

U.S. DEPARTMENT OF VETERANS AFFAIRS

FY 2024 BUDGET SUBMISSION



Burial and Benefits Programs and Departmental Administration

Volume 3 of 5

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Volume III
Benefits and Burial Programs
and Departmental Administration

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National Cemetery Administration

Part 1

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National Cemetery Administration

Funding Summary

Mission Statement

VA honors Veterans and their families with final resting places in national shrines and with lasting tributes that commemorate their service and sacrifice to our Nation.

Stakeholders and Partners

The stakeholders of VA's burial programs are varied and diverse. The National Cemetery Administration's (NCA) primary stakeholders are those who are the direct beneficiaries of VA burial benefits: Veterans and their families. Other significant and noteworthy stakeholders are Veterans Service Organizations, professionals in the funeral and mortuary industry, the various components of the Department of Defense (DoD) and members of the active duty and reserve forces. In addition, members of a number of environmental groups, historical and genealogical societies, as well as the general public must be included in the list of those we provide services to.

The inclusion of families takes into account the significance of next of kin, since not only eligible Veterans but also their eligible family members may receive burial benefits. It is important that these Veterans, widows, widowers and other family members and friends are treated with compassion and dignity at the time of their bereavement and when they return to visit the gravesite, and that the cemetery's entire appearance is maintained in a manner befitting a national shrine.

Veterans Service Organizations are key stakeholders and partners in the VA mission. These organizations act as a voice for Veterans and their families and as advocates for their needs and expectations. At many national cemeteries, they are important partners in providing support for military funeral honors.

States, territories and tribal organizations, usually operating through their Veterans Affairs Departments, play an increasingly important role in providing services to Veterans and their families. By establishing and operating state, territorial and tribal Veterans cemeteries as a complement to VA national cemeteries, they provide additional burial options for Veterans and their families.

DoD cemeteries, especially those operated by the Army National Cemeteries Program (including Arlington National Cemetery (ANC)), Department of Interior's National Park Service (NPS) national cemeteries and the American Battle Monuments Commission (ABMC), continue to remain important partners in providing burial and memorial services for Veterans and their families. NCA provides Government-furnished headstones and markers for all federally

administered cemeteries. NCA manages a congressionally mandated advisory committee on which representatives from ABMC, NPS and ANC are ex-officio members. NCA and ANC have formalized a working group to ensure the organizations share information and collaborate on shared goals, and with a memorandum of agreement between the two, allow for mutual training support.

DoD and the uniformed services are included as NCA stakeholders in recognition of the important role they play in honoring those who have served. Veterans' families expect that appropriate military funeral honors will be provided at national cemeteries to recognize Veterans' service to our Nation. The provision of military funeral honors is part of DoD's mission but requires a close and collaborative partnership with NCA. NCA facilitates volunteer groups who supplement DoD's military funeral honors.

Funeral directors are another significant stakeholder group. These professionals are often the spokespersons for the Veteran or next of kin and are also directly involved in the delivery of VA services through the coordination of committal services and interments. Funeral directors may also assist families in applying for headstones and markers.

Private cemeteries and local/municipal government cemeteries are stakeholders. Each year, VA furnishes nearly 350,000 headstones and markers for Veterans' gravesites in these cemeteries.

NCA also considers members of the general public as stakeholders. National cemeteries are considered national shrines. Many date from the Nation's Civil War and are listed on the National Register of Historic Places. As such, they are of interest to historical societies, individuals interested in history and genealogical research and others who may or may not have family members interred in a national cemetery. As a steward of nationally significant historic resources, NCA is responsible to all Americans for the prudent management of tax dollars and the sound environmental management of the land.

Local universities, colleges and K-12 institutions, and the scholars, teachers and students of all levels are stakeholders in helping to research and produce instructional materials for the Veterans Legacy Program. Each of the stakeholders leverage unique geographic and demographic characteristics of the local communities to partner with NCA in memorializing our nation's Veterans.

Finally, it is also appropriate to recognize stakeholders within the Department: the Veterans Benefits Administration, the Veterans Health Administration and headquarters staff offices. All VA organizational elements are important partners with NCA in providing seamless service to Veterans and their families.

Burial Benefits Programs

The National Cemetery Administration administers a number of related burial benefits programs:

- National Cemeteries: Bury Veterans and other eligible individuals in national cemeteries and maintain the graves and their environs as national shrines;

- Veterans Cemetery Grants: Provide aid to states, territories and tribal organizations in establishing, expanding or improving state, territorial and tribal Veterans cemeteries;
- Headstones and Markers: Furnish headstones and markers for the graves of eligible persons in national, state, territory, tribal or other government Veterans cemeteries and private cemeteries;
- Medallions: Furnish medallions commemorating the Veteran's service to the Nation that may be affixed to the privately purchased headstones or markers for Veterans interred in private cemeteries;
- Presidential Memorial Certificates: Provide certificates to families of deceased Veterans, recognizing the Veteran's contribution and service to the Nation;
- Outer Burial Receptacles (OBR): Provide an OBR, or allowances for a privately purchased OBRs or for OBRs used in a VA-grant funded cemetery, for each new traditional gravesite in open national cemeteries administered by NCA or in VA-grant funded cemeteries;
- Caskets and Urns: Provide reimbursement for caskets and urns used to inter Veteran remains in VA national or VA-grant-funded cemeteries when there is no next of kin or sufficient resources for a casket or urn;
- First Notice of Death: Record First Notice of Veteran Deaths into VA electronic files to ensure timely termination of benefits and next-of-kin notification of possible entitlement to survivor benefits; and
- Cremation Urns and Commemorative Plaques (beginning in 2023): Provide an urn or commemorative plaque for an eligible deceased veteran in lieu of a headstone or marker.

Veterans Legacy Program and Veterans Legacy Memorial

The Office of Engagement and Memorial Innovation connects the public with VA memorial benefits, the heritage of NCA and the legacies of those that served.

- Historic Cemetery Landscapes: Serve as the steward of VA historic national cemeteries and soldiers' lots to preserve and promote the rich heritage founded in the Civil War and the memorial objects honoring Veterans buried in them;
- Veterans Legacy Program (VLP): Use national cemeteries to enhance the way in which VA memorializes our nation's Veterans and increases the public's awareness of the value of military service. VLP engages scholars, teachers and students of all levels in researching Veterans in their local national cemeteries and producing that research into instructional materials for K-12 schools and public benefit. Starting in 2022, VLP provides Veterans Legacy Grants as authorized by 38 U.S.C. § 2400, notation to Public Law 116-107 (Jan. 17, 2020). VLP provides Veterans Legacy Grants to tell the stories with an emphasis on those from underrepresented communities, from any period of American history so they are honored in perpetuity; and
- Veterans Legacy Memorial (VLM): Maintain an online memorial platform, Veterans Legacy Memorial (VLM), the nation's first digital platform dedicated to the memory of more than 4.5 million Veterans interred in VA's national cemeteries and VA-funded state, territorial and tribal Veterans cemeteries. VLM allows family, friends and others to preserve their Veteran's legacy by posting tributes, uploading images and sharing their Veteran's achievements, biographical information and historical documents. Tributes can

be made in three ways: as a direct entry on a Veteran's page; as a reply to someone else's tribute on a Veteran's page; or as a direct entry to a memento (photo) on a Veteran's page.

Strategic Goals

NCA's Long Range Plan builds upon many of the accomplishments achieved on behalf of Veterans and their families. It sustains this momentum and provides a roadmap for guiding NCA as an organization and for improving the manner in which NCA serves Veterans and their families. NCA's Long Range Plan sets the following six overarching goals.

1. Veterans and eligible family members will have increased access to burial benefits.
2. More Veterans and eligible family members will use VA burial and memorial benefits.
3. Veterans will be memorialized through enhanced tributes befitting their service and sacrifice to the Nation.
4. Stakeholders will place greater trust in NCA based on enhanced accountability.
5. Stakeholders will be served more efficiently and effectively by NCA's internal capacity.
6. NCA will be recognized as an organization committed to diversity and inclusion.

NCA will continue its record of accomplishment towards achievement of the goals set forth in the NCA Long Range Plan which outlines NCA's priorities for improving the ways in which we honor Veterans with final resting places in national shrines and by commemorating their service to our Nation. NCA long range goals support the following four key priorities.

- Access: Provide 95% of Veterans with access to a burial option within 75 miles of their home;
- Outcomes: Ensure "National Shrine" standards of appearance at all VA national cemeteries;
- Customer Service: Deliver world class customer service to all of NCA's customers; and
- Modernizing Memorialization: Use innovation to connect to new audiences and modernize memorialization.

Budget Summary

Summary of Total Budgetary Resources for NCA Programs					
(\$s in thousands)					
	2022	2023	2023	2024	Increase (+)
	Actual	Request	Enacted	Request	Decrease (-)
Operations and Maintenance	\$394,000	\$430,000	\$430,000	\$480,000	+\$50,000
Major Construction	130,500	140,000	140,000	112,000	-28,000
Minor Construction	106,990	157,265	157,265	182,560	+25,295
Grants for Construction of					
Veterans Cemeteries	48,500	50,000	50,000	60,000	+10,000
Facilities Operation Fund	285	282	282	285	+3
National Cemetery Gift Fund	322	1,000	791	1,000	+209
Compensation and Pension:					
Headstones & Markers	84,503	93,059	90,147	81,973	-8,174
Graveliners & OBR					
Reimbursements ^{1/}	19,682	37,419	20,758	22,038	+1,280
Casket & Urns ^{1/}	378	307	355	344	-12
Urns & Plaques (Sec. 2207)	0	0	166	224	+58
Total Budgetary Resources	\$785,161	\$909,332	\$889,764	\$940,423	+\$50,659

¹ Current estimates for outer burial receptacles and casket and urns do not include the cost of benefits authorized under P.L. 116-315, The Veterans Health Care and Benefits Improvement Act of 2020.

