

Department Overview

Our Mission

“To care for him who shall have borne the battle, and for his widow, and his orphan...”

-Abraham Lincoln

The mission of the Department of Veterans Affairs (VA) is clear and compelling.

VA fulfills the words spoken by President Lincoln nearly 150 years ago by working to provide world-class benefits and services in a cost-effective manner 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 more than 222,000 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 They Do*

Veterans Health Administration

Providing Medical Care to Veterans

VA operates the largest direct health care delivery system in the country. 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 the Nation's largest provider of health care education and training for medical residents and other health care trainees. Our education and training programs are designed to help ensure an adequate supply of clinical care providers for veterans and the Nation.

Conducting Veteran-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 to Veterans

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, disease, or death incurred 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 to Veterans

The Pension program provides monthly payments, as specified by law, to needy wartime veterans at age 65 or over or who are permanently and totally disabled. This program also provides monthly payments, as specified by law, to needy surviving spouses and dependent children of deceased wartime veterans who die as a result of a disability unrelated to military service.

Providing Education Opportunities to Veterans

The Education program assists eligible veterans, servicemembers, reservists, survivors, and dependents in achieving their educational or vocational goals.

Delivering Vocational Rehabilitation and Employment Services to Veterans

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 Among Veterans

The Housing program helps eligible veterans, active duty personnel, surviving spouses, and selected reservists purchase and retain homes.

Providing Insurance Service to Veterans

The Insurance program provides veterans, servicemembers, and family members with life insurance benefits, some of which are not available from other providers -- such as the commercial insurance industry -- due to lost or impaired insurability resulting from military service. Insurance

coverage is made in reasonable amounts and at competitive premium rates 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, VA honors veterans with final resting places in national shrines and lasting memorials that commemorate the veterans' service to the Nation.

Staff Offices

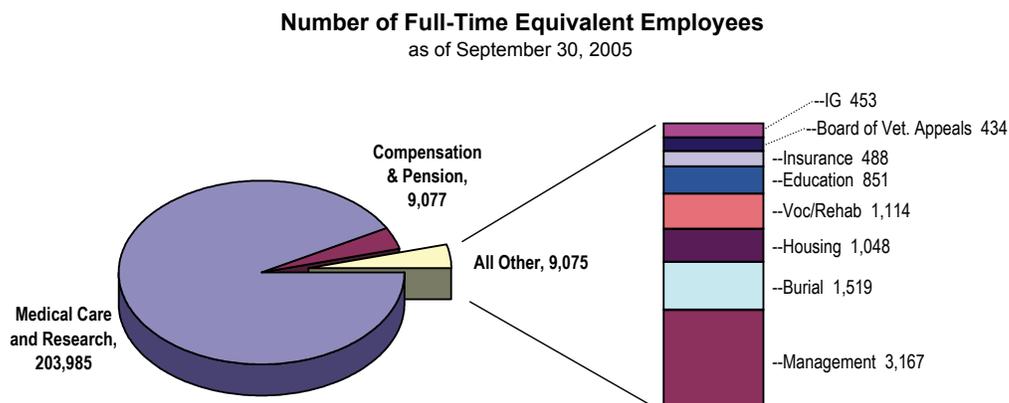
The Department's staff offices are critical to VA's ability to deliver services to veterans in a cost-effective manner. These offices provide a variety of services including human resources management, accounting, information technology, acquisition, and facilities management.

Our Programs: *Who They Serve*

Program	FY 2005 Participants*
Medical Care	
Unique Patients	**5,435,500
Compensation	
Veterans	2,633,900
Survivors/Children	322,700
Pension	
Veterans	335,900
Survivors	207,100
Education	
Veterans/Servicemembers	338,100
Reservists	86,600
Survivors/Dependents	74,800
Vocational Rehabilitation	
Veterans	96,200
Housing	
Loans Guaranteed	152,200
Insurance	
Veterans	1,874,400
Servicemembers/Reservists	2,371,500
Spouses/Dependents	3,037,000
Burial	
Interments	93,200
Graves Maintained	2,706,100
Headstone/Markers (Processed)	363,300
Presidential Memorial Certificates	487,800
	*Numbers rounded to nearest hundred
	**Estimated

