



Strategic Goal Two

Ensure a smooth transition for veterans from active military service to civilian life.

STRATEGIC OBJECTIVE 2.1

Reentry into Civilian Life

Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.

Making a Difference for the Veteran

VA Holds Summit to Help Veterans' Transition to Civilian Life



Signing of the Memorandum of Understanding creating the Arizona OEF/OIF Summit.

More than 9,000 active duty, National Guard, and reserve military personnel have returned to Arizona after serving in Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF). In order to assist them with a seamless transition from military to civilian life, VA facilities throughout the state – regional office, medical centers, Vet Centers, and national cemeteries – have formed the Arizona OEF/OIF Summit. Summit members Larry Johnson, Tucson Vet Center, and Annette Lavelle, Phoenix Vet Center, are OEF/OIF veterans who are able to provide insight to the

needs of returning servicemembers.

The goal of the Summit is to enhance communications, review shared services, and provide outreach to servicemembers and their families. The Summit created a One VA package to distribute at outreach events and National Guard and Reserve briefings.

The package includes information and contact information for all VA facilities and programs in Arizona. At a recent Summit meeting, an advocate for severely injured veterans presented an overview of the benefits offered by the Military Severely Injured Center. The Summit's membership of caring VA employees representing diverse professions and programs is making a difference in the quality of service delivered to our newest combat veterans.



Significant Trends, Impacts, and VA’s Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data										
<p>Supporting Measure Number of Implementation Guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD</p> <table border="1"> <caption>Number of Implementation Guides Developed</caption> <thead> <tr> <th>Year/Target</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>2</td> </tr> <tr> <td>2006 Result</td> <td>3</td> </tr> <tr> <td>2006 Plan</td> <td>3</td> </tr> <tr> <td>Strategic Target</td> <td>9</td> </tr> </tbody> </table>	Year/Target	Count	2005	2	2006 Result	3	2006 Plan	3	Strategic Target	9	<p>The development of additional implementation guides further enhanced the ability of VA to share electronic health data with DoD by advancing the implementation of the Joint Electronic Health Records, thus facilitating the transfer of medical records between the two agencies.</p>	<p>The electronic health data that are currently shared and will be shared with DoD directly support the ability of VHA clinicians and VBA claims adjudicators to deliver medical care and benefits to veterans.</p>
Year/Target	Count											
2005	2											
2006 Result	3											
2006 Plan	3											
Strategic Target	9											

Related Performance Information

Major Management Challenges

The following major management challenges have been identified for this strategic objective:

GAO

- VA/DoD Efficiencies (see page 262 for more details)
- VA/DoD Information Sharing (see page 270 for more details)

Program Evaluations

No independent program evaluations have been conducted recently that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

No PART evaluations have been completed that specifically address this objective.

Other Important Results

The continuing success of its industry-leading electronic medical record system has earned VA a prestigious national award in information technology. The Excellence.Gov award cites VA's collaboration with the Department of Defense on an innovative capability to exchange electronic medical record data for patients receiving care from both Departments. Competition was among more than 80 federal executive branch information technology projects. The award was given by the American Council for Technology, a non-profit organization of industry and government executives who work together to improve the government's computerized programs.

Data Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 166.



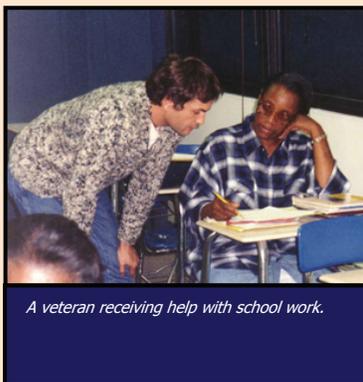
STRATEGIC OBJECTIVE 2.2

Decisions on Education Claims

Enhance the ability of veterans and servicemembers to achieve educational and career goals by providing timely and accurate decisions on education claims and continuing payments at appropriate levels.