Relationships Among Programs and Appropriations

NCA receives funding from seven appropriation accounts. In 2024, the Operations and Maintenance appropriation will fund the operation of 158 national cemeteries and 34 other cemeterial installations, as well as their maintenance as national shrines. It also funds the costs of administering seven related programs: Veterans Cemetery Grant Program (VCGP), Headstone, Marker and Medallion program, Presidential Memorial Certificate (PMC) program, First Notice of Death (FNOD) program, Casket & Urn reimbursements, Outer Burial Receptacle (OBR) program and Cremation Urns and Commemorative Plaques. The purchase and transportation costs of the headstones and markers, medallions, pre-placed crypts and OBRs, casket and urn reimbursements and cremation urns and commemorative plaques are financed from the Compensation and Pensions appropriation.

Making burial options available to Veterans requires the development of new national cemeteries, the development of additional gravesites at existing national cemeteries or the establishment and expansion of Veterans cemeteries through grants to states, territories and tribal organizations. These requirements are met through three capital appropriation accounts. New national cemetery construction is funded from the VA Major and Minor Construction appropriation. Gravesite development projects, as well as national cemetery improvement projects, are also funded from

VA's Major and Minor Construction appropriations. A summary of the NCA construction program is provided in a separate section of this NCA chapter.

The Grants for Construction of Veterans Cemeteries appropriation, the third capital account, funds the establishment, expansion and improvement of Veterans cemeteries operated by states, territories and tribal organizations. This program serves as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country where it is not feasible for VA to establish a new national cemetery.

The National Cemetery Administration Facilities Operation Fund is financed by the proceeds from leases of undeveloped land and unused or underutilized buildings. The funds are applied toward the costs of operating and maintaining NCA property.

The National Cemetery Gift Fund is a trust fund that uses gifts from private donors for beautification and improvement of cemetery grounds such as landscaping, walkways and benches and may be used for other items beneficial to the cemetery and the Veterans served.

The Compensation and Pensions appropriation funds the purchase and transportation costs for headstones and markers, graveliners, pre-placed crypts, as well as funding reimbursements for privately purchased outer burial receptacles. It also funds reimbursements that provide caskets and urns for burial of the remains of eligible Veterans in a VA national, state, territory or tribal Veterans cemetery if the Veteran has no known next of kin and insufficient resources to purchase a burial receptacle. Beginning in 2023, this appropriation will fund an urn or commemorative plaque for an eligible deceased veteran in lieu of a headstone or marker. This appropriation is presented in a separate budget chapter.

2024 Budget Highlights

The 2024 budget positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following policies consistent with its strategic goals.

Access

While every eligible Veteran has open access to be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close proximity to a cemetery is an important consideration for Veterans and family members in choosing a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a realistic target to provide reasonable burial access to 95% of all Veterans and has made continuous, significant progress

towards meeting that target. In 2024, VA estimates 93.9% of the Veteran population will be served with such access.

Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land. In 2024, NCA requests \$112 million in major construction funds which includes \$28.8 million to complete Phase 1 gravesite development project on new land at Jefferson Barracks National Cemetery and \$78.2 million for the Phase 3 gravesite development and cemetery improvement project at Tahoma National Cemetery. An additional \$5 million is requested for advanced planning and design activities such as master planning and design for new cemeteries and expansions to maintain access to existing national cemeteries. NCA requests \$182.6 million in the 2024 minor construction budget to provide funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. In 2024, NCA is requesting 68% of the total estimated cost for all new start projects in the Minor Construction account. This will allow NCA the option to utilize design/build acquisition strategies that require full funding at the time of the initial award. Additionally, NCA is committed to reducing the number of critical Facility Condition Assessment (FCA) infrastructure deficiencies related to safety and/or compliance and will partially address the growing list of FCA deficiencies rated D and F through the Minor Construction account.

NCA seeks to increase the availability of state, territory and tribal Veterans cemeteries which serve as a complement to VA's system of national cemeteries by establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In 2024, NCA requests \$60 million for Grants for Construction of Veterans Cemeteries to provide additional establishment, expansion and improvements grants to state, territory and tribal organizations in support of increasing or improving burial access. The Grants program plays a crucial role in achieving NCA's strategic target of providing 95% of Veterans with reasonable access to a burial option. In addition, the Grant program is a cost-effective alternative to VA construction and recurring operating expenses. However, NCA has been unable to take advantage of some higher dollar, higher impact establishment grants in unserved areas, which are critical to meeting NCA's objective of serving Veterans throughout the country. With the number of state, territory and tribal Veterans cemeteries increasing from 80 to 122 over the last 10 years, the need to provide for expansion grants of already-existing cemeteries has also grown, in both number and dollar amounts.

The 2023 Grants Priority List has 52 conforming preapplications totaling over \$173 million in grant opportunities. Of these, 23 grant requests, totaling \$66.5 million, are for Priority Group 1 expansion projects that are already within 4 years of depleting at least one burial option in the cemetery. The 2023 list also includes 15 grant requests, totaling \$78 million, for Priority Group 2 establishment projects critical to increase burial access to our nation's Veterans. NCA cannot fund Group 2 establishment projects until all Group 1 expansion grants are fully addressed. Without the requested funding, NCA will be severely limited on making progress towards increasing the percentage of Veterans with reasonable burial access to a national or grant-funded Veterans cemetery.

NCA also requests \$19.6 million and 41 FTE for existing cemeteries facing workload increases and project expansions in 2024. Annual Veteran deaths are projected to be 550,041 in 2023 and are then projected to slowly decline. The number of interments is expected to be 143,412 in 2023, after which they are projected to slowly decline. The total number of gravesites increased from nearly 3.7 million in 2018 to nearly 4.2 million in 2023. The number of gravesites is expected to reach almost 4.3 million in 2024. NCA maintains more than 23,000 acres with the total developed acreage projected to reach 9,743 in 2024, an increase of over the 9,646 developed acreage in 2023. As NCA's workload continues to increase, this budget request is essential for NCA to maintain its position as the most highly regarded organization, in both the public and private sectors, in terms of customer satisfaction.

Modernizing Memorialization

The Veterans Legacy Memorial website is the nation's first digital platform dedicated entirely to the memory of more than 4.5 million Veterans interred in VA's national cemeteries and VA-funded state, territorial and tribal Veterans cemeteries. Utilizing modern technology, NCA constantly seeks innovative ways to help the public memorialize Veterans resting in our cemeteries to ensure that they are never forgotten. Launched in 2019, individual Veteran profile pages are populated with military service and cemetery information. Publicly available information gathered from VA records includes service branch with logo, dates of birth and death, rank, war period, decorations, emblem of belief and cemetery information. Approximately half of all Veteran profile pages currently display headstone/marker photos and a mapping feature. As NCA obtains more photos and longitude and latitude coordinates, these will be added to the VLM website on a recurring basis. Interactive features allow family, friends and others to post Tributes (comments), upload images, share their Veteran's military service timeline and achievements, biographical information, historical documents and more. The site also allows visitors to share Veteran profile pages by email and post them to Facebook and Twitter. Additionally, VLM users can "Follow a Veteran" to receive email alerts when new content is added to that Veteran's page. NCA will use the resources requested in the budget to continue growing and expanding VLM, expand digital memorialization capability to the public and connect to new audiences. NCA will also use grant funding requested in the 2024 Budget to provide Veterans Legacy Grants to tell the stories of Veterans interred in our national and grant-funded cemeteries, with an emphasis on those from underrepresented communities.

Customer Service & Employee Engagement

NCA is most proud of its sustained record of excellent customer service to Veterans and their families. The organization fosters a culture dedicated to compassionate service at all levels. Results from the American Customer Satisfaction Index, the only national, cross-industry measure of satisfaction with the quality of goods and services available in the United States, continues to demonstrate our commitment to providing respectful and dignified customer service that is second to none. NCA has participated in this survey seven times and consistently outperformed other federal government agencies and private sector organizations. In 2022, NCA again achieved a customer satisfaction index of 97, the highest result ever achieved for any organization in either the public or private sector. It was the seventh consecutive time NCA was ranked first in customer satisfaction.

NCA recognizes that high client satisfaction results cannot be assumed based on past performance. In 2024, NCA will focus on maintaining and improving our reputation as a world-class service provider by continuing to collect and leverage client satisfaction data from Veterans, families and funeral homes through ongoing survey activities. We will use survey results to identify aspects of service as well as specific cemeteries that present opportunities for improvement. We will also identify and share best practices from high performing cemeteries throughout NCA. These efforts will continue to support progress toward ensuring that all national cemeteries provide excellent service and that the appearance of those shrines is also excellent.

Outcomes - Infrastructure

VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits of families and loved ones have ended. With the resources in this budget, NCA will maintain occupied graves, developed acreage, historic structures and cemetery infrastructure in a manner befitting national shrines. NCA requests \$6 million in non-recurring maintenance funds to support initiatives for Infrastructure, which includes \$5 million to preserve VA cemeteries as national shrines. National cemeteries carry high expectations of appearance and NCA will continue to invest in projects to raise and realign gravesites and repair turf. NCA's request for non-recurring maintenance funds also includes \$1 million to address prioritized projects identified on Facility Condition Assessments (FCA) to ensure safe and effective cemetery operations. NCA's goal is to focus on infrastructure repairs that are deemed critical to safety, code or operational needs.

Outcomes - Accountability

NCA is focused on improving internal processes so our stakeholders will place even greater trust in NCA. NCA requests \$2 million and 8 FTE to support initiatives that expand our internal controls. The requested funding will be used to bolster financial and contracting audit readiness and improve customer satisfaction. Resources will provide post-Integrated Financial and Acquisition Management System (iFAMS) implementation support and financial assurance through data analysis, obligation management and procurement sustainment support.

Program Highlights

VA honors Veterans and their eligible family members with final resting places in national shrines and with lasting tributes that commemorate their service and sacrifice to our Nation. Nearly 5.3 million people—including 4 million Veterans from the Revolutionary War to the war in Iraq and Afghanistan—are honored with a burial in a VA national cemetery.

- Since 1973, when VA managed 82 national cemeteries, annual interments in VA national cemeteries have increased by more than 412% from 36,422 to 149,919 in 2022. Interments were relatively constant from the previous year. The number of interments is expected to decline to 143,412 in 2023, after which they are projected to continue a slow decline.
- While the number of interments is expected to slowly decline, NCA must maintain the accumulation of gravesites in perpetuity. The total number of gravesites increased from nearly 3.8 million in 2018 to 4.2 million in 2023. The number of gravesites maintained is expected to reach almost 4.3 million in 2024. With the opening of new cemeteries and gravesite expansion

projects underway, the number of developed acres is expected to reach 9,743 in 2024, an increase over the 9,646 developed acres in 2023.