Resources: *Our People*

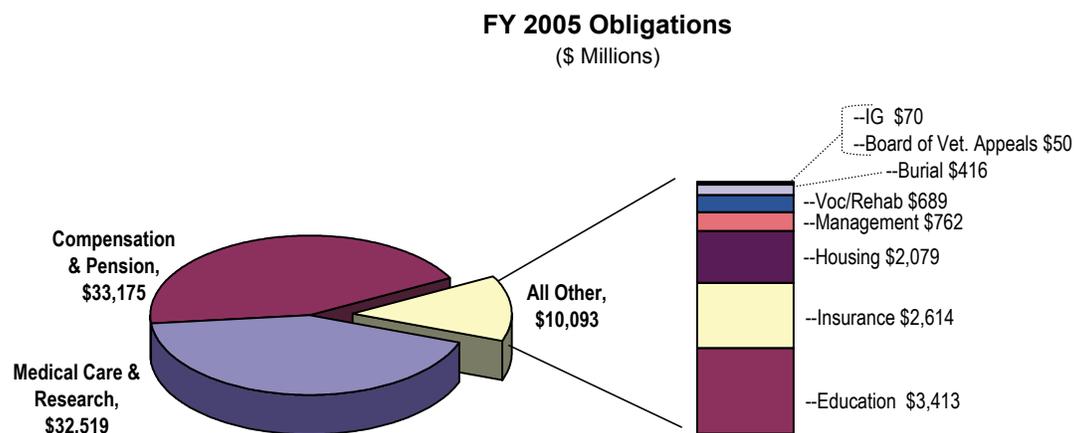
As of September 30, 2005, the Department employed more than 222,000 staff nationwide. The charts below show the distribution of full-time equivalents by program area.



As shown above, more than 200,000 employees support VA's health care system, one of the largest in the world. Of the remaining employees, approximately 13,000 are involved with providing compensation and pension as well as other benefits to veterans and their families. More than 1,500 provide burial and memorial services for veterans and their eligible spouses and children, and about 3,000 employees provide administrative and management support to the programs.

