2,835	51%	$1,446
Survivors	828	N/A	
Inpatient Facilities	13,828	50%	$6,914
Outpatient Care	16,640	49%	$8,154
Miscellaneous Medical Service	1,153	N/A	
Readjustment Counseling	77	N/A	
Veterans Insurance and Indemnities	52	50%	$26
Specially Adapted Housing	28	N/A	
Burial Benefits	169	49%	$83
Educational Assistance	2,382	40%	$953
Vocational Rehabilitation	568	43%	$244
Survivors' and Dependents' Educational Assistance	423	N/A	
Home Loan Guaranty (Liquidating)	16	43%	$7
Automobiles and Adaptive Equipment	54	N/A	

* Combat Theatre is based on the question, "Did you ever serve in a combat or war zone?" from the 2001 National Survey of Veterans (NSV). N/A - Not available from the 2001 NSV.

Most NSV questions on program usage refer to current usage (2000 – 2001 time period) or in case of burial benefits anticipated usage. However, because education and vocational rehabilitation questions asked if veterans had ever used these programs, answers for this table for those programs were restricted to veterans discharged in the last 10 years. Home Loan Guaranty refers to veterans who used the program since leaving the military.

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Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Veterans Health Administration							
Medical Care Programs							
Performance Measures							
Percent of patients rating VA health care service as very good or excellent:							
Inpatient	74%	77%	78%	78%	79%	**81%**	81%
Outpatient	72%	77%	78%	78%	79%	**81%**	81%
Percent of primary care appointments scheduled within 30 days of desired date	94%	96%	96%	97%	97%	**97%**	97%
Percent of specialty care appointments scheduled within 30 days of desired date	93%	93%	94%	95%	95%	**95%**	96%
Percent of new patient appointments seen within 30 days of desired date	N/A	N/A	N/A	N/A	Baseline	**75%**	95%
Percent of unique patients waiting more than 30 days beyond the desired appointment date	N/A	N/A	N/A	N/A	Baseline	**18%**	10%
Clinical Practice Guidelines Index III (2004 and 2005 results are CPGI I. 2006 and 2007 results as well as the 2008 target are Clinical Practice Guidelines Index II)	77%	87%	83%	83%	85%	**86%**	87%
Prevention Index IV (2004 and 2005 results are PI II. 2006 and 2007 results as well as 2008 target are Prevention Index III)	88%	90%	88%	88%	88%	**89%**	88%
Dollar value of 1st party and 3rd party collections (VHA):							
1st Party ($ in millions)	$742	$772	$863	$915	$950	**$978**	$1,159
3rd Party ($ in millions)	$960	$1,056	$1,096	$1,261	$1,341	**$1,439**	$1,531
Gross Days Revenue Outstanding (GDRO) for third party collections (VHA)	N/A	Baseline	54	59	57	**56**	54
Number of new enrollees waiting to be scheduled for their first appointment (electronic waiting list) (*Corrected)	N/A	N/A	3,700*	127	<200	**<200**	<200
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	69%	73%	74%	74%	80%	**80%**	90%
Percent of unclassified electronic DoD health records available electronically to VA clinicians for separated servicemembers	N/A	N/A	N/A	100%	100%	**100%**	100%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Percent of veterans returning from a combat zone who respond "yes, completely" to survey questions on the following:							
If they believe that their VA provider listened to them.	N/A	N/A	Baseline	64%	70%	**72%**	76%
If they had trust and confidence in their VA provider	N/A	N/A	Baseline	59%	70%	**72%**	76%
Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies *Corrected	N/A	Baseline	$236M*	$328M*	$190M	**$210M**	$220M
Number of outpatient visits at Joint Ventures and significant sites. (Facilities providing 500 or more outpatient visits and/or admissions per year).	N/A	N/A	121,229	102,595	126,128	**130,000**	133,845
Common Measures							
Obligations per unique patient user (VHA) Estimate	$5,493	$5,597	$5,799	$6,431	$7,125	**$7,182**	N/A
Special Emphasis Programs							
Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline **(1) Baseline = 43,325** ***Corrected**	N/A	N/A	(1) Baseline	-5.3%*	7.7%	**38.1%**	22.8%
Percent of severely-injured or ill OEF/OIF servicemembers/veterans who are contacted by their assigned VA case manager within 7 calendar days of notification of transfer to the VA system as an inpatient or outpatient	N/A	N/A	Baseline	91%	92%	**94%**	95%
Percent of appointments for primary care scheduled within 30 days of desired date for veterans and servicemembers returning from a combat zone	N/A	N/A	Baseline	95%	96%	**96%**	97%
Percent of Admission notes by surgical residents that have a note from attending physician within one day of hospital admission to a surgery bed service	N/A	75%	86%	89%	95%	**95%**	95%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Medical Research							
Performance Measures							