Making a Difference for the Veteran

VA Develops New Education Outreach Program

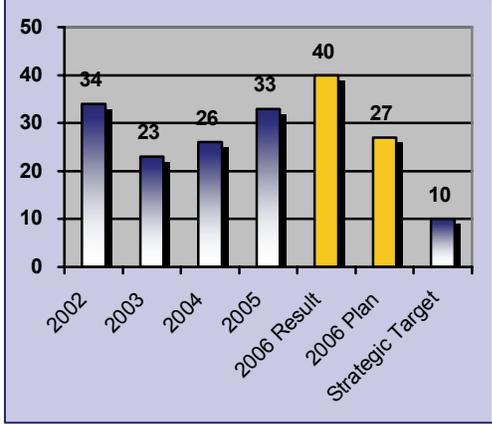
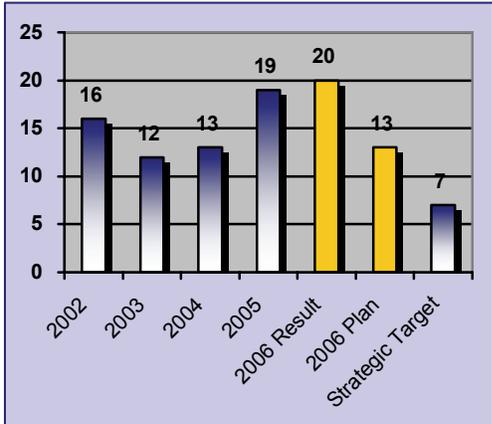


During the past five decades, the GI Bill has made possible the investment of billions of dollars in education and training for millions of veterans, and the Nation has in return earned many times the investment in increased taxes and a dramatically changed society.

In May 2006, VA's Education Service implemented a pilot program entitled "VA Education Benefit Outreach Program" that VA is hoping will increase the outreach efforts to veterans. The purpose of the pilot is to provide veterans, reservists, and dependents who are potentially eligible for benefits with information about VA's education benefits. In order to communicate information, we are inviting faith-based and community organizations to partner with us in expanding current outreach efforts. The pilot program began in Bay Pines, Florida.



Significant Trends, Impacts, and VA’s Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p data-bbox="196 428 703 520">Key Measure Average Days to Complete Original Education Claims</p>  <table border="1" data-bbox="207 548 699 972"> <caption>Average Days to Complete Original Education Claims</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>34</td> </tr> <tr> <td>2003</td> <td>23</td> </tr> <tr> <td>2004</td> <td>26</td> </tr> <tr> <td>2005</td> <td>33</td> </tr> <tr> <td>2006 Result</td> <td>40</td> </tr> <tr> <td>2006 Plan</td> <td>27</td> </tr> <tr> <td>Strategic Target</td> <td>10</td> </tr> </tbody> </table>	Year/Target	Days	2002	34	2003	23	2004	26	2005	33	2006 Result	40	2006 Plan	27	Strategic Target	10	<p>VA missed the 2006 target by 13 days. The timeliness increased from 33 days in 2005 to 40 days in 2006. Thus, compared with 2005, veterans waited on average an additional 7 days to receive their initial award notification and payment. The importance of making timely payments to veterans for educational claims is critical to helping them meet their educational goals.</p>	<p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. Such actions include hiring additional employees to process claims and authorizing additional funding at the processing offices to enable employees to work overtime.</p>
Year/Target	Days																	
2002	34																	
2003	23																	
2004	26																	
2005	33																	
2006 Result	40																	
2006 Plan	27																	
Strategic Target	10																	
<p data-bbox="196 1058 703 1150">Key Measure Average Days to Complete Supplemental Education Claims</p>  <table border="1" data-bbox="207 1178 699 1602"> <caption>Average Days to Complete Supplemental Education Claims</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>16</td> </tr> <tr> <td>2003</td> <td>12</td> </tr> <tr> <td>2004</td> <td>13</td> </tr> <tr> <td>2005</td> <td>19</td> </tr> <tr> <td>2006 Result</td> <td>20</td> </tr> <tr> <td>2006 Plan</td> <td>13</td> </tr> <tr> <td>Strategic Target</td> <td>7</td> </tr> </tbody> </table>	Year/Target	Days	2002	16	2003	12	2004	13	2005	19	2006 Result	20	2006 Plan	13	Strategic Target	7	<p>VA missed the 2006 target by 7 days. The timeliness increased from 19 days in 2005 to 20 days in 2006. Thus, compared with 2005, veterans waited on average one additional day to receive their award notification and payment. The importance of making timely payments to veterans for educational claims is critical to helping them meet their educational goals.</p>	<p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. Such actions include hiring additional employees to process claims and authorizing additional funding at the processing offices to enable employees to work overtime.</p>
Year/Target	Days																	
2002	16																	
2003	12																	
2004	13																	
2005	19																	
2006 Result	20																	
2006 Plan	13																	
Strategic Target	7																	



Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p style="text-align: center;">Supporting Measure</p> <p style="text-align: center;">Payment Accuracy Rate (Education)</p> <table border="1"> <caption>Payment Accuracy Rate (Education) Data</caption> <thead> <tr> <th>Year/Category</th> <th>Accuracy Rate (%)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>93%</td> </tr> <tr> <td>2003</td> <td>94%</td> </tr> <tr> <td>2004</td> <td>94%</td> </tr> <tr> <td>2005</td> <td>96%</td> </tr> <tr> <td>2006 Result</td> <td>95%</td> </tr> <tr> <td>2006 Plan</td> <td>95%</td> </tr> <tr> <td>Strategic Target</td> <td>97%</td> </tr> </tbody> </table>	Year/Category	Accuracy Rate (%)	2002	93%	2003	94%	2004	94%	2005	96%	2006 Result	95%	2006 Plan	95%	Strategic Target	97%	<p>The payment accuracy rate assesses whether payments are made at the proper rate for the correct period of time. This is critical to the veteran who is dependent on VA for educational assistance. Meeting the target means that the veteran is obtaining the correct educational payment.</p>	<p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. With regards to payment accuracy, this measure helps VA assess the quality of benefits delivery and identify where additional training is needed.</p>
Year/Category	Accuracy Rate (%)																	
2002	93%																	
2003	94%																	
2004	94%																	
2005	96%																	
2006 Result	95%																	
2006 Plan	95%																	
Strategic Target	97%																	

Related Performance Information

Major Management Challenges

Neither VA’s Office of the Inspector General nor the Government Accountability Office identified any major management challenges related to this objective.

Program Evaluations

No independent program evaluations have been conducted recently that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA’s Education program during 2003, which resulted in a rating of “Results Not Demonstrated.” Please see OMB PART reviews on page 66 for more information.

Other Important Results

The new Contact Management Support Center (CMSC), established in September 2006, is designed to assist customers with their education claims. The CMSC staff responds to all telephone and electronic inquiries about payments, claims status, and other questions about the education programs. Telephone workload is directly related to pending claims inventory. The heaviest times of the year are during fall and spring enrollment. Since both equipment and staffing remain relatively constant, the level of performance achieved is inversely related to workload.

At times, in 2005 the abandoned call rate was above 40 percent because claims examiners were required to process claims and respond to all telephone and electronic inquiries. During the 2007 academic enrollment period, CMSC staff will handle all inquiries. The CMSC’s goal is to reduce its abandoned call rate to 4 percent or below.



Data Quality

VA's data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 166.

Data Verification and Measure Validation

Verification and validation information for the two key measures that support this objective is provided in the Key Measures Data Table on page 180.



STRATEGIC OBJECTIVE 2.3

Home Purchase and Retention

Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.

Making a Difference for the Veteran

VA Marks its 18 Millionth Home Loan Guaranty

One of the most widely used veterans benefits in America reached a major milestone on May 13, 2006, when Secretary of Veterans Affairs R. James Nicholson announced that an Operation Iraqi Freedom veteran from Texas was the recipient of the 18 millionth home loan guaranteed by the Department of Veterans Affairs.

“VA’s home loan guaranty program has been helping veterans purchase homes for more than 60 years,”

Secretary Nicholson said. “This VA no-downpayment loan program was presented to veteran Robert A. Laurent of Kyle, Texas.”



The 18 Millionth Home

Laurent holds son Cameron, and wife, Briley, holds son Robert Casey outside their new VA-backed home in Kyle, Texas, the 18 millionth to receive a VA home loan guaranty since 1944.

Laurent, an Army veteran and Purple Heart recipient, was discharged after four years in uniform because of combat-related injuries in Iraq. His family's new home was built by Legacy Homes of Plano, Texas, a division of Meritage Homes Corporation of Scottsdale, Arizona, and purchased through First Continental Mortgage, Ltd. of Houston.

