



Department Overview

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.



Our Programs: *Who We Serve*

As described on the previous pages, VA programs and services are as varied as the veterans and family members we serve. From space-age technology used in prosthetic devices that bring mobility to the severely disabled, to the pension benefits paid to three survivors of Civil War veterans, VA's commitment to those who have "borne the battle" continues. As shown below, VA is serving more veterans than ever before.

Program	Year-to-Year Comparison	
	FY 2006 Participants ⁽¹⁾	FY 2007 Participants ⁽¹⁾
Medical Care		
Unique Patients	5,495,400	5,600,300
Compensation		
Veterans	2,725,800	2,839,700
Survivors/Children	325,900	329,700
Pension		
Veterans	329,900	322,900
Survivors	200,600	194,600
Education		
Veterans/ Servicemembers	332,200	345,000
Reservists	90,000	101,700
Survivors/ Dependents	75,500	77,300
Vocational Rehabilitation⁽²⁾		
Program Participants	89,100	90,600
Housing		
Loans Guaranteed	142,700	133,300
Insurance		
Veterans	1,777,000	1,695,000
Servicemembers/ Reservists	2,392,000	2,354,000
Spouses/ Dependents	3,099,000	3,075,000
Burial		
Interments	96,800	100,200
Graves Maintained	2,774,100	2,842,700
Headstones/Markers (Processed)	336,300	359,500
Presidential Memorial Certificates	405,500	423,100

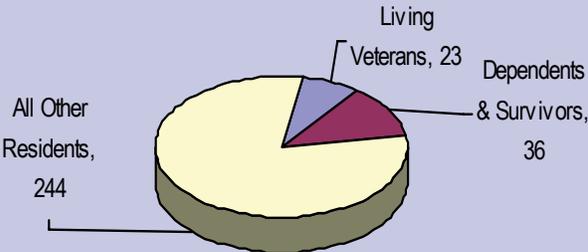
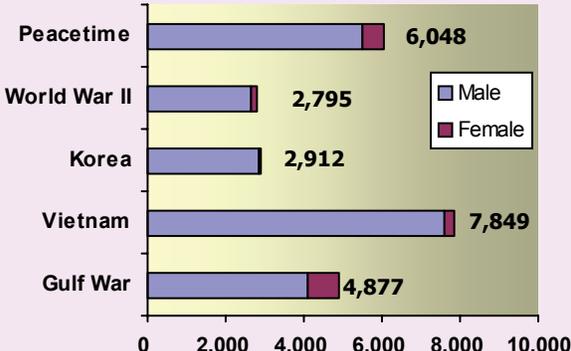
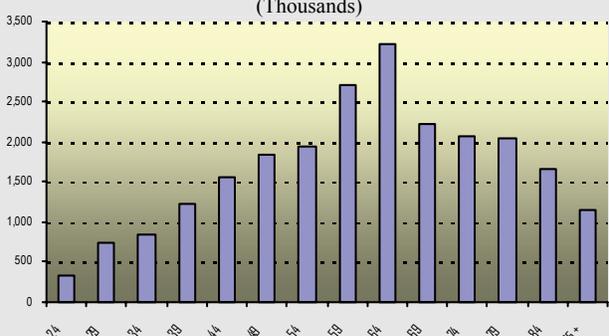
⁽¹⁾ Figures are rounded to nearest hundred.

⁽²⁾ FY 2007 figure represents 12-month rolling data through September 2007.



America's Veterans: *A Demographic Profile*

Beginning with our Nation's struggle for freedom more than two centuries ago, approximately 43 million men and women have served this country during wartime periods. The charts below provide various social and demographic information on today's veteran population.