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (Three milestones to be achieved over 3 years)	33%	40%	47%	67%	80%	**87%**	100%
Progress towards development of a standard clinical practice for pressure ulcers (Seven milestones to be achieved over 5 years)	43%	52%	61%	65%	72%	**76%**	100%
Progress toward development of robot-assisted treatment/interventions for patients who have suffered nuerological injury due to conditions such as spinal cord injury, stroke, multiple sclerosis, and traumatic brain injury (Nine milestones to be achieved over 4 years)	11%	21%	43%	54%	68%	**86%**	100%
Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study (Measure description changed for clarification purposes)	N/A	29%	40%	35%	38%	**45%**	50%
Veterans Benefits Administration							
Compensation							
Performance Measures							
National accuracy rate (core rating work) % (Compensation)	87%	84%	88%	88%	90%	**92%**	98%
Compensation & Pension rating-related actions - average days to process	166	167	177	183	169	**145**	125
Rating-related compensation actions - average days pending (1) Corrected	120	122	130	132*	120	**100**	100
Average days to process - DIC actions (Compensation)	125	124	136	132	118	**115**	90
Overall satisfaction rate % (Compensation) (1) No customer satisfaction survey was performed for 2006. 2007 data will be available by year-end 2008.	59%	58%	(1) N/A	(1) TBD	65%	**68%**	90%
National accuracy rate % (compensation authorization work)	90%	90%	91%	92%	93%	**94%**	98%
Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a servicemember's discharge (Compensation) (1) The 2006 result was recalculated to capture workload not included in the initial calculation. This result is a more accurate depiction of BDD participation as VBA moved to a new automated data collection methodology in 2006.	N/A	55%	(1) 46%	53%	50%	**52%**	65%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans (*Pending review of results from the Veterans' Disability Benefits Commission that concluded its work in October 2007.)	N/A	N/A	N/A	TBD*	TBD*	**TBD***	50%
Percent of compensation recipients who were kept informed of the full range of available benefits (1) No customer satisfaction survey was performed for 2006. 2007 data will be available by year-end 2008.	43%	44%	(1) N/A	(1) TBD	53%	**54%**	60%
Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing their quality of life (*Pending review of results from the Veterans' Disability Benefits Commission that concluded its work in October 2007.)	N/A	N/A	N/A	TBD*	TBD*	**TBD***	70%
Percent of DIC recipients who are satisfied that VA recognized their sacrifice (Compensation) (*Pending review of results from the Veterans' Disability Benefits Commission that concluded its work in October 2007.)	80%	N/A	N/A	TBD*	TBD*	**TBD***	90%
Appeals resolution time (Number of Days) (Joint Compensation and Pension measure with BVA) (*2008, 2009, and Strategic Targets established by BVA)	529	622	657	660	700*	**700***	675*
Productivity Index % (Compensation and Pension) (New measure added to 2007 budget in compliance with GAO Report 05-47. Productivity Index = Generated Veterans Service Center (VSC) employees/Actual VSC employees. In this case, generated VSC employees are the result of multiplying completed end products by the work rate standard and dividing by 1576.)	N/A	N/A	90%	88%	90%	**92%**	100%
National accuracy rate (fiduciary work) % (Compensation & Pension) (Projections are based on a 12-month cumulative average from the STAR database.)	81%	85%	83%	84%	85%	**88%**	98%
Average number of days to process a claim for reimbursement of burial expenses (Compensation)	48	57	72	91	84	**80**	21
National Accuracy Rate for burial claims processed % (Compensation) (Projections are based on a 12-month cumulative average from the STAR database.)	94%	93%	94%	95%	96%	**97%**	98%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Pension							
Performance Measures							
Non-rating pension actions - average days to process	58	68	92	104	84	**82**	60
National accuracy rate (authorization pension work) (%)	84%	86%	88%	91%	92%	**94%**	98%
Compensation & Pension rating-related actions - average days to process	166	167	177	183	169	**145**	125
National accuracy rate (core rating-related pension work) %	93%	90%	90%	91%	93%	**95%**	98%
Rating-related pension actions - average days pending	77	83	90	89	90	**85**	65
Overall satisfaction rate % (Pension) (1) No customer satisfaction survey was performed for 2006. 2007 data will be available by year-end 2008.	66%	65%	(1) N/A	(1) TBD	71%	**74%**	90%
Percent of pension recipients who were informed of the full range of available benefits (1) No customer satisfaction survey was performed for 2006. 2007 data will be available by year-end 2008.	40%	41%	(1) N/A	(1) TBD	45%	**47%**	60%