- The Veterans Legacy Program commemorates our nation's Veterans and Service Members through the discovery and sharing of their stories. VLP encourages students and teachers around the country at the University and K-12 levels to immerse themselves in the rich historical resources found within VA's National Cemeteries and VA Grant funded cemeteries. To date, VLP has facilitated the discovery of nearly 1,000 Veterans' stories which have been researched and shared by 55 professors, 260 K-12 teachers, 200 college students and 9,000 K-12 students. Starting in 2022, VLP provides Veterans Legacy Grants that foster students in colleges and universities, including (K-12), to fund research and provide a tangible report using the stories of those interred in VA's National Cemeteries and VA Grant Funded cemeteries with a focus on underrepresented Veterans and Service Members. Projects under the grant program can include books, films, graphic novels, educational manuals, as well as electronic database resource materials.
- NCA's Memorial Products Service (MPS) is responsible for administering the Headstone, Marker and Medallion and the Presidential Memorial Certificate programs. MPS receives and processes applications for headstones, markers and medallions; determines eligibility of the decedent; assists Veterans, next-of-kin, Veterans Service Organizations, funeral homes and other customers with status, replacements and general information concerning government headstones, markers and medallions to be installed in state, county, territory and tribal Veterans cemeteries as well as local and private cemeteries; and administers the PMC program by providing certificates to families of deceased Veterans.
- In 2022, NCA marked 89.7% of graves in national cemeteries within 60 days of the date of interment and the average number of days to mark a grave was 41. The headstone or marker is a lasting memorial, and it is important to Veterans and their families that graves are marked in a timely manner after interment. Since 1973, NCA has furnished more than 15 million headstones and markers to national, state, tribal cemeteries and private cemeteries.
- In 2022, NCA furnished 362,634 headstones and markers to Veterans and eligible dependents. Of this number, 131,646 headstones and markers and 11,814 medallions were issued to Veterans interred in private cemeteries worldwide.
- In 2024, NCA will continue its initiative to provide same-day (i.e., on the day of interment) Presidential Memorial Certificates (PMCs) at national cemeteries. In 2023, NCA is providing same-day PMCs at almost 90 cemeteries. NCA issued over 463,537 PMCs in 2022 and in 2023 expects to deliver almost 513,000 PMCs.

Key Performance Goals

Key Performance Measures – Burial Program					
Measure Description	2021 Results	2022 Results	2023 Target	2024 Target	Strategic Target
% of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	93.8%	93.7%	94.0%	94.0%	95.0%
% of respondents who rate the quality of service provided by the national cemeteries as excellent	95.9%	96.6%	97.0%	97.0%	99.0%
% of respondents who would recommend the national cemetery to Veteran families during their time of need	98.6%	98.8%	99.0%	99.0%	99.0%
% of respondents who rate national cemetery appearance as excellent	98.7%	99.1%	99.0%	99.0%	99.0%
% of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent	93.0%	88.9%	92.0%	92.0%	99.0%
% of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent	94.7%	93.3%	95.0%	95.0%	99.0%

It is important that VA ensures the burial needs of Veterans and eligible family members are met in a timely, compassionate and respectful manner. VA’s goal is to increase the percent of Veterans served by a burial option in a national or state Veterans cemetery within a reasonable distance (75 miles) of their residence to 95%. In order to achieve this goal, VA needs to increase/maintain access through:

- developing additional national cemeteries to increase access;
- expanding existing national cemeteries to maintain access;
- establishing and expanding VA-grant funded Veterans cemeteries to complement VA’s system of national cemeteries; and
- developing additional means of access to remote Veterans for whom it may not be feasible to provide increased access through the establishment of new cemeteries.

To achieve this goal, NCA lowered the unserved Veteran population threshold to establish a new national cemetery to 80,000 within a 75-mile radius. In addition, in densely populated urban areas where Veterans and their families may experience significant time or distance barriers in traveling to a national cemetery, VA is establishing new columbaria facilities closer to the urban core in order to provide a more accessible option for those Veterans and family members. VA has also developed a strategy to create VA national cemeteries to serve Veterans in rural areas who currently do not have reasonable access to burial in a Veterans cemetery.

As a result, NCA is in the midst of the largest expansion of the cemetery system since the Civil War and plans to open 18 new national cemeteries by 2026. When these national cemeteries are

opened, an additional 3.8 million Veterans and their families will be provided new or enhanced burial access.

Thirteen of the eighteen new cemeteries have already opened in Yellowstone County, MT (2014); Cape Canaveral, FL (2016); Tallahassee, FL (2016); Omaha, NE (2016); Pikes Peak, CO (2018); Fargo, ND (2019); Cheyenne, WY (2021); Machias, ME (2020); Rhinelander, WI (2020); Twin Falls, ID (2020); West Los Angeles, CA (2020); Western New York, NY (2021); and Indianapolis, IN (2022). NCA plans to open the remaining five cemeteries by the end of 2026.

VA continues to provide high-quality, responsive service in all contacts with Veterans, their families and friends and funeral directors. NCA will continue to obtain feedback from these groups to ascertain how they perceive the quality of service provided by national cemeteries and gauge their willingness to recommend the use of national cemeteries to other Veterans and eligible family members in their time of need. NCA's Survey of Satisfaction with National Cemeteries provides measures of our success in delivering service with courtesy, compassion and respect and the likelihood of recommending the services NCA provides to others.

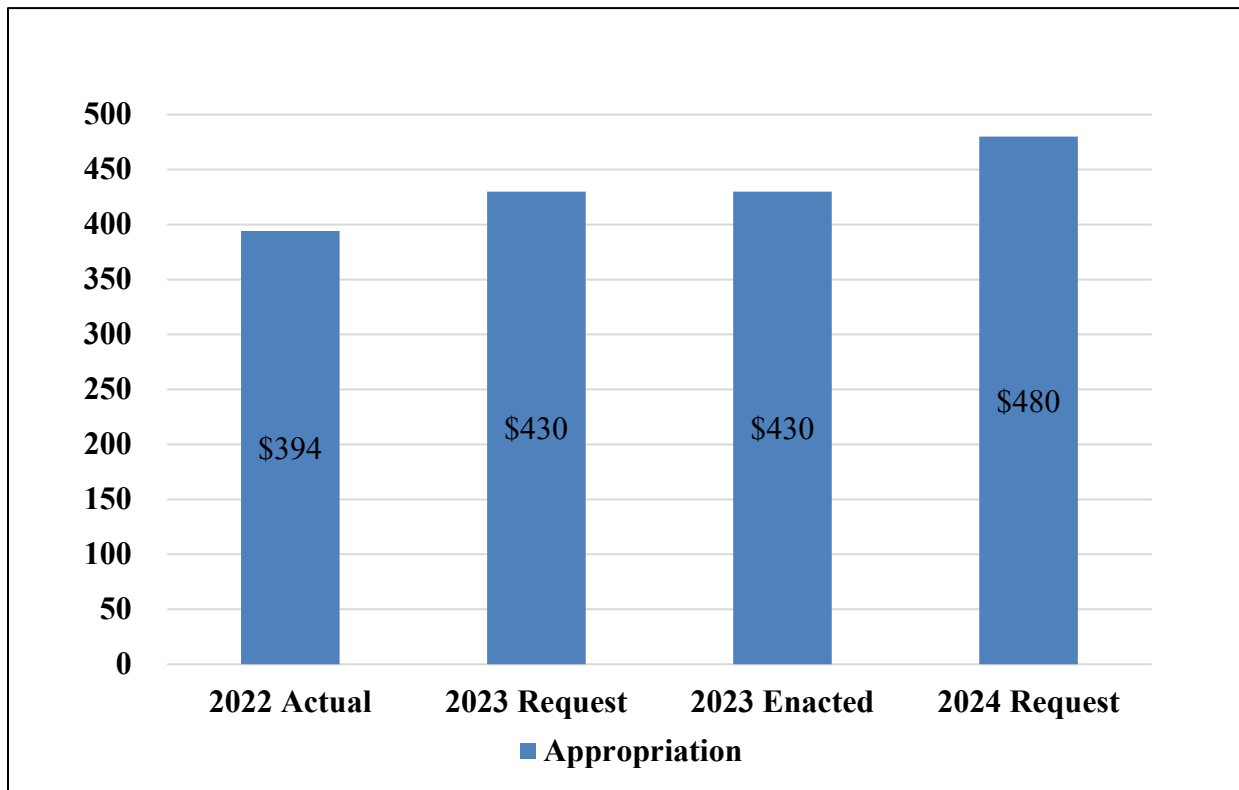
NCA will also continue to engage Veterans through a variety of activities to collect data on client expectations and their perceptions related to the quality of service provided by national, state, territory and tribal Veterans cemeteries. NCA will analyze information obtained from surveys and focus groups to ensure that NCA addresses those issues most important to its clients. This approach provides data from the client's perspective, which is critical to developing our objectives and associated measures.

National cemeteries carry high expectations of appearance that distinguish them from private cemeteries. VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits by families and loved ones have ended. NCA will maintain occupied graves and developed acreage in a manner befitting national shrines in perpetuity. Improvements in the appearance of burial grounds and historic structures are necessary for NCA to fulfill the National Shrine Commitment. Headstones and markers must be set, realigned and cleaned. Stone surfaces of columbaria require cleaning, caulking and grouting between the units and maintenance of surrounding walkways. Grass, shrubbery and trees in burial areas and other land no longer in a natural state must receive regular care. Cemetery infrastructure, including buildings, grounds, walks and drives must be repaired as needed. NCA will continue to collect client feedback through annual surveys to determine if Veterans and their families perceive the appearance of national cemeteries as excellent. NCA will also continue to collect client feedback through annual surveys to determine if Veterans and their families perceive the appearance of state, territory and tribal cemeteries funded through the VA Veterans Cemetery Grants Program as excellent and on a par with VA national cemeteries.