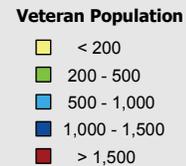
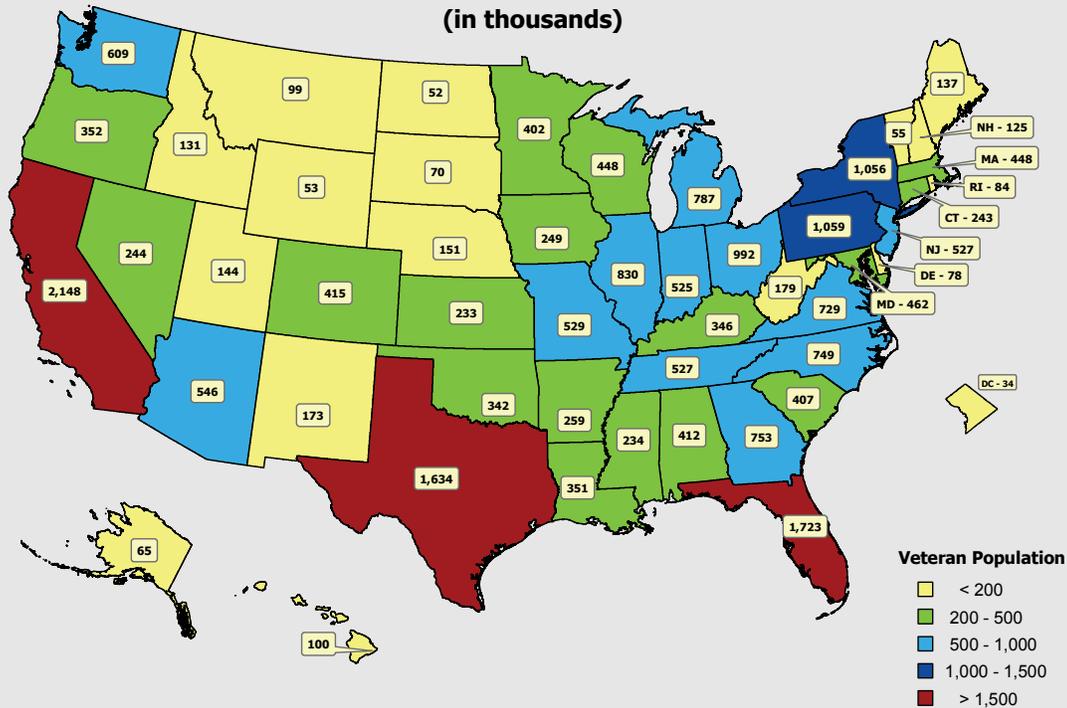
Data	Analysis																														
<p>Veteran Population Compared to Total U.S. Population (Millions)</p>  <table border="1"> <caption>Veteran Population Compared to Total U.S. Population (Millions)</caption> <tr><th>Category</th><th>Value</th></tr> <tr><td>All Other Residents</td><td>244</td></tr> <tr><td>Living Veterans</td><td>23</td></tr> <tr><td>Dependents & Survivors</td><td>36</td></tr> </table>	Category	Value	All Other Residents	244	Living Veterans	23	Dependents & Survivors	36	<ul style="list-style-type: none"> • Currently there are about 23.5 million living U.S. veterans, 7 percent of whom are women. The percentage of women veterans is expected to increase over time given the increased role of women in the Armed Forces. • There are an estimated 36 million dependents (spouses and dependent children) of living veterans and survivors of deceased veterans in the U.S. • Together, veterans, dependents, and survivors make up about 20 percent of America's population. 																						
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<p>Veteran Population by Period of Service* (Thousands)</p>  <table border="1"> <caption>Veteran Population by Period of Service* (Thousands)</caption> <tr><th>Period</th><th>Total</th></tr> <tr><td>Peacetime</td><td>6,048</td></tr> <tr><td>World War II</td><td>2,795</td></tr> <tr><td>Korea</td><td>2,912</td></tr> <tr><td>Vietnam</td><td>7,849</td></tr> <tr><td>Gulf War</td><td>4,877</td></tr> </table>	Period	Total	Peacetime	6,048	World War II	2,795	Korea	2,912	Vietnam	7,849	Gulf War	4,877	<ul style="list-style-type: none"> • More than 17 million (74 percent) of America's veterans served during at least one wartime period. • The nearly 8 million Vietnam Era veterans account for the largest segment of the veteran population. • About 71 percent of all women veterans served during the post-Vietnam Era compared to 32 percent of men. • The number of women veterans enrolled in VA's health care system is 420,045 as of June 30, 2007 – up from 398,621 as of last September. 																		
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*Notes: 1) There are too few living World War I veterans to estimate their number with an acceptable level of reliability. 2) The 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, 2007
(in thousands)**