Percent of pension recipients who said their claim determination was very or somewhat fair (1) No customer satisfaction survey was performed for 2006. 2007 data will be available by year-end 2008.	64%	65%	(1) N/A	(1) TBD	70%	**72%**	75%
Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran (New measure added during Pensions PART review) (1) No customer satisfaction survey was performed for 2006. 2007 data will be available by year-end 2008.	N/A	78%	(1) N/A	(1) TBD	82%	**84%**	95%
Appeals resolution time (Number of Days) (Joint Compensation and Pension measure with BVA) (*2008, 2009, and strategic targets established by BVA)	529	622	657	660	700*	**700***	675*
Productivity Index % (Compensation and Pension)	N/A	N/A	90%	88%	90%	**92%**	100%
National accuracy rate (fiduciary work) (%) (Compensation & Pension)	81%	85%	83%	84%	85%	**88%**	98%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Education							
Performance Measures							
Average days to complete original education claims	26	33	40	32	24	**19**	10
Average days to complete supplemental education claims	13	19	20	13	11	**10**	7
Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period	71%	71%	70%	70%	71%	**71%**	80%
Percent of Montgomery GI Bill participants who successfully completed an education or training program (Measure under development)	N/A	N/A	TBD	TBD	TBD	**TBD**	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (Measure under development)	N/A	N/A	TBD	TBD	TBD	**TBD**	TBD
Customer satisfaction-high rating (Education) (1) No customer satisfaction survey was performed for 2005 or 2006. 2007 data will be available by year-end 2008.	86%	(1) N/A	(1) N/A	(1) TBD	89%	**90%**	95%
Telephone Activities - Blocked call rate (Education) %	20%	38%	43%	32%	20%	**18%**	10%
Telephone Activities - Abandoned call rate (Education) % (1) Corrected	10%	17%	20%	(1) 14%	10%	**9%**	5%
Payment accuracy rate (Education) %	94%	96%	94%	95%	96%	**96%**	97%
Vocational Rehabilitation and Employment							
Performance Measures							
Rehabilitation rate % (VR&E)	62%	63%	73%	73%	75%	**76%**	80%
Speed of entitlement decisions in average days (VR&E) (VR&E anticipates fluctuations in performance measures while in the process of implementing Task Force recommendations.)	57	62	54	54	52	**51**	40
Accuracy of decisions (Services) % (VR&E)	86%	87%	82%	77%	79%	**80%**	96%
Customer satisfaction (Survey) % (VR&E) (1) No customer satisfaction survey was performed for 2005 or 2006. 2007 data will be available by year-end 2008.	79%	(1) N/A	(1) N/A	(1) TBD	84%	**TBD**	92%
Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)	94%	97%	95%	93%	94%	**95%**	99%
Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E)	N/A	N/A	73%	73%	75%	**76%**	80%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Common Measures **							
Percent of participants employed first quarter after program exit (VR&E)	N/A	N/A	N/A	N/A	N/A	**72%**	80%
Percent of participants still employed three quarters after program exit (VR&E)	N/A	N/A	N/A	N/A	N/A	**72%**	85%
Percent change in earnings from pre-application to post-program employment (VR&E)	N/A	N/A	N/A	N/A	N/A	**TBD**	TBD
Average cost of placing participant in employment (VR&E)	N/A	N/A	N/A	$8,856	$8,000	**$8,000**	$6,500
** These are designated as "common" measures because they are also used by other agencies that manage vocational rehabilitation programs. They also support the Performance Improvement Initiative of the President's Management Agenda. Targets shown above are estimates and may change.							
Housing							
Performance Measures							
Foreclosure avoidance through servicing (FATS) ratio % (Housing)	44.0%	48.0%	54.0%	57.0%	56.0%	**56.5%**	57.0%
Veterans' satisfaction level % (Housing) (1) No Housing survey was completed for 2004 and 2005.	(1) N/A	(1) N/A	93.1%	Avail. Dec 2008	95.0%	**95.0%**	97.0%
Lender Satisfaction (Percent of lenders who indicate that they are satisfied with the VA Loan Guaranty Program) (1) No Housing survey was completed for 2004 and 2005.	(1) N/A	(1) N/A	93.2%	Avail. Dec 2008	94.0%	**94.0%**	95.0%
Statistical quality index % (Housing)	98.0%	98.0%	99.0%	99.2%	98.0%	**98.0%**	98.5%
Specially Adapted Housing Independence (Percent of Specially Adapted Housing (SAH) grant recipients who indicate that grant-funded housing adaptations increased their independence)	N/A	N/A	93.2%	Avail. Dec 2008	98.0%	**98.0%**	99.0%
Rate of homeownership for veterans compared to that of the general population (%) (New measure added to 2008 budget and strategic plan. For 2005, the homeownership rate for the general population was 69%.)	N/A	N/A	N/A	N/A	108.0%	**109.0%**	110.0%
E-FATS (Ratio of dollars saved through successful loan interventions, to dollars spent by VA on Loan Administration FTE who perform intervention work) (Housing)	N/A	N/A	7.0:1	6.8:1	7.0:1	**7.5:1**	8.0:1