National Cemetery Administration Operations and Maintenance

Budget Authority -- Operations and Maintenance (\$s in millions)



Appropriation Language

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefore; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; hire of passenger motor vehicles; and repair, alteration or improvement of facilities under the jurisdiction of the National Cemetery Administration, [\$430,000,000] \$480,000,000, of which not to exceed 10 percent shall remain available until September 30, [2024]2025.

National Cemetery Administration						
Summary of Employment, Obligations and Budgetary Resources						
(FTE, \$s in thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Full time equivalent (FTE)	2,114	2,281	2,281	2,331	50	2.2%
Direct obligations						
Cemetery operations	\$311,667	\$348,055	\$337,939	\$379,405	\$41,466	12.3%
Memorial operations	12,900	10,232	13,987	14,621	634	4.5%
Direct field support operations	35,936	37,571	38,965	40,732	1,767	4.5%
Administrative operations	37,246	34,141	41,109	45,241	4,132	10.1%
Reimbursable obligations	3,531	2,000	3,105	3,000	-105	-3.4%
Total obligations	\$401,279	\$432,000	\$435,105	\$483,000	\$47,895	11.0%
Budgetary resources						
Unobligated balance:						
Unob bal brought forward, Oct 1	\$5,044	\$0	\$0	\$0	\$0	0.0%
Unob bal transfers between expired and unexpired accounts	8,600	0	0	0	0	0.0%
Subtotal, unobligated balance	\$13,644	\$0	\$0	\$0	\$0	0.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$394,000	\$430,000	\$430,000	\$480,000	\$50,000	11.6%
Approp transferred to other acct	-2,000	0	0	0	0	0.0%
Approp transferred from other acct	0	0	2,000	0	-2,000	-100%
Subtotal, appropriation	\$392,000	\$430,000	\$432,000	\$480,000	\$48,000	10.0%
Offsetting collections	\$3,764	\$2,000	\$3,105	\$3,000	-\$105	-3.4%
Subtotal, budget authority	\$395,764	\$432,000	\$435,105	\$483,000	\$47,895	11.0%
Total, budgetary resources	\$409,408	\$432,000	\$435,105	\$483,000	\$47,895	11.0%
Unexpired unobligated balance	\$8,128	\$0	\$0	\$0	\$0	0.0%

Dollars may not add due to rounding in this and subsequent charts.

Program Activities and Administration

The Operations and Maintenance appropriation request in the 2024 budget will fund the operation of 158 national cemeteries and 34 soldiers' lots and monument sites and their maintenance as national shrines. It also directly funds the costs of administering seven related programs: Veterans' Cemetery Grants Program (VCGP), Headstone and Marker program, Presidential Memorial Certificate (PMC) program, Outer Burial Receptacle (OBR) program, Casket & Urn reimbursements, First Notice of Death (FNOD) and Cremation Urns and Commemorative Plaques. Cemetery grant awards are funded from a separate appropriation. The purchase and transportation

costs of the headstones and markers, medallions, pre-placed crypts and OBRs, casket and urn reimbursements and cremation urns and commemorative plaques are financed from the Compensation and Pensions appropriation.

The Under Secretary for Memorial Affairs is responsible for the overall leadership and direction of the National Cemetery Administration (NCA). The Under Secretary is supported in this role by staffs in both the field and headquarters. Activities are functionally and organizationally grouped into cemetery operations, memorial operations, direct field support operations and administrative operations. Activities support the following key NCA priorities:

- Access
- Outcomes (Infrastructure Modernization and Accountability)
- Customer Service
- Modernizing Memorialization

Cemetery Operations

NCA interrs eligible servicemembers, Veterans and family members in VA national cemeteries and maintains the graves and their environs as national shrines in perpetuity. In 2024, cemetery activities will encompass 158 national cemeteries and 34 soldiers' lots and monument sites. These activities can be grouped into three main functional categories:

- Administrative and clerical support functions include:
 - Providing eligibility determinations for burial in national cemeteries and for the provision of headstones and markers in other burial locations;
 - Determining eligibility for burial in a national cemetery prior to the time of need;
 - Arranging for and conducting interments;
 - Processing requests for partial reimbursements for privately purchased OBRs;
 - Managing cemetery activities, including activations and operational reviews; and
 - Providing advice and assistance to the general public.
- Operations and maintenance functions include:
 - Opening and closing graves;
 - Operating interment equipment;
 - Setting, realigning and cleaning headstones;
 - Maintaining columbaria;
 - Caring for grass, shrubbery and trees;
 - Filling and sodding sunken graves; and
 - Making minor repairs to cemetery infrastructure including buildings, grounds, walks and drives.
- District functions are organized into five districts, supervised by a district director and the director's staff. District offices are located in Philadelphia, Pennsylvania; Atlanta, Georgia; Denver, Colorado; Indianapolis, Indiana; and Oakland, California. District directors and their staffs provide direction, operational oversight and engineering assistance to the cemeteries located in their geographic areas.

Memorial Operations

The Memorial Products Service (MPS) is directly responsible for administering the Headstone and Marker and the Presidential Memorial Certificate programs. MPS has three application processing sites, an Applicant Assistance Unit and a First Notice of Death office. MPS activities include:

- Receiving and processing applications for headstones, markers and medallions;
- Determining eligibility of decedent, type of headstone, marker or medallion to be furnished and the authorized inscription;
- Assisting customers with status, replacements and general information concerning government headstones and markers to be installed on graves in private cemeteries;
- Administering the Presidential Memorial Certificate program by providing certificates to families of deceased Veterans, recognizing the Veteran's contribution and service to the Nation; and
- Entering First Notices of Death into VA information systems which in turn update VA electronic files to terminate compensation benefits to deceased Veterans and allow families to pursue monetary burial benefits.

The Office of Engagement and Memorial Innovation connects the public with VA memorial benefits, the heritage of NCA and the legacies of those that served.

- **Historic Cemetery Landscapes:** Serves as the steward of VA historic national cemeteries and Soldiers' lots to preserve and promote the rich heritage of NCA and the memorial objects honoring Veterans buried in them.
- **Digital Services:** Maintains an online memorial platform, Veterans Legacy Memorial (VLM), the nation's first digital platform dedicated to the memory of more than 4.5 million Veterans interred in VA's national cemeteries and VA-funded state, territorial and tribal Veterans cemeteries. VLM allows family, friends and others to preserve their Veteran's legacy by posting tributes, uploading images and sharing their Veteran's achievements, biographical information and historical documents.
- **Veterans Legacy Program (VLP):** Engages scholars, teachers and students of all levels in researching Veterans in their local national cemeteries and producing that research into instructional materials for K-12 schools and public benefit. VLP provides Veterans Legacy Grants to tell the stories with an emphasis on those from underrepresented communities, from any period of American history so they are honored in perpetuity.

Direct Field Support Operations

Direct Field Support Operations encompasses a broad range of functions performed in both headquarters and the field, including the following:

- **Budget and Finance Service** formulates, justifies and monitors budget requirements, funding and expenditures for all NCA programs, including its capital programs, and provides accounting and finance services for the national cemeteries.
- **Contracting Service** provides the contract negotiation, award, administration and other procurement support needed by NCA programs, including the headstone and marker

program, minor construction and procurements for the national cemeteries and headquarters activities.

- Veterans Cemetery Grants Program office administers grants to assist States, territories and tribal organizations in establishing, expanding or improving Veterans cemeteries, as well as fostering state, territory and tribal participation in the program.
- Human Capital Management oversees and administers all human resources life cycle management for NCA including staffing and recruitment, classification, training and workforce planning, policy and guidance, labor and employee relations and safety and health.
- Design and Construction Service develops long-range construction plans for an overall NCA program, including field surveys in connection with the development and expansion of new and existing cemeteries, and manages development and minor construction for expansion and improvements to cemeteries.
- NCA Business Transformation and Requirements Service oversees the management of new business and technology projects and manages business operational designs of new programs for business information systems.

Administrative Operations

Administrative Operations provides overall policy guidance, executive direction and administrative support to the entire NCA. Administrative Operations include:

- Providing operational guidance and direction for field activities;
- Developing system-wide strategic and performance plans, developing plans and strategies for improving business processes and services to Veterans and evaluating and assessing, on a continuing basis, the quality and effectiveness of NCA programs and operations;
- Conducting studies of organizational structure, functions, relationships and staffing in the interest of improving the effectiveness and efficiency of operations;
- Increasing Veteran and public awareness of NCA cemetery and memorial programs;
- Transcribing administrative and oral histories, collecting artifacts and maintaining archives, documenting and preserving historic cemetery resources and providing education and interpretation of NCA history;
- Answering written inquiries from Veterans, their families and others regarding benefits, service quality and general information; and
- Providing legislative and regulatory support for NCA programs and operations.

Summary of Budget Request

The National Cemetery Administration requests \$480,000,000 in budget authority and 2,331 FTE for Operations and Maintenance in 2024.

NCA is proud of its sustained record of excellent service to Veterans and their families. The American Customer Satisfaction Index, the only national, cross-industry measure of satisfaction with the quality of goods and services available in the United States, continues to document our commitment to providing respectful, dignified and compassionate service that is second to none. NCA has participated in this survey seven times and consistently outperformed other federal government agencies and private sector organizations. In 2022, NCA again achieved a customer

satisfaction index of 97, the highest result ever achieved for any organization in either the public or private sector. It was the seventh consecutive time NCA was ranked first in customer satisfaction.

The National Cemetery Administration is committed to ensuring that Veterans and their families have reasonable access to a burial option in a national, state or tribal Veterans cemetery, that the service they receive is dignified, respectful and courteous and that our system of cemeteries meets or exceeds the highest standards of appearance required by their status as national shrines. The 2024 budget request positions NCA to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following priorities consistent with its strategic goals.

Access

While every eligible Veteran has open access to be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close proximity to a cemetery is an important consideration for Veterans and family members in choosing a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a realistic target to provide reasonable burial access to 95% of all Veterans and has made continuous, significant progress towards meeting that target. In 2024, VA estimates 93.9% of the Veteran population will be served with such access.

In 2024, NCA requests \$553,000 and 1 FTE for the continued activation of the rural cemetery in Elko, NV. Continued activation funding ensures that newly opened cemeteries receive the resources required as the interment activity and maintenance workload increase after the initial opening.