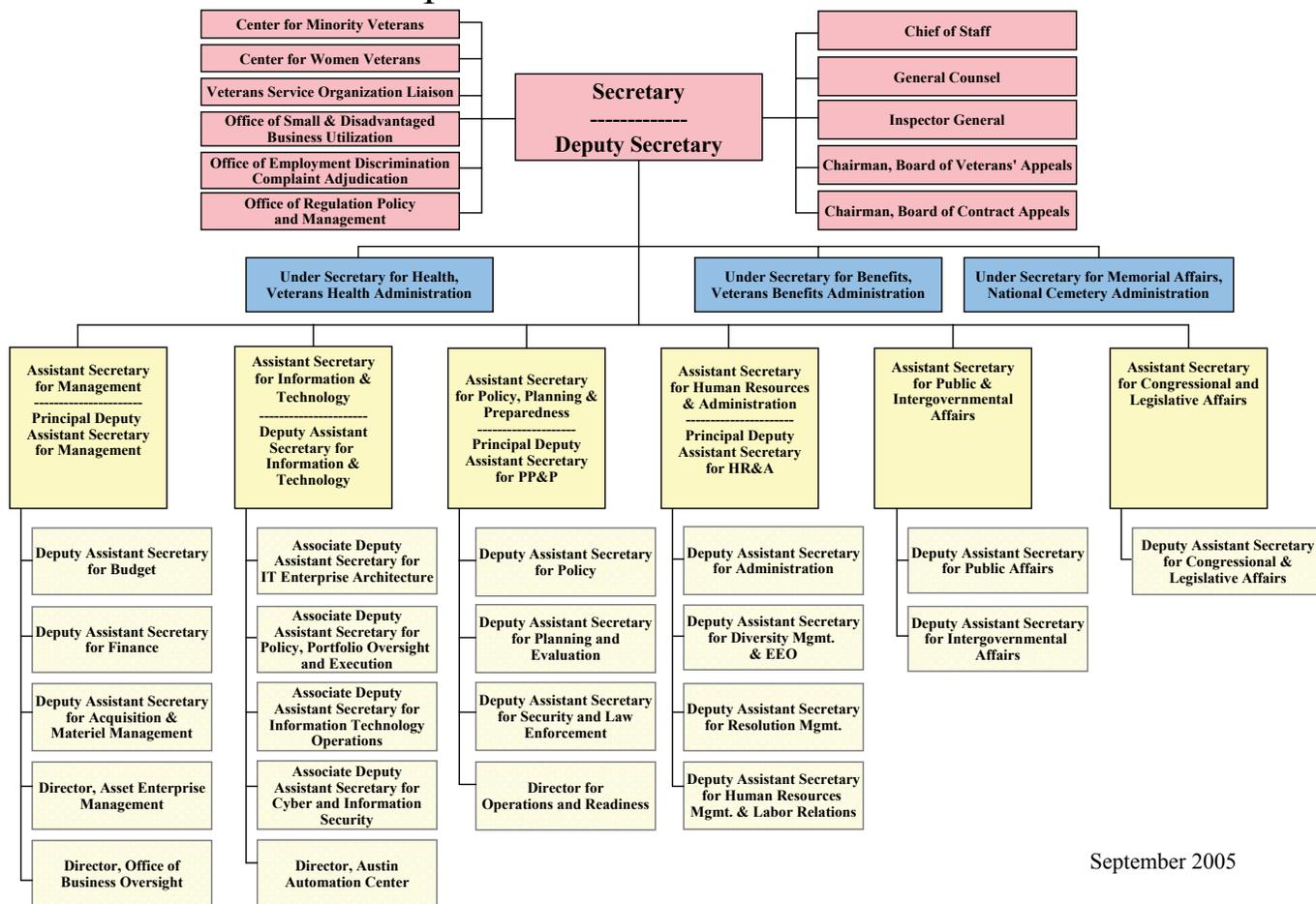
Resources: *Budgetary*

In 2005 VA obligated nearly \$76 billion. Approximately 86 percent of total funding went directly to veterans in the form of monthly payments of benefits or for direct services such as medical care. The following charts show how VA spent the funds with which it was entrusted.



Our Organization

Department of Veterans Affairs



September 2005

Leadership and Governance

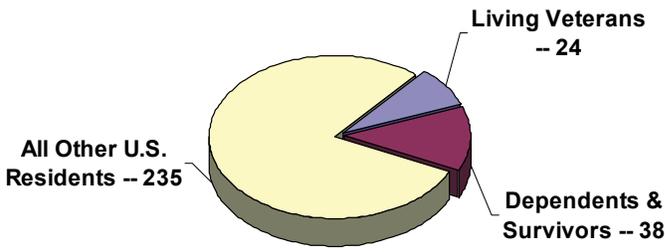
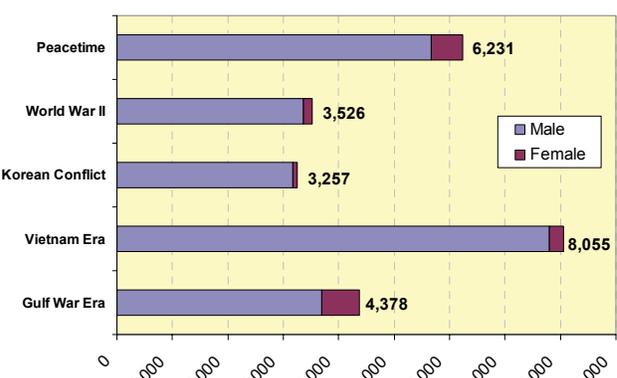
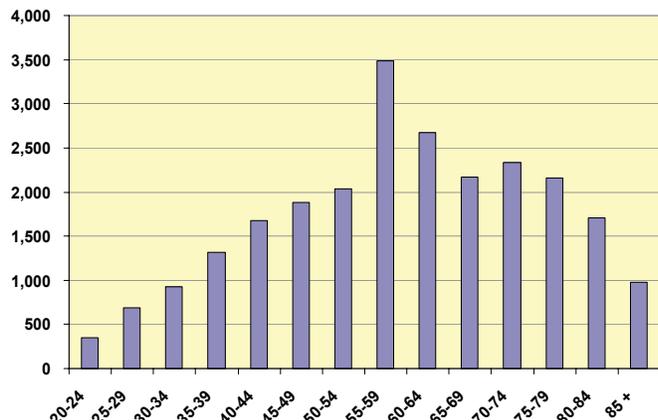
VA senior leadership makes policy decisions through internal governing boards including those cited below.