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Insurance							
Performance Measures							
Average number of days to process TSGLI disbursements (Insurance)	N/A	N/A	3.8	3.0	5	**5**	**5**
Percent of servicemembers covered by SGLI (%)	N/A	98%	99%	99%	98%	**98%**	98%
Conversion rate of disabled SGLI members to VGLI (%)	N/A	35%	41%	40%	50%	**50%**	50%
Ratio of premium rates charged per $1,000 by other organizations compared to the SGLI premium rates charged per $1,000 by VA for similar coverage	N/A	1.4	1.3	1.2	1.0	**1.0**	1.0
Ratio of premium rates charged per $1,000 by other organizations compared to the VGLI premium rates charged per $1,000 by VA for similar coverage	N/A	0.9	0.9	0.9	1.0	**1.0**	1.0
Rate of high veterans' satisfaction ratings on services delivered (%) (Insurance)	96%	96%	96%	96%	95%	**95%**	95%
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer	N/A	1.0	0.9	0.9	0.9	**0.8**	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted servicemember	N/A	1.9	1.8	1.8	1.7	**1.6**	1.0
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	N/A	1,692	1,697	1,724	1,725	1,730	1,750

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
National Cemetery Administration							
Burial Program							
Performance Measures							
Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	75.3%	77.1%	80.2%	83.4%	83.7%	**88.0%**	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	94%	94%	97%	**98%**	100%
Percent of graves in national cemeteries marked within 60 days of interment	87%	94%	95%	94%	95%	**95%**	98%
Percent of applications for headstones and markers that are processed within 20 days for the graves of veterans who are not buried in national cemeteries (Measure became a "Key" measure in FY 2009)	N/A	13%	62%	38%	75%	**80%**	90%
Percent of respondents who rate national cemetery appearance as excellent	98%	98%	97%	97%	99%	**99%**	100%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	73%	74%	72%	80%	**81%**	93%
Percent of requests from funeral directors for interment at national cemeteries that are received electronically (Internet)	N/A	N/A	N/A	N/A	N/A	**Baseline**	50%
Percent of headstones and markers that are undamaged and correctly inscribed	97%	96%	96%	96%	96%	**98%**	98%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically (Internet)	N/A	N/A	N/A	N/A	Baseline	**50%**	75%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	97%	98%	98%	98%	99%	**99%**	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	64%	70%	67%	69%	72%	**78%**	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	76%	72%	77%	75%	80%	**84%**	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	79%	84%	86%	83%	88%	**90%**	95%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Percent of national cemetery buildings and structures that are assessed as acceptable according to National Shrine Standards	N/A	N/A	N/A	N/A	N/A	**Baseline**	90%
Board of Veterans' Appeals							
Performance Measures							
Deficiency-free decision rate (BVA)	93.0%	89.0%	93.0%	94.0%	92.0%	**92.0%**	92.0%
Appeals resolution time (Number of Days) (Joint BVA-VBA Compensation and Pension measure)	529	622	657	660	700	**700**	675
BVA Cycle Time (Days)	98	104	148	136	150	**150**	104
Appeals decided per Veterans Law Judge (BVA)	691	621	698	721	752	**752**	800
Cost per case (BVA time only)	$1,302	$1,453	$1,381	$1,337	$1,648	**$1,619**	$1,619
Departmental Management							
Performance Measures							
Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement (OSDBU) (*Corrected) (**Estimated: Final data available 08/2008)	1.25%	2.15%*	3.58%	6.94%**	3.00%	**3.00%**	3.00%
Number of pilot, demonstration, and existing programs implemented by VA in which faith-based and community organizations participate (CFBCI)	N/A	4	6	12	12	**12**	14
Percentage of VA employees who are veterans (HR&A)	26.0%	28.0%	30.0%	32.0%	33.0%	**33.0%**	33.0%