NCA also requests \$19.6 million and 41 FTE for existing cemeteries facing workload increases and project expansions in 2024. Annual Veteran deaths are projected to be over 550,040 in 2023 and are projected to slowly decline. The number of interments is expected to be 143,412 in 2023, after which they are projected to slowly decline. While the number of interments is expected to slowly decline, NCA must maintain the accumulation of gravesites in perpetuity. The total number of gravesites maintained increased from nearly 3.7 million in 2018 to nearly 4.2 million in 2023, and is expected to reach almost 4.3 million in 2024. NCA maintains more than 23,000 acres with the total developed acreage projected to reach 9,743 in 2024, an increase over the 9,646 developed acreage in 2023. As NCA's workload continues to increase, this budget request is essential for NCA to maintain its position as the most highly regarded organization, in both public and private sectors, in terms of customer satisfaction.

Outcomes - Infrastructure

National cemeteries carry high expectations of appearance that distinguish them from private cemeteries. VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits by families and loved ones have ended. NCA requests \$6 million in non-recurring maintenance funds to support initiatives for Infrastructure. Of this amount, \$5 million will fund projects to preserve our cemeteries as national shrines with lasting tributes that commemorate Veteran's service and sacrifice. NCA will continue to invest in projects to raise and realign headstones and markers and repair turf to maintain cemeteries as national shrines. As of October 2022, 64% of headstones and markers were at the proper height and alignment and 89% were considered clean. The requested funding will set NCA on a path to meet its strategic target of 90% of headstones and markers at proper height and alignment and 95% considered clean. In addition, non-recurring maintenance funds of \$1 million will address projects identified on the Facility Condition Assessment (FCA) to ensure safe and effective cemetery operations. NCA's goal is to focus on infrastructure repairs that are deemed critical to safety, code or operational needs and are assessed at a "D" or an "F" FCA rating. As of January 2023, NCA had an inventory of 402 deficiencies rated F and 5,381 deficiencies rated D without project funding to address the deficiencies.

Outcomes - Accountability

NCA is focused on improving internal processes so our stakeholders will place even greater trust in NCA. NCA requests \$2 million and 8 FTE to support initiatives that help us focus on continuous improvements of our internal controls. The requested funding will be used to bolster financial and contracting audit readiness and improve customer satisfaction. Resources will provide post-Integrated Financial and Acquisition Management System (iFAMS) implementation support and financial assurance through data analysis, obligation management and procurement sustainment support.

<i>Analysis of Increases and Decreases</i>		
(\$000)		
	2023 Enacted	2024 Request
Prior Year Obligations	\$401,279	\$435,105
Pay Raise Impact to Total Payroll	9,990	12,363
Non-Payroll Inflation	3,722	2,308
Benefits Adjustment	0	5,064
New Cemetery Activation	2,987	553
Workload at Existing Cemeteries	9,437	19,584
Additional Investments	10,294	8,021
<i>Access [non-add]</i>	1,469	0
<i>Infrastructure [non-add]</i>	6,651	6,000
<i>Accountability [non-add]</i>	2,174	2,021
Change in Unobligated Balances	-2,605	0
Total Obligations	\$435,105	\$483,000

The 2024 budget request includes obligations of \$483 million for operations and maintenance, including 2,331 FTE (nearly 86% of which are field employees and approximately 70% are Veterans) to meet increasing workload and burial expansions as well as funding in support of investments critical to NCA priorities.

Current Services

Pay Raise Impact to Total Payroll - \$12.4 million for the cost of the anticipated 5.2% pay raise and changes in the average grade structure of NCA employees.

Non-payroll Inflation - \$2.3 million for non-payroll inflationary increases.

Benefits Adjustment - \$5.1 million to fund employee benefit increases. Over the past 3 years, OPM increased the FERS agency contribution rates from 13.7% in 2020 to 18.4% in 2022. Overall, NCA benefits as a percent of pay increased 21.4% from 2013 to 2021. Funds are now required to make up for the benefit increases NCA can no longer absorb.

New Cemetery Activation - \$553,000 and 1 FTE for the continued activation of the Elko, NV rural cemetery. Continued activation funding ensures that newly opened cemeteries receive the resources required as interment activity and maintenance workload increase after the initial opening.

Workload at Existing Cemeteries - \$19.6 million and 41 FTE for the existing cemeteries facing workload and utility increases and project expansions in 2024. As NCA's workload continues to increase at existing national cemeteries, this budget request is essential for NCA to maintain its

position as one of the most highly regarded organizations, in both the public and private sectors, in terms of customer satisfaction. National cemeteries carry high expectations of appearance that distinguish them from private cemeteries. The additional current service funds are required to maintain an expansion in developed acreage and increasing number of gravesites, as well as the frequency of cemetery grounds and gravesite maintenance activities including mowing and trimming grass, maintaining trees and cleaning headstones and markers at existing cemeteries. A reduction in the frequency of ongoing maintenance activities will result in a degradation of appearance and an inability to maintain national cemeteries as national shrines, placing NCA at high risk of decreased customer satisfaction.

Additional Investments

Outcomes - Infrastructure - \$6 million in non-recurring maintenance funds to support the following initiatives:

- \$5 million to preserve National Shrine standards and address gravesite renovations to raise and realign headstones and markers and to repair and replace turf.
- \$1 million to address projects identified on the Facility Condition Assessment to ensure safe and effective cemetery operations.

Outcomes - Accountability - \$2 million and 8 FTE to support the following initiatives:

- \$1.65 million and 6 FTE to provide additional post-iFAMS implementation support, furnish audit support, reduce improper invoice payments and perform obligation analysis.
- \$371,000 and 2 FTE for acquisition oversight management and NCA iFAMS acquisition sustainment.

Employment Summary				
FTE by Grade				
	2022	2023	2024	Increase (+)
	Actuals	Enacted	Request	Decrease (-)
SES	22	22	22	0
GS-15	31	31	31	0
GS-14	100	100	102	+2
GS-13	168	172	176	+4
GS-12	82	82	84	+2
GS-11	90	94	94	0
GS-10	27	44	44	0
GS-9	162	175	175	0
GS-8	9	9	9	0
GS-7	413	413	413	0
GS-6	3	3	5	+2
GS-5	23	23	23	0
GS-4	6	6	6	0
Wage Grade (non-GS)	978	1,107	1,147	+40
Total, FTE	2,114	2,281	2,331	+50

FTE Distribution: Headquarters/Field		
2022 Actuals		
	Headquarters	Field
SES	12	10
GS-15	21	10
GS-14	67	33
GS-13	90	78
GS-12	25	57
GS-11	27	63
GS-10	0	27
GS-9	28	134
GS-8	0	9
GS-7	32	381
GS-6	3	0
GS-5	4	19
GS-4	0	6
Wage Grade (non-GS)	1	977
Total, FTE	310	1,804

Summary of Employment and Obligations					
(\$000)					
	2022	2023	2023	2024	Increase (+)
	Actuals	Request	Enacted	Request	Decrease (-)
FTE	2,114	2,281	2,281	2,331	+50
VACO	310	314	314	322	+8
Field Stations	1,804	1,967	1,967	2,009	+42
Obligations					
Personnel Services	\$215,287	\$233,030	\$237,758	\$261,200	+\$23,442
Travel	4,228	3,145	5,171	5,319	+147
Transportation of Things	2,424	2,171	2,170	2,222	+52
Rents, Comms and Utilities	17,214	16,570	18,613	22,228	+3,615
Printing and Reproduction	2,253	2,177	2,177	2,229	+52
Other Services	122,945	123,945	139,672	154,289	+14,617
Supplies and Materials	13,925	18,716	18,716	19,175	+459
Equipment	18,214	26,986	5,567	10,950	+5,384
Land and Structures	2,531	3,153	3,153	3,229	+76
Grants, Jdgmnts, Int & Ins	2,258	2,108	2,108	2,159	+51
Total Obligations	\$401,280	\$432,000	\$435,105	\$483,000	+\$47,895

Personnel Services: The 2024 request includes an additional 50 FTE. The majority of these FTE directly support field operations at VA cemeteries, including an increase in staff required for workload increases at existing cemeteries and the activation of new cemeteries.

Travel: Costs include headquarters and field personnel travel in connection with the operations of national cemeteries and other VA and NCA programs. Included are travel costs for site visits to assess performance of the national cemeteries, quality assurance inspections related to the procurement of headstones and markers, permanent change of station moves, engineering trips related to maintenance and construction projects, inspections and other official travel required in administering the Veterans' Cemetery Grants Program, as well as local travel.

Transportation of Things: Includes the transportation of household goods as part of permanent change of station moves of transferring employees. Other costs include the rental of trucks from General Services Administration (GSA), local hauling charges and the shipment of materials.

Rents, Communications and Utilities: Includes rental of equipment at national cemeteries and payment of standard level user charges (SLUC) to GSA. Utility costs include electricity, water and gas, which are required for the operations and maintenance of the national cemeteries.

Printing and Reproduction: Costs include operating and technical manuals, regulations, handout maps, pamphlets and the printing requirements of the PMC program. Handout maps are distributed

to next-of-kin, other relatives and the general public to help locate gravesites. The PMC requirements include special paper and envelopes, as well as the printing of the certificates.

Other Services: Costs include contracts associated with non-recurring maintenance projects and recurring maintenance, repair, operational and other services.

- National Shrine projects address gravesite renovations to raise and realign headstones and markers and to repair and replace turf.
- Non-recurring maintenance funding to correct deficiencies cited in the Facility Condition Assessments. NCA focuses on deficiencies that are assessed at a “D” or an “F” rating. A “D” rating is generally assigned when facilities are in poor condition or projects that have code or safety violations. “F” ratings are assessed when there is a failing or critical condition. These projects normally require immediate action.
- Other services includes funding for increases in the cost of contracts required to maintain cemetery expansions and additional gravesites as well as the continuing impact of Davis-Bacon Act wage determinations for certain contract activities.
- All other services include recurring maintenance, repair, operational and other services.
 - Maintenance of equipment provides for maintaining and repairing lowering devices, mechanical grave excavators, tractors, backhoes, ditchers, mowers, generators, vehicles and office machines.
 - Repair projects address deficiencies with any of over 4,300 buildings and structures and over 23,000 acres of land within 158 national cemeteries and 34 soldiers’ lots and monument sites to maintain the appearance of national cemeteries as national shrines, dedicated to preserving our Nation’s history and honoring the service and sacrifice Veterans have made.
 - Projects include recurring maintenance and repair of roads, drives, parking lots and walks; painting of buildings, fences and gates; repair of roofs, walls and irrigation; and electrical systems.
 - All other services include contractual services associated with cemetery maintenance and contracts such as trash disposal, rodent and pest control, environmental compliance and training, as well as payments to other VA offices for centralized support activities including iFAMS operations.