Governance	Major FY 2005 Actions
Strategic Management Council	
<p>The Strategic Management Council (SMC), chaired by the Deputy Secretary, includes the six Assistant Secretaries; the Deputy Under Secretaries for Health, Benefits, and Memorial Affairs; the Deputy General Counsel; Chair for the Board of Veterans' Appeals; Chief of Staff; Counselor to the Secretary; and the Senior Advisor to the Deputy Secretary. The SMC serves as the day-to-day operational management body for the Department.</p>	<p>The SMC accomplished the following actions:</p> <ul style="list-style-type: none"> • Worked to address congressional concerns with the VETSNET program. • Conducted pre- and post-award audits on VA drug contracts. • Directed an assessment on post-traumatic stress disorder (PTSD) trends for Vietnam, Operation Iraqi Freedom (OIF), and Operation Enduring Freedom (OEF) veterans. • Explored alternative land acquisition strategies to meet future demands for burial space. • Validated a plan to meet a secretarial mandate to reduce the number of days required to hire a new employee/fill a position, from 160 to 92 days. • Approved the development of an implementation plan for enhanced preventive health to combat obesity among veterans. • Approved initiation of a program evaluation of the VA Burial program. • Reviewed and made recommendations on the e-Payroll and e-Travel Initiatives. • Reviewed and made recommendations on VA's initiatives on the President's Management Agenda (PMA).
Business Oversight Board	
<p>The VA Business Oversight Board (Board) meets quarterly to review all major business policy and operations issues involving procurement, collections (primarily medical collections), capital asset management, and business revolving funds (Canteen, General Post Fund, Franchise Fund, Supply Fund). The Board monitors performance of the operating plans approved by the Secretary and identifies and manages key business issues facing VA.</p>	<ul style="list-style-type: none"> • The Board continued the restructuring of the Department's capital assets with the goal of reducing the funds needed to operate and maintain the capital asset infrastructure. The Office of Trust Oversight was established to ensure better oversight. • The Consolidated Mail Outpatient Pharmacy (CMOP) received additional scrutiny this year. Previously the capital investments were funded on an ad hoc basis. With the Board's support, VHA adopted a policy that added a capitalization fee to the cost of each script. This policy permits the program to accrue funds to support the acquisition of replacement equipment and additional facilities in support of the CMOP strategic plan. • One of the Board's primary focuses has been on procurement reform. VA contracts for nearly \$9 billion a year in goods and services. To date, the Department has completed 60 of the 65 reforms recommended by the Secretary's Procurement Reform Task Force. The Department is on track to complete all 65 recommendations by the end of calendar year 2005. This will improve efficiency and extend VA's buying power for its health care system. • The Board has monitored VA's progress in improving the way the Department manages revenue collections. This past year, the Board placed an increased emphasis on reducing the gross days revenue outstanding to maximize collections. • At the request of the Board, VHA, working with the Office of General Counsel, has formalized national payer relationship management to facilitate prompt appropriate payment of health care claims from third-party payers.

Governance	Major FY 2005 Actions
Monthly Performance Reviews	
<p>The Monthly Performance Reviews, chaired by the Deputy Secretary, focus on financial and program performance. In this context, the Department's leadership discusses and makes decisions on mission-critical issues within the context of performance, budget, and workload targets and associated results.</p>	<ul style="list-style-type: none"> • Using financial and performance metrics, each VA administration and staff office depicts its progress in meeting established monthly and/or fiscal-year-to-date goals. • Actual obligations, FTE, workload, and performance levels are compared to those in the operating plans. • Projects are reviewed noting milestones achieved and timeliness of milestone accomplishment. At the end of a given fiscal year, annual results are recorded in the Department's Performance and Accountability Report.

Who We Serve: A Profile of Today's Veteran

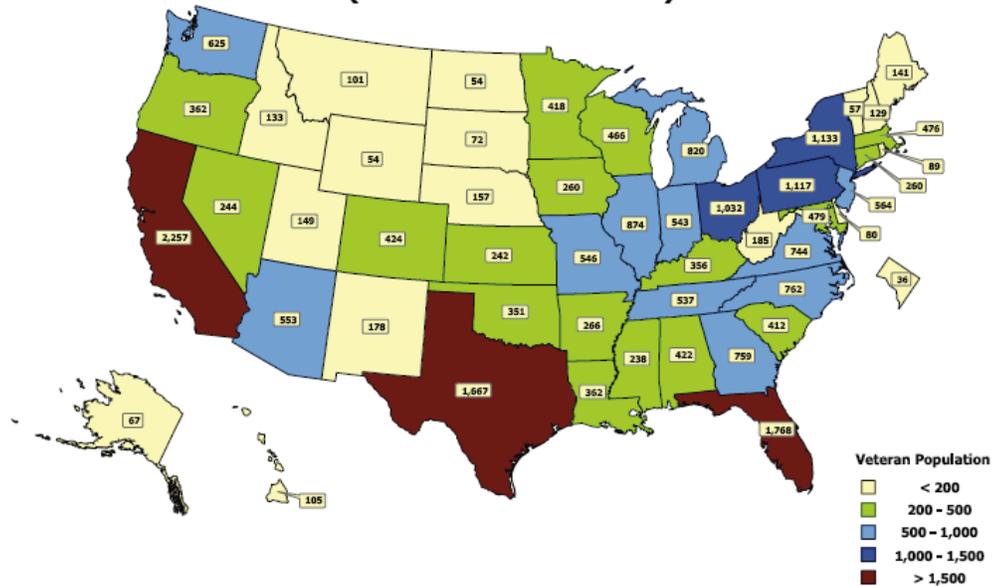
Beginning with our Nation's struggle for freedom more than 2 centuries ago, approximately 42 million men and women have served this country during wartime periods. The charts below provide various social and demographic data on today's veteran population based on the 2000 census.