The Alternative Dispute Resolution (ADR) participation rate in the Equal Employment Opportunity (EEO) complaint process (HR&A)	13.0%	17.0%	22.0%	28.0%	30.0%	**32.0%**	35.0%
Percent of confirmed Successors to the Secretary who attend orientation and/or the annual update (OS&P)	N/A	N/A	N/A	N/A	95%	**100%**	100%
Percent of Under Secretaries, Assistant Secretaries, and other key officials who self-certify their teams "ready to deploy" to their COOP site (OS&P)	N/A	85%	85%	90%	100%	**100%**	100%
Cumulative percent of FTEs (compared to total planned) included in Management Analysis/Business Process Reengineering studies initiated (OP&P)	N/A	0%	0%	33%	54%	**96%**	100%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Percent of tort claims decided accurately at the administrative stage (OGC)	89.0%	88.4%	92.2%	92.6%	91.5%	**91.5%**	91.5%
Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)	0	0	0	0	0	**0**	0
Number of material weaknesses identified during the annual independent financial statement audit or separately identified by management (OM) (A) VA's material weaknesses identified during the annual independent financial statement audit are also considered weaknesses under FMFIA. *Corrected	4	4	4*	4(A)	4	**3**	0
Average number of orders (prosthetics devices and batteries) processed annually per DALC employee (DALC) (OM) (DALC = Denver Acquisition and Logistics Center)	14,394	16,238	16,794	17,577	20,000	**22,000**	24,000
Grade on Federal Information Security Management Act report (OIT)	N/A	N/A	N/A	N/A	N/A	**C**	A
Overall EVM portfolio performance as measured by Cost and Schedule Performance Variances (OIT) • Cost Performance • Schedule Performance	N/A	N/A	N/A	N/A	N/A	**90%-110%** **90%-110%**	95%-105% 95%-105%
Percentage of responses to pre- & post-hearing questions that are submitted to Congress within the required timeframe (OCLA)	N/A	21%	15%	27%	45%	**45%**	100%
Percentage of testimony submitted to Congress within the required timeframe (OCLA)	N/A	N/A	N/A	75%	90%	**90%**	100%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	54% w/i 15 days	21% by due date	13% by due date	40% by due date	50% by due date	**50% by due date**	100%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) *Corrected	80% (Baseline)	98%	104%*	112%	95%	**95%**	95%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Percent Condition Index (owned buildings) (OAEM)	N/A	82% (Baseline)	79%	74%	85%	**85%**	87%
Ratio of non-mission dependent assets to total assets (OAEM)	N/A	22% (Baseline)	15%	12%	13%	**12%**	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (Targets and results were adjusted to conform with Federal Real Property Council Tier 1 definitions)	$4.52 (Baseline)	$4.85	$5.59	$5.80	$4.52	**$4.52**	$4.52
Cumulative percentage decrease in facility traditional energy consumption per GSF from the 2003 baseline (OAEM) *Corrected	N/A	N/A	4%*	6%	9%	**12%**	30%
Percent of total facility electricity consumption that is renewable (OAEM)	N/A	N/A	3%	3%	3.0%	**3.0%**	7.5%
Percent of contract awards (design development, construction documents, construction) that meet operating plan target dates within a 90-day variance (OCFM)	N/A	73.3%	71.4%	73.0%	75.0%	**80.0%**	90.0%
Percent of direct lease acquisitions that meet target dates. (OCFM) (*FY 2007 results are provided only for the last six months of the fiscal year.)	N/A	N/A	N/A	70%*	80.0%	**90%**	95%
Percent of property acquisitions that meet target dates. (OCFM) (*FY 2007 results are provided only for the last six months of the fiscal year.)	N/A	N/A	N/A	75%*	80.0%	**90%**	95%
Percent of space criteria departmental updates that are not older than 3 years. (OCFM) *FY 2007 results are provided only for the last six months of the fiscal year.	N/A	N/A	N/A	100%*	98.0%	**98%**	100%