Supplies and Materials: Includes office supplies, fuel and petroleum products used in motor vehicles, as well as cemetery operations, grounds maintenance and incidental supplies. Initial orders of supplies and materials are needed for activation of new cemeteries as well as to maintain adequate supplies at cemeteries with expansion projects and increased workload.

Equipment: Costs include cemetery maintenance and interment equipment such as grave excavating and grounds maintenance equipment, as well as office equipment including facsimile machines, multi-functional devices and similar equipment. NCA requires an initial purchase of equipment for new cemeteries as they are opened and additional equipment as cemetery operations continue to increase after cemetery opening.

Land and structures: Includes fixed equipment for buildings and renewable energy projects utilizing solar, wind and geothermal power.

Grants, Judgements, Interest, & Insurance: Includes payments to resolve federal tort claims against operations or administrative actions. Also, incorporates realignment of \$2 million from Other Services funding to Veterans Legacy Grants as authorized by 38 U.S.C. § 2400, notation to Public Law 116-107 (Jan. 17, 2020). Grant funding is available to applicants found eligible to receive a Veterans Legacy Grant to tell the stories focused on underrepresented Veterans or Service Members, from any period of American history, so they are honored in perpetuity.

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National Cemetery Administration Construction Program

Overview

Construction projects to develop additional gravesites at national cemeteries, establish new cemeteries and make infrastructure improvements, along with land acquisitions for cemeteries, are critical to achieving the strategic goals and objectives of the National Cemetery Administration (NCA). These projects are funded from VA's Major and Minor Construction appropriations, which also support NCA's urban and rural initiatives. The funding request and justification for these two appropriations are found in Volume 4; however, NCA is providing this summary of its construction program to relate the requested funding better to its performance plan.

Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land.

Infrastructure investments support two key performance measures: 1) national cemetery appearance and 2) quality of service at national cemeteries. Construction projects to improve irrigation, renovate structures, resurface roads and build committal shelters, restrooms and public information centers directly impact cemetery appearance and service to Veterans and their families.

NCA currently has the legal authority to acquire land for establishing new national cemeteries and to expand existing cemeteries. This allows NCA to dedicate funding to purchase land for future gravesite expansions or replacement cemeteries. Often, prospective sellers, particularly estates, desire to move more quickly than the multi-year pace of the Federal budget development and approval process. Likewise, opportunities to purchase land may arise in key locations and NCA desires the flexibility to respond swiftly.

Burial Policies

While every eligible Veteran has open access to be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close proximity to a cemetery is an important consideration for Veterans and family members in choosing a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the

availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a realistic target to provide reasonable burial access to 95% of all Veterans and has made continuous, significant progress towards meeting that target. In 2024, VA estimates 93.9% of the Veteran population will be served with such access.

The independent *Evaluation of the VA Burial Benefits Program* (August 2008) offered an opportunity to reflect on a future strategic direction that will continue our success in meeting the burial needs of our Nation's Veterans. As a result, NCA identified several burial policies targeting increased access and availability of burial options for our Veterans, which were approved by Congress in 2011 and 2013. These policies include:

- Lowering the unserved Veteran population threshold to establish a new national cemetery to 80,000 within a 75-mile radius. Based on this policy, NCA developed a plan to establish five new national cemeteries and provide a burial option to an additional 507,233 Veterans and their families. In 2016, NCA began interment operations at three of these cemeteries, Cape Canaveral and Tallahassee National Cemeteries in Florida and Omaha National Cemetery in Nebraska. In 2018, NCA opened Pikes Peak National Cemetery in Colorado and the first burial at Western New York was conducted in December 2020.
- Establishing Urban Initiative locations to improve travel time and access in densely populated metropolitan areas currently served by a national cemetery. NCA has identified five locations for this initiative in the Los Angeles, CA, San Francisco/Oakland, CA, Chicago, IL, New York, NY and Indianapolis, IN metropolitan areas. The columbarium expansion at Los Angeles National Cemetery opened in October 2019 as the first completed project under NCA's Urban Initiative. The Indianapolis columbaria-only location opened in July 2022 and the New York columbaria-only location is projected to open in the fall of 2023.
- Establishing national cemeteries in rural areas where the Veteran population is less than 25,000 within a 75-mile service area. This initiative targets those states in which: 1) there is no national cemetery within the state open for first interments; and 2) areas within the state are not currently served by a state Veterans cemetery or a national cemetery in an adjacent state. Eight states meet these criteria (Idaho, Montana, Nevada, North Dakota, Maine, Utah, Wisconsin and Wyoming). In 2014, NCA established the first national Veterans cemetery under the Rural Initiative at Yellowstone National Cemetery in Montana. The second Rural Cemetery opened in 2019 in Fargo, ND. Four additional Rural Cemeteries opened in 2020 (Northwoods, WI, Snake River Canyon, ID, Acadia, ME and Cheyenne, WY) and the final two (Cedar City, UT and Elko, NV) are projected to open in 2024.

The 2024 budget positions NCA to meet Veterans' emerging burial and memorial needs in the years to come through the continued implementation of these burial policies.

National Shrine Commitment

The 2024 budget supports a continued commitment to ensure that national cemeteries meet or exceed the highest standards of appearance required by their status as national shrines. VA's cemeteries transcend the provision of benefits to an individual, serving a purpose that continues long after burials have ceased and visits of families and loved ones have ended. Infrastructure projects such as cemetery irrigation improvements, building renovations, maintenance of buildings and structures and road and curb improvements are important to maintaining our cemeteries as national shrines.

Major Construction Projects

<i>Major Construction Funding for NCA Programs</i>					
(\$s in thousands)					
Construction	2022 Actual	2023 Request	2023 Enacted	2024 Request	Change 2024 v 2023
<u>Cemetery Expansion and Improvement:</u>					
Ft. Logan, CO Gravesite Expansion	\$50,000	\$0	\$0	\$0	\$0
Indiantown Gap, PA Gravesite Expansion	\$44,500	\$0	\$0	\$0	\$0
Albuquerque, NM Gravesite Development	\$0	\$57,000	\$57,000	\$0	-\$57,000
Jefferson Barracks, MO Gravesite Expansion	\$0	\$44,000	\$44,000	\$28,800	-\$15,200
Western New York, NY Gravesite Development	\$0	\$25,000	\$25,000	\$0	-\$25,000
Tahoma, WA Gravesite Development	\$0	\$0	\$0	\$78,200	+\$78,200
Advance Planning and Design Fund	\$35,000	\$13,000	\$13,000	\$5,000	-\$8,000
Land Acquisition	\$1,000	\$1,000	\$1,000	\$0	-\$1,000
Total, Major Projects	\$130,500	\$140,000	\$140,000	\$112,000	-\$28,000

The 2024 Major Construction request for NCA includes funding for one gravesite development project at Tahoma National Cemetery, additional funding for the gravesite expansion project at Jefferson Barracks National Cemetery and funding for Advanced Planning/Design activities.

Tahoma National Cemetery Gravesite Development

This project provides for phase 3 gravesite development at Tahoma National Cemetery serving the greater Puget Sound area of Washington State. This cemetery has served the estimated 337,000 Veteran population within the 75-mile burial service area since opening in 1997 (established 1994). Without this project NCA is projecting gravesite depletion of casketed gravesites by February 2035, in-ground cremation burial sites by May 2027 and columbarium niche burial sites by July 2030. This project will provide for additional inventory of the more efficient casketed, double-depth, pre-placed crypts before depletion of the current inventory and extend the full range of burial options until 2042, as well as provide several cemetery operational and infrastructure improvements.

In accordance with the master plan for the entire 158.29-acre site, this project will develop approximately 20 acres of the 99 undeveloped acres remaining at Tahoma National Cemetery. The remainder of the site will be developed in future 15-year phased projects. Since this is an existing cemetery, only those facilities and infrastructure elements necessary to support the added maintenance, operations and burial capacity for approximately 15 years will constitute this phase of construction. This investment will provide approximately 29,300 gravesites, including both casket and cremation sites in the new burial sections, as well as multiple operational and infrastructure improvements. These improvements include access roads and parking, new honor guard facility, new satellite public restroom, security gates, existing columbarium repairs, renovations/upgrades of the current public information center, grading, drainage and landscaping, signage and site furnishings and correction of Facility Condition Assessment (FCA) infrastructure deficiencies with a D or F rating.

Jefferson Barracks National Cemetery Phase I Gravesite Expansion

This additional funding request is required to complete the Phase 1 gravesite development project on new land, which will enable Jefferson Barracks National Cemetery to continue providing burial services for eligible Veterans in Northeastern Missouri and Southwestern Illinois. Jefferson Barracks National Cemetery first opened for burials in 1827 and serves an estimated 207,800 Veterans within a 75-mile service area in the St. Louis metropolitan area. In 2022, this cemetery conducted 239,257 cumulative interments and ranked the 5th busiest national cemetery by interment workload. With these burial rates, NCA projects gravesite depletion of casketed gravesites by December 2029, in-ground cremation gravesites by July 2025 and columbarium niche inurnment sites by June 2029. This funding request is to address existing unforeseen underground utilities that impact gravesite development.