Analysis

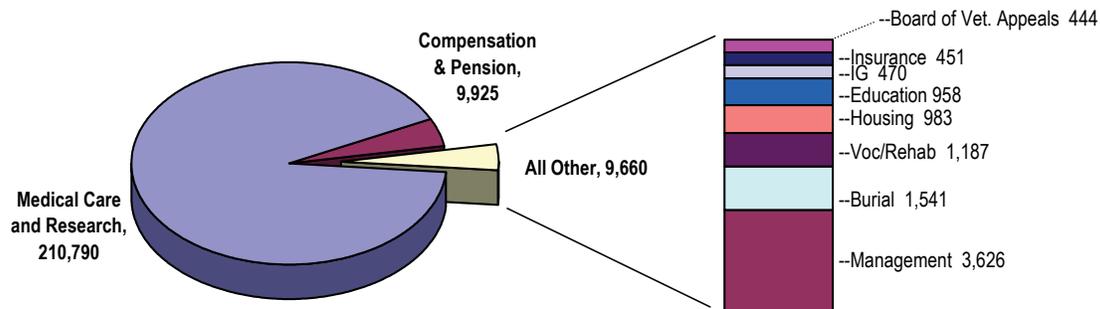
- Veterans in just three states – California, Florida, and Texas – comprised almost 24 percent of the total number of veterans living in the U.S.
- The three next largest states in terms of veteran population are Pennsylvania, New York, and Ohio. These states account for 13 percent of the total number of veterans living in the U.S.
- Together, these six states account for about 37 percent of the total veteran population.



Resources: *Our People*

As of September 30, 2007, the Department employed approximately 230,000 staff nationwide. The charts below show the distribution of full-time equivalent employees by program area.

Number of Full-Time Equivalent Employees
as of September 30, 2007

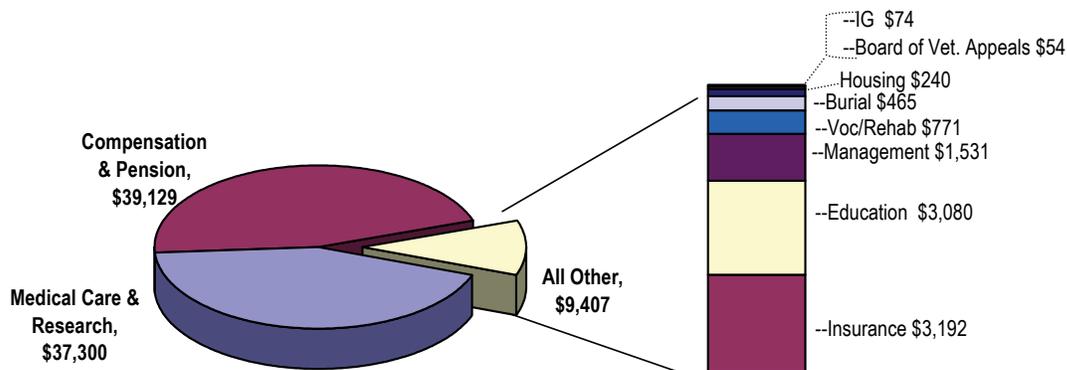


As shown above, more than 210,000 employees support VA's health care system, one of the largest in the world. Of the remaining employees, approximately 13,500 are involved with providing compensation and pension as well as other benefits to veterans and their families. More than 1,500 provide burial and memorial services for veterans and their eligible spouses and children, and about 3,600 employees, located primarily in the Washington, DC area, provide policy, administrative, and management support to the programs.

Resources: *Budgetary*

In 2007 VA obligated nearly \$86 billion. Approximately 90 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.