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2004	2005	2006	2007	2008 (Final)	2009 (Initial)	
Office of Inspector General							
Performance Measures							
Arrests, indictments, convictions, administrative sanctions, and pretrial diversions.	N/A	N/A	2,241	2,061	1,848	**1,700**	2,200
Audit, inspection, and evaluation reports issued that identify opportunities for improvement and provide recommendations for corrective action.	N/A	N/A	150	217	120	**120**	165
CAP reports issued that include relevant health care delivery pulse points.	N/A	N/A	64	45	30	**30**	45
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations.	N/A	N/A	$900	$670	$500	**$500**	$1,000
Return on investment (monetary benefits ÷ cost of operations in dollars).	N/A	N/A	N/A	N/A	6 to 1	**6.2 to 1**	10 to 1
Percentage of prosecutions successfully completed.	N/A	N/A	N/A	N/A	85%	**85%**	90%
Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA	N/A	N/A	N/A	N/A	80%	**80%**	90%
Percentage of preaward recommendations sustained during contract negotiations	N/A	N/A	N/A	N/A	63%	**63%**	65%
Customer satisfaction survey scores (based on a scale of 0 to 5, where 5 is high):							
Investigations	N/A	N/A	4.9	4.9	3.0	**3.2**	5.0
Audit	N/A	N/A	4.3	3.7	3.0	**3.2**	5.0
Healthcare Inspections	N/A	N/A	4.6	4.4	3.0	**3.2**	5.0