Data	Analysis																														
<p style="text-align: center;">Veteran Population Compared to Total U.S. Population (Millions)</p>  <p>Living Veterans -- 24</p> <p>Dependents & Survivors -- 38</p> <p>All Other U.S. Residents -- 235</p>	<ul style="list-style-type: none"> • Currently there are about 24.4 million living U.S. veterans, 7 percent of whom are women veterans. The percentage of women veterans is expected to increase. • There are an estimated 38 million dependents (spouses and dependent children) of living veterans and survivors of deceased veterans in the U.S. 																														
<p style="text-align: center;">Veteran Population by Period of Service* (Thousands)</p>  <table border="1"> <thead> <tr> <th>Period of Service</th> <th>Total (Thousands)</th> </tr> </thead> <tbody> <tr> <td>Peacetime</td> <td>6,231</td> </tr> <tr> <td>World War II</td> <td>3,526</td> </tr> <tr> <td>Korean Conflict</td> <td>3,257</td> </tr> <tr> <td>Vietnam Era</td> <td>8,055</td> </tr> <tr> <td>Gulf War Era</td> <td>4,378</td> </tr> </tbody> </table>	Period of Service	Total (Thousands)	Peacetime	6,231	World War II	3,526	Korean Conflict	3,257	Vietnam Era	8,055	Gulf War Era	4,378	<ul style="list-style-type: none"> • Over 18 million (74 percent) of veterans served during at least one wartime period. • The nearly 8.1 million Vietnam Era veterans account for the largest segment of the veteran population. • About 73 percent of all women veterans served during the post-Vietnam Era compared to 44 percent of men. 																		
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<p style="text-align: center;">Age Distribution of the Veteran Population By 5-Year Age Groups (Thousands)</p>  <table border="1"> <thead> <tr> <th>Age Group</th> <th>Number (Thousands)</th> </tr> </thead> <tbody> <tr><td>20-24</td><td>~300</td></tr> <tr><td>25-29</td><td>~600</td></tr> <tr><td>30-34</td><td>~900</td></tr> <tr><td>35-39</td><td>~1300</td></tr> <tr><td>40-44</td><td>~1700</td></tr> <tr><td>45-49</td><td>~1900</td></tr> <tr><td>50-54</td><td>~2100</td></tr> <tr><td>55-59</td><td>~3500</td></tr> <tr><td>60-64</td><td>~2700</td></tr> <tr><td>65-69</td><td>~2200</td></tr> <tr><td>70-74</td><td>~2400</td></tr> <tr><td>75-79</td><td>~2200</td></tr> <tr><td>80-84</td><td>~1700</td></tr> <tr><td>85+</td><td>~1000</td></tr> </tbody> </table>	Age Group	Number (Thousands)	20-24	~300	25-29	~600	30-34	~900	35-39	~1300	40-44	~1700	45-49	~1900	50-54	~2100	55-59	~3500	60-64	~2700	65-69	~2200	70-74	~2400	75-79	~2200	80-84	~1700	85+	~1000	<ul style="list-style-type: none"> • As of September 2005, the median age of all living veterans was 59 years. • Men's median age was 60; women's was 46. • The number of veterans 85 and older totaled nearly 980,000, compared to 164,000 in 1990. • Between 2004 and 2012, veterans 85 and older enrolled in VA's health care system are expected to increase from 278,000 to 681,000, or 145 percent. • Associated workload for long-term care increased more than 20 percent in 2004 and over 18 percent in 2005. • The number of women veterans enrolled in VA's health care system is 355,000.
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*There are too few living World War I veterans to estimate their number with an acceptable level of reliability. Sum of period of service will exceed number of all veterans because veterans who served in multiple periods are shown in each period.

Data

Veteran Population by State As of September 30, 2005 (Numbers in Thousands)



Analysis

- Veterans in just three states – California, Florida, and Texas – comprised over 23 percent of the total number of veterans living in the United States.
- The three next largest states in terms of veteran population are New York, Pennsylvania, and Ohio.
- Together, these six states account for more than 37 percent of the total veteran population.