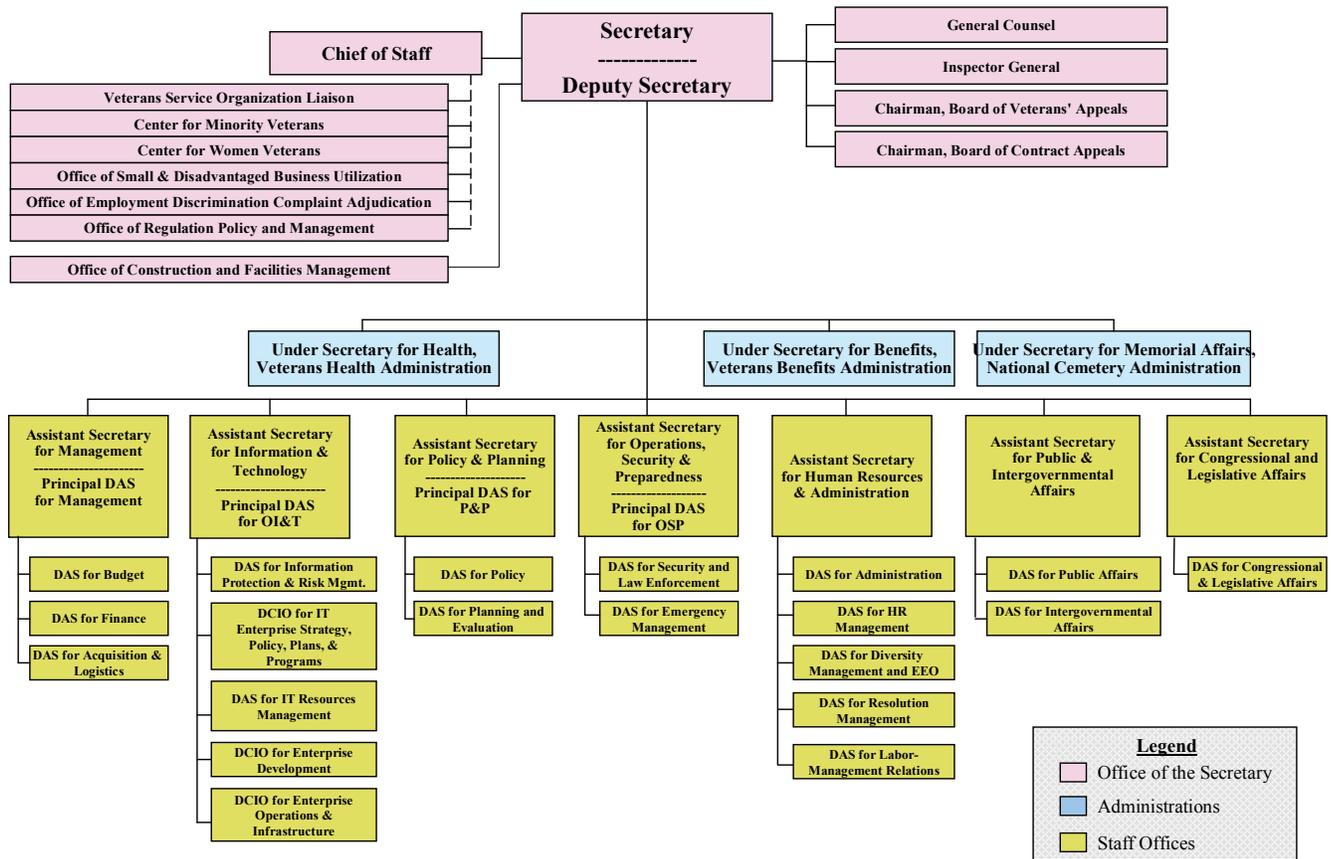
FY 2007 Obligations
(\$ Millions)





Our Organization

Department of Veterans Affairs





Leadership and Governance

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

Governance	Major FY 2007 Actions
Strategic Management Council	
<p><u>Membership</u> The Strategic Management Council (SMC) is chaired by the Deputy Secretary and includes VA's seven 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.</p> <p><u>Purpose</u> The SMC serves as a collaborative and deliberative body that provides oversight and guidance on key strategic and operational issues that confront VA decision-makers.</p>	<ul style="list-style-type: none"> Approved VA's IT Governance Plan in support of the realigned Office of Information and Technology. The Governance Plan included the establishment of three boards: Information Technology Leadership Board; Business Needs and Investment Board; and Planning, Architecture, Technology and Services. Reviewed and provided policy direction on a Department-wide effort to (1) identify criteria at the Department level for use in evaluating future medical facilities proposals for joint ventures and (2) develop a communications strategy for use during negotiations. The SMC reviewed and approved the products of a VA working group, including a draft VA Handbook, a communications strategy, and a new process for review and approval of future joint venture proposals between VA, DoD, academic affiliates, or other suitable public or private entities. Reviewed and provided policy direction on distribution and next steps for research reports including <i>Employment of Recently Separated Servicemembers</i> and the results of the <i>Analysis of Differences in VA Disability Compensation</i>. Reviewed VA's Regional Data Processing/National Data Program Migration Strategy and Telecommunication plan. Reviewed the status of VA's labor agreements and pending negotiations.
Monthly Performance Reviews (MPRs)	
<p><u>Membership</u> MPRs are chaired by the Deputy Secretary and are attended by principals from every VA organization.</p> <p><u>Purpose</u> MPRs focus on financial and program performance. In this context, the leadership discusses and makes decisions on mission-critical issues within the context of performance, budget, and workload targets and associated results. Necessary corrective actions are identified and implemented to help ensure program goals and objectives are accomplished.</p>	<ul style="list-style-type: none"> Each VA administration and staff office reported on progress in meeting established monthly and/or fiscal-year-to-date financial and performance goals. In this context, for 2007, more analytical depth was required and provided as follows: <ul style="list-style-type: none"> Created "special focus area" modules where program offices report on critical areas requiring the Deputy Secretary's near-term attention. Provided a more specific "budget object class" breakout of expense reporting allowing for more substantive discussions of VA expenditure patterns and potential transfer or reprogramming needs. Added detailed reporting on staff turnover in potential critical shortage areas and on IT project management and funding status.