With the entire existing cemetery grounds developed, this project will prepare a master plan for the newly acquired 33.6 acres and fully develop the cemetery to provide approximately 33,700 gravesites, including casket and cremation sites and memorial wall spaces in the new burial sections. In addition to developing a 15-year inventory of both casket and cremation gravesite burial options, this project provides for other needed cemetery enhancements. The Public Information Center-Administration and Maintenance Complex buildings will be evaluated for repairs, upgrades and expansion, as will the electrical systems and cemetery lighting. The existing seven committal service shelters will also be evaluated for repairs, including corrections of the walkways and masonry floors. The columbarium will be evaluated for cracking, water intrusion and structural integrity with corrections included. The additional funding is required for extensive ground and soil work to relocate underground utilities and address all urgent items related to access, safety and security given significant industry inflationary factors. The additional funds will also provide contingency amounts and address the most critical corrections as identified in the latest FCA for items rated D or F.

Advance Planning and Design Fund

The 2024 budget request includes \$5 million for advance planning and design activities such as master planning and design for new cemeteries and expansions at existing national cemeteries. These funds are needed to begin planning and design for projects that will be needed to prevent gravesite depletions and to establish new burial service in the near future. These funds will also

provide for environmental assessments at national cemeteries and performance of FCAs at national cemeteries, soldiers' lots and monument sites under the jurisdiction of NCA.

Minor Construction Projects

NCA's 2024 Minor Construction budget provides funding for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. Additionally, NCA is committed to reducing the number of critical FCA infrastructure deficiencies related to safety and/or compliance and will address the growing list of FCA deficiencies rated D and F.

<i>Minor Construction Funding for NCA Programs</i>					
(dollars in thousands)					
	2022 Actual	2023 Request	2023 Estimate	2024 Request	Change 2024 v 2023
Cemetery Expansion and Improvement	\$52,187	\$101,978	\$101,978	\$130,981	+\$29,003
Land Acquisition/Below Threshold/Electric Vehicle Charging/Contingency	\$54,803	\$55,287	\$55,287	\$51,579	-\$3,708
Total for Minor Projects	\$106,990	\$157,265	\$157,265	\$182,560	+\$25,295

Minor Construction funds may also be used at any of the 158 national cemeteries and 34 soldiers' lots and monument sites under the jurisdiction of NCA requiring emergency repairs because of floods, fires, hurricanes, tornadoes, earthquakes, strong winds, etc., where no other means of funding exist. In 2024, NCA will request the total estimated cost for 68% of all new start projects in the Minor Construction account. This will allow NCA the option to use design/build acquisition strategies that require full funding at the time of the initial award. NCA's 2024 request includes funding for all NCA projects that will be entered through the Strategic Capital Investment Planning (SCIP) process. Once all projects have been validated and scored by the SCIP Panel and Review Board, a complete listing of capital projects, in priority order, is provided.

Land Acquisition/Below Threshold/Contingency

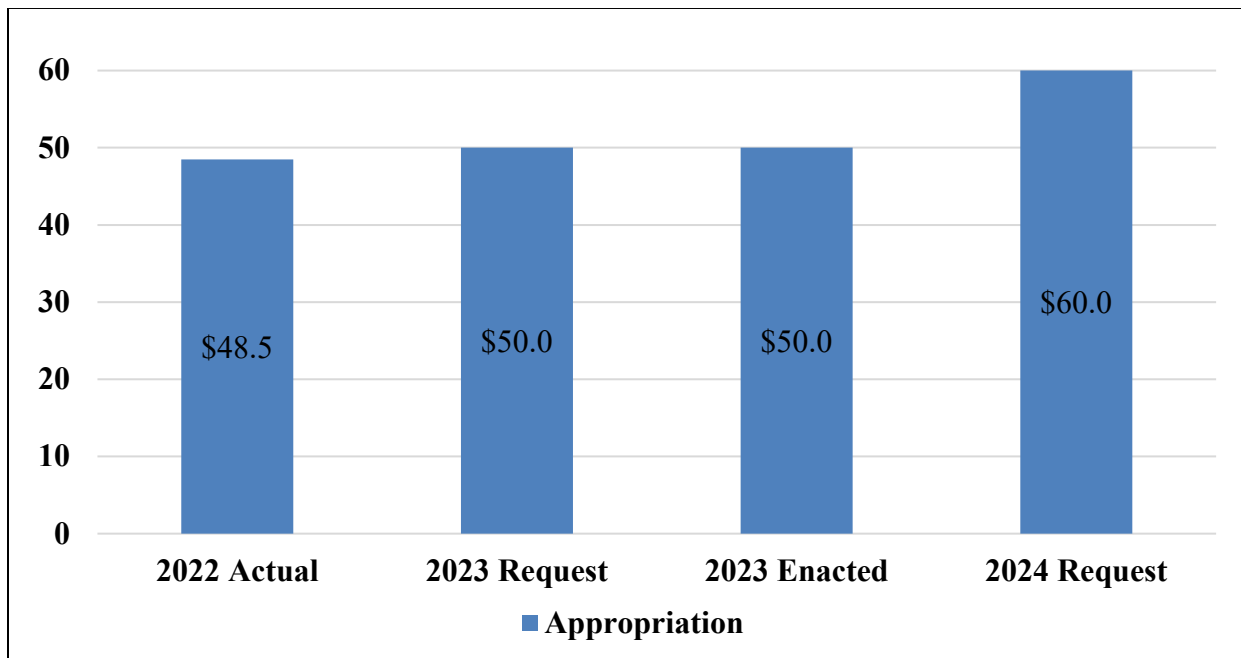
The 2024 Minor Construction request includes \$51.6 million for land acquisitions, below threshold, electric vehicle charging stations and contingencies. NCA currently has the legal authority to acquire land for establishing new national cemeteries and to expand existing cemeteries. This allows NCA to dedicate funding to purchase land for future gravesite expansions that will be funded as separate Minor Construction projects. Identifying and purchasing a parcel of land can be a difficult and unpredictable process. Prospective sellers often desire to move more quickly than the multi-year pace of the Federal budget development and approval process. The

remaining funds are available for electric vehicle charging stations and below threshold projects that improve mission essential facilities, address critical cemetery safety and accessibility factors, modernize cemetery irrigation systems and controls and revitalize historic cemetery facilities and structures.



Grants for Construction of Veterans Cemeteries

Budget Authority -- Grants for Construction of Veterans Cemeteries (\$s in millions)



Appropriation Language

For grants to assist States and tribal organizations in establishing, expanding or improving Veterans cemeteries as authorized by section 2408 of title 38, United States Code, \$60,000,000, to remain available until expended.

Program Description

Grants are provided to states, territories and tribal organizations for the establishment, expansion, improvement or operations and maintenance of Veterans cemeteries. State, territory and tribal Veterans cemeteries assist the National Cemetery Administration (NCA) strategy of meeting the burial needs of Veterans and their families.

While every eligible Veteran has open access to be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that close proximity to a cemetery is an important consideration for Veterans and family members in choosing a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery within 75 miles of the Veteran's place of residence. Increasing and maintaining the availability of state, territory and tribal Veterans cemeteries is a means to increase existing burial access for all Veterans nationwide and provide a more convenient burial option to those Veterans who may not currently have reasonable access to a national cemetery, particularly in rural locations, or who prefer to be interred on tribal lands. VA has set a realistic target to provide reasonable burial access to 95% of all Veterans and has made continuous, significant progress towards meeting that target. In 2024, VA estimates 93.9% of the Veteran population will be served with such access.

To be considered for an establishment, expansion or improvement grant for a state, territory or tribal Veterans cemetery, the organization must submit a preapplication via [Grants.gov](https://www.grants.gov). All conforming grant preapplications that are received by the Veterans Cemetery Grants Program (VCGP) no later than July 1st are prioritized and considered for grant opportunities for the upcoming fiscal year, subject to the availability of funds. Conforming applications are those that meet all requirements in the governing regulation (38 CFR part 39) which includes the applicant's assurance that it has the legal authority to apply for a grant and the resources to fund initial architectural and engineering portions of project development. VCGP prioritizes the preapplications as follows:

- Priority Group 1: Expansion of an existing Veteran state, territory or tribal cemetery that will deplete a burial option in less than 4 years;
- Priority Group 2: Establishment of a new Veteran state, territory or tribal cemetery based on geographical area with the largest number of unserved Veterans;
- Priority Group 3: Expansion of an existing Veteran state, territory or tribal cemetery that will deplete a burial option in more than 4 years; and
- Priority Group 4: Improvement of an existing cemetery to cemetery landscaping or infrastructure, such as building expansions and upgrades to roads and irrigation systems that are not directly related to the development of new gravesites. Operations and Maintenance projects to raise, realign and clean headstones and markers and repair sunken graves are also included in this group.

The VCGP Director approves the prioritized list of projects and posts the list on NCA's webpage on October 1st of the fiscal year in which grants are expected to be awarded. The VCGP Director also notifies the state and tribal organizations that receive grant opportunities via UPS mailing.

As a condition of a grant, state, territory and tribal cemeteries are required to meet the same national shrine standards and measures as VA national cemeteries. To help VA grant-funded cemeteries meet minimum operational standards and measures, NCA allows grantee cemetery employees to attend training, as space permits, that NCA provides its own national cemetery employees. Although NCA provides courses tuition-free, some grantees lack the fiscal resources

to send personnel to NCA training. Section 2208 of Public Law 116-315, The Veterans Health Care and Benefits Improvement Act of 2020, authorized VA to expand the use of VCGP funds to include training costs for state and tribal cemetery personnel to participate in training provided by NCA. Funding for establishment, expansion, improvement and operations and maintenance grants may be utilized, solely or in part, for these training purposes. Authorized training costs include travel expenses and up to four weeks of lodging expenses associated with the attendance of a state, territory or tribal organization employee at NCA trainings.

Program Highlights

Since 1980, VCGP has awarded grants totaling almost \$989 million that 49 states, tribes and territories (including Guam, Saipan and Puerto Rico) used to establish, expand, improve, operate or maintain a total of 122 Veterans cemeteries in 2024. In early 2023, NCA will surpass the \$1 billion grant milestone. In 2023, VCGP cemeteries are projected to bury more than 47,000 Veterans and eligible family members, approximately 23% of the total annual interments in national, state, territory and tribal cemeteries.