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President's Management Agenda

The President's Management Agenda

The President's Management Agenda (PMA), which was announced in 2001, is an aggressive strategy for improving the management of the federal government. It focuses on key areas of management weakness across the government. VA is working closely with OMB to address weaknesses identified in each of the areas. OMB issues reports quarterly and uses a "stoplight" scorecard to show progress made by each federal agency. The following table summarizes VA's progress and status as of September 30, 2007.

More details on the progress VA is making as well as the next steps VA is taking on each of the PMA initiatives can be found in the FY 2007 Performance and Accountability Report (PAR). The PAR is available on line at

VA's Status and Progress on the President's Management Agenda
As of September 30, 2007

Initiative	Status	Progress	***Status*** *Change from September 30, 2006*
Human Capital *(g-wide)*	G	G	⇔
Competitive Sourcing *(g-wide)*	R	R	⇔
Financial Performance *(g-wide)*	R	Y	⇔
E-Government *(g-wide)*	R	R	⇔
Performance Improvement *(g-wide)*	Y	G	⇧
Real Property	G	G	⇔
VA/DoD Coordination	Y	G	⇔
Research and Development	-- not rated --		
Improper Payments	Y	G	⇩
Faith-Based and Community Initiative	G	G	⇧
Credit Management	R	Y	⇔
Health Information	R	G	n/a (not rated in September 2006)

http://www.va.gov/budget/report/2007/index.htm.

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PART Summary

Program Assessment Rating Tool (PART)

Starting in 2002, OMB began to evaluate all federal programs using a detailed questionnaire-driven methodology called the Program Assessment Rating Tool (PART). The PART contains 25 questions pertaining to a program's design and purpose, strategic planning capability, quality of performance measurements, financial oversight, and reporting of accurate and consistent performance data.

Once a PART review is completed, programs are given one of five ratings as follows:

Rating	Score Range
Effective ……	85-100%
Moderately Effective……	70-84%
Adequate……....	50-69%
Ineffective……	0-49%
Results Not Demonstrated……...	- - - *

* Regardless of the Overall Score, programs that do not have acceptable performance measures or have not yet collected performance data generally receive a rating of Results Not Demonstrated.

All of VA's 10 programs have been reviewed at least once. Below is a chart summarizing VA's PART results by program:

Following the completion of a given PART assessment, VA and OMB develop a program-specific improvement plan consisting of follow up actions designed to improve a program implementation. These plans are updated twice a year. Details on VA's 2007 **actions** in response to these follow up actions in the FY 2007 Performance and Accountability Report (PAR). The PAR is available on line at http://www.va.gov/budget/report/2007/index.htm.

Selected VA Facilities by Type

(as of December 2007)

Type of Facility	Number
Domiciliary Rehabilitation Treatment Programs – As of September 30, 2007	47
Geriatric Research, Education, and Clinical Centers	21
Health Administration Management Center	1
Independent Outpatient Clinics	4
Insurance Center	1
Memorial Service Networks	5
Mobile Clinics	5
Nursing Home Units	135
Orthotic/Prosthetic Laboratories	57
Prosthetic and Sensory Aids Restoration Clinics	6
Regional Loan Centers	9
Regional Office – Outpatient Clinic	1
Regional Offices	57
Regional Pension Maintenance Centers	3
Regional Education Processing Offices	4
VA Hospitals	155
VA National Cemeteries – As of September 30, 2007	125
VA Outpatient Clinics – As of September 30, 2007	731
Vet Centers – As of September 30, 2007	209
Veterans Benefits Administration Area Offices	4
Veterans Integrated Service Networks (VISNS)	21

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