“The no-downpayment VA program has been a cornerstone of the Nation’s housing finance system for more than 60 years,” said National Association of Home Builders

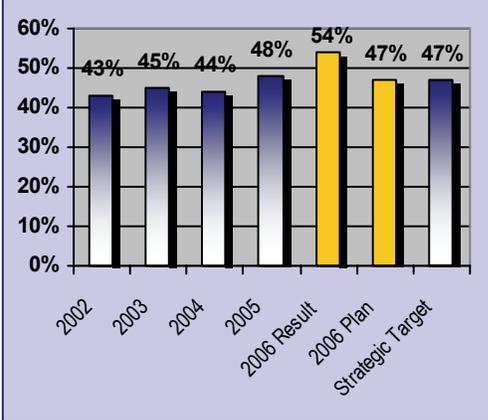
President David Pressly, a home builder from Statesville, North Carolina. “It has opened the door to homeownership for millions of veterans who have, in turn, been able to build equity and household wealth, put down roots in the communities where they live, and enjoy the many benefits of owning a home.”

Since 1944 when President Franklin Roosevelt signed the Servicemen's Readjustment Act into law, the GI Bill, as it is popularly known, has secured more than \$892 billion of financing for veterans' and servicemembers' home loans. In 2005 alone, VA guaranteed more than 165,000 loans for mortgages valued at more than \$24.9 billion.

VA-guaranteed home loans are made by banks and mortgage companies to veterans, servicemembers, and eligible reservists. With VA backing a portion of the loan, veterans can receive a competitive interest rate without a downpayment, making it easier to buy a home. On January 1, 2006, the VA loan guaranty limit for no-downpayment loans was increased to \$417,000. The previous ceiling was \$359,650.



Significant Trends, Impacts, and VA’s Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p data-bbox="370 434 537 464">Key Measure</p> <p data-bbox="224 470 680 527">Foreclosure Avoidance Through Servicing (FATS) Ratio</p>  <table border="1" data-bbox="207 541 695 961"> <caption>FATS Ratio Data</caption> <thead> <tr> <th>Year/Category</th> <th>FATS Ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>43%</td> </tr> <tr> <td>2003</td> <td>45%</td> </tr> <tr> <td>2004</td> <td>44%</td> </tr> <tr> <td>2005</td> <td>48%</td> </tr> <tr> <td>2006 Result</td> <td>54%</td> </tr> <tr> <td>2006 Plan</td> <td>47%</td> </tr> <tr> <td>Strategic Target</td> <td>47%</td> </tr> </tbody> </table>	Year/Category	FATS Ratio (%)	2002	43%	2003	45%	2004	44%	2005	48%	2006 Result	54%	2006 Plan	47%	Strategic Target	47%	<p>The 2006 FATS ratio means that 54 percent of veterans who otherwise could have lost their homes through foreclosure were able to retain ownership with VA assistance, or at least had the impact of loss lessened by either tendering a deed in lieu of foreclosure or arranging a private sale with VA claim payment to help close the sale. VA avoided claim payments in most of the FATS cases or else paid smaller claims than if foreclosure had occurred.</p>	<p>VA uses the data to measure the effectiveness of field station efforts to assist veterans in avoiding foreclosure.</p> <p>Since veterans benefit substantially from foreclosure avoidance and at the same time VA realizes cost savings, VA has begun to redesign the program to promote greater loss mitigation efforts by primary servicers.</p>
Year/Category	FATS Ratio (%)																	
2002	43%																	
2003	45%																	
2004	44%																	
2005	48%																	
2006 Result	54%																	
2006 Plan	47%																	
Strategic Target	47%																	

Related Performance Information

Major Management Challenges

Neither VA’s Office of the Inspector General nor the Government Accountability Office identified any major management challenges related to this objective.

Program Evaluations

No independent program evaluations have been conducted recently that specifically address this objective.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA’s Loan Guaranty program during 2004, which resulted in a rating of “Results Not Demonstrated.” Please see OMB PART reviews on page 66 for more information.

Other Important Results

VA began a complete review and redesign of the guaranteed loan default servicing in 2002. New processes and procedures will be fully implemented by 2008. This will bring VA very close to performance and operational standards used by large private sector servicers and lenders. The emphasis will be on providing financial incentives and greater flexibility to primary servicers of VA-guaranteed loans to prevent foreclosures, which will in turn improve the FATS ratio.

Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 182.