In 2022, the program opened one new state cemetery, Seaman First Class Billy Turner Ardmore Veterans Cemetery in Ardmore, OK and one new tribal cemetery, Annette Island Reserve Veterans Cemetery in Metlakatla, AK. In 2023, the program is expected to open State Veterans Cemetery Redwood Falls in rural Southwestern Minnesota. These three cemeteries provide a burial option to 29,563 unserved Veterans and their eligible family members.

Grants for Construction of Veterans Cemeteries						
Obligations and Budgetary Resources						
(\$s in thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct obligations	\$28,968	\$54,000	\$63,430	\$73,000	\$9,570	15.1%
Total obligations	\$28,968	\$54,000	\$63,430	\$73,000	\$9,570	15.1%
Budgetary resources						
Unobligated balance:						
Unob bal brought forward, Oct 1	\$2,766	\$4,114	\$24,646	\$13,216	-\$11,430	-46.4%
Recoveries of prior year unpaid oblig (unobligated balances)	2,348	0	2,000	0	-\$2,000	-100.0%
Subtotal, unobligated balance	\$5,114	\$4,114	\$26,646	\$13,216	-\$13,430	-50.4%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$48,500	\$50,000	\$50,000	\$60,000	\$10,000	20.0%
Subtotal, appropriation	\$48,500	\$50,000	\$50,000	\$60,000	\$10,000	20.0%
Subtotal, budget authority	\$48,500	\$50,000	\$50,000	\$60,000	\$10,000	20.0%
Total, budgetary resources	\$53,614	\$54,114	\$76,646	\$73,216	-\$3,430	-4.5%
Unexpired unobligated balance	\$24,646	\$114	\$13,216	\$216	-\$13,000	-98.4%

Summary of Budget Request

In 2024, NCA requests \$60 million to fund grants to state, territory and tribal organizations for the establishment, expansion, improvement or operations and maintenance of Veterans cemeteries. NCA requests an increase of \$10 million above the 2023 appropriation for the Grants program to provide additional grants to state, territory and tribal organizations in support of increasing burial access as well as maintaining access in mature cemeteries with expansion grants.

The VCGP has played a significant role in achieving NCA's strategic target of providing 95% of Veterans with reasonable access to a burial option by assisting states, territories and tribes in establishing Veterans cemeteries in areas of the country in which VA is unlikely to establish a new national cemetery. In addition, the Grants program is a cost-effective alternative to VA construction and recurring operating expenses. However, NCA has been unable to take advantage of some higher dollar, higher impact establishment grants in unserved areas, which are critical to meeting NCA's objective of serving Veterans throughout the country. As the number of state, territory and tribal Veterans cemeteries have grown over the last 10 years, from approximately 80 to 122 cemeteries, the need to provide for expansion grants of already-existing cemeteries has also grown, in both number and dollar amounts.

The 2023 Grants Priority List has 52 conforming preapplications totaling over \$173 million in grant opportunities. Of these, 23 grant requests, totaling \$66.5 million, are for Priority Group 1 expansion projects that are already within 4 years of depleting at least one burial option in the cemetery. The 2023 list also includes 15 grant requests, totaling \$78 million, for Priority Group 2 establishment projects critical to increase burial access to our nation's Veterans. NCA cannot fund Group 2 establishment projects until all Group 1 expansion grants are fully addressed. Without the requested funding, NCA will be severely limited on making progress towards increasing the percentage of Veterans with reasonable burial access to a national or grant-funded Veterans cemetery.

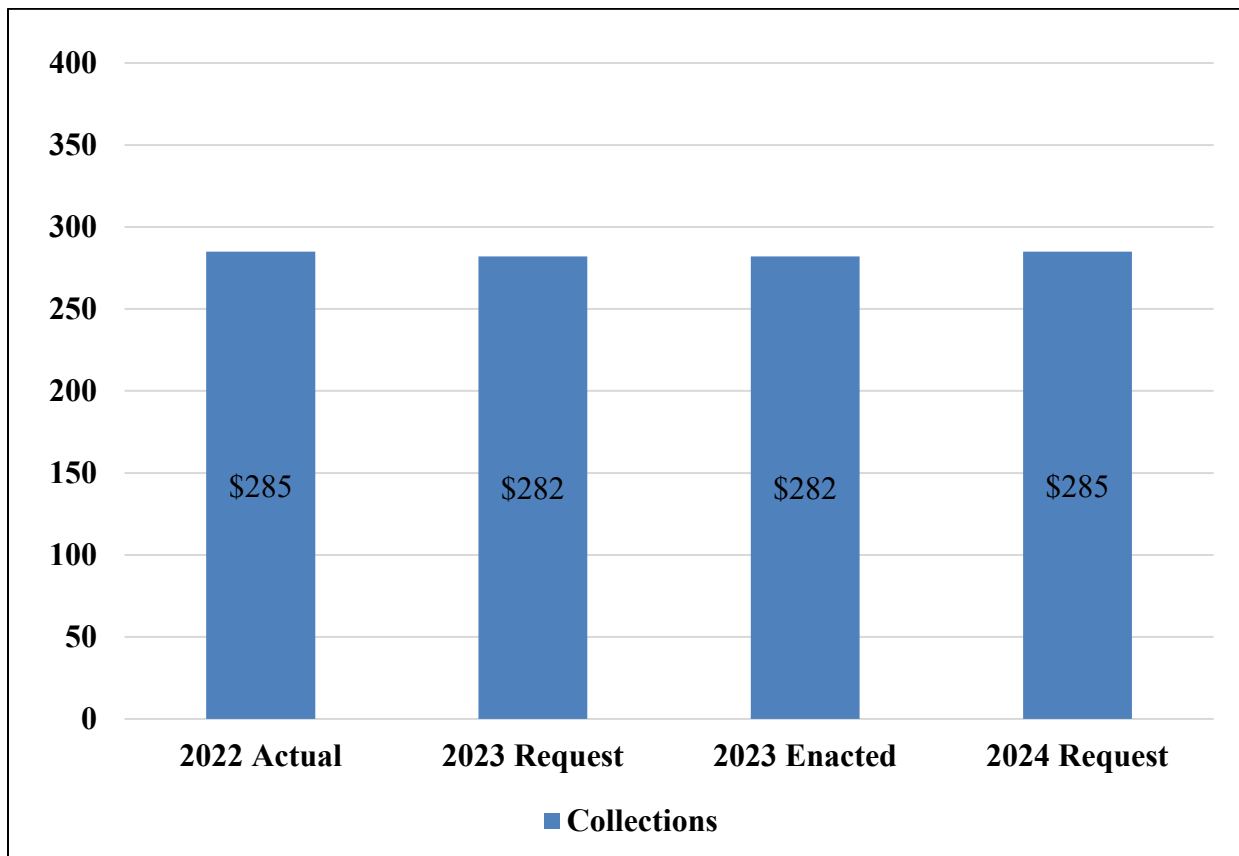
In a June 2021 report, the VA Office of Inspector General (OIG) stated, "Increased funding would support projects not only to improve cemetery appearance, but also to expand and create new cemeteries." These grants help NCA meet its strategic goal of providing 95% of Veterans a burial option within 75 miles of their residence. OIG recommended that NCA continue to seek an increase in cemetery grant funding in excess of \$45 million. NCA concurred in principle with this recommendation and will continue to seek federal funds to adequately address the Grants program through the federal budget process.

Total Obligations by State			
AK	\$3,158,277	MT	\$12,435,439
AL	\$7,663,582	NC	\$19,554,689
AR	\$30,880,430	ND	\$8,639,028
AZ	\$32,331,834	NE	\$5,519,756
CA	\$26,712,073	NH	\$9,731,136
CO	\$6,007,010	NJ	\$46,066,709
CT	\$11,975,063	NM	\$15,644,795
DE	\$21,365,459	NV	\$41,691,293
GA	\$16,584,850	OH	\$798,987
GU	\$9,266,873	OK	\$9,157,158
HI	\$48,873,000	PA	\$23,223
IA	\$9,750,374	PR	\$7,135,050
ID	\$18,051,617	RI	\$11,836,070
IL	\$1,565,325	SC	\$8,271,565
IN	\$13,868,547	SD	\$24,220,468
KS	\$20,913,766	TN	\$31,416,656
KY	\$39,951,018	TX	\$55,080,032
LA	\$42,448,647	UT	\$9,639,479
MA	\$21,025,004	VA	\$37,832,661
MD	\$60,214,187	VT	\$6,554,699
ME	\$21,992,174	WA	\$14,440,485
MN	\$38,879,775	WI	\$33,490,475
MO	\$33,832,317	WV	\$14,118,456
MP	\$5,260,988	WY	\$5,806,255
MS	\$17,260,300	Total	\$988,937,054



*National Cemetery Administration
Facilities Operation Fund*

Budget Authority -- Facilities Operation Fund
(\$s in thousands)



Program Description

Public Law 108-454, Section 602, codified in 38 U.S.C. 2412, provides authority to lease any undeveloped land and unused or underutilized buildings of the National Cemetery Administration (NCA), or parts or parcels thereof, for a term not to exceed 10 years.

Facilities Operation Fund						
Obligations and Budgetary Resources						
(\$s in thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct obligations	\$0	\$360	\$400	\$400	\$0	0.0%
Total obligations	\$0	\$360	\$400	\$400	\$0	0.0%
Budgetary resources						
Unobligated balance:						
Unob bal brought forward, Oct 1	\$493	\$448	\$778	\$660	-\$118	-15.2%
Subtotal, unobligated balance	\$493	\$448	\$778	\$660	-\$118	-15.2%
Budget authority:						
Appropriations, discretionary						
Appropriations	\$285	\$282	\$282	\$285	\$3	1.1%
Subtotal, appropriation	\$285	\$282	\$282	\$285	\$3	1.1%
Subtotal, budget authority	\$285	\$282	\$282	\$285	\$3	1.1%
Total, budgetary resources	\$778	\$730	\$1,060	\$945	-\$115	-10.8%
Unexpired unobligated balance	\$778	\$370	\$660	\$545	-\$115	-17.4%

Summary of Budget Request

The NCA Facilities Operation Fund is a special fund financed by proceeds from the lease of undeveloped land, the lease of unused or underutilized buildings and by the proceeds from agricultural licenses of lands under the control of the National Cemetery Administration (NCA). No appropriation action from Congress is required.

Program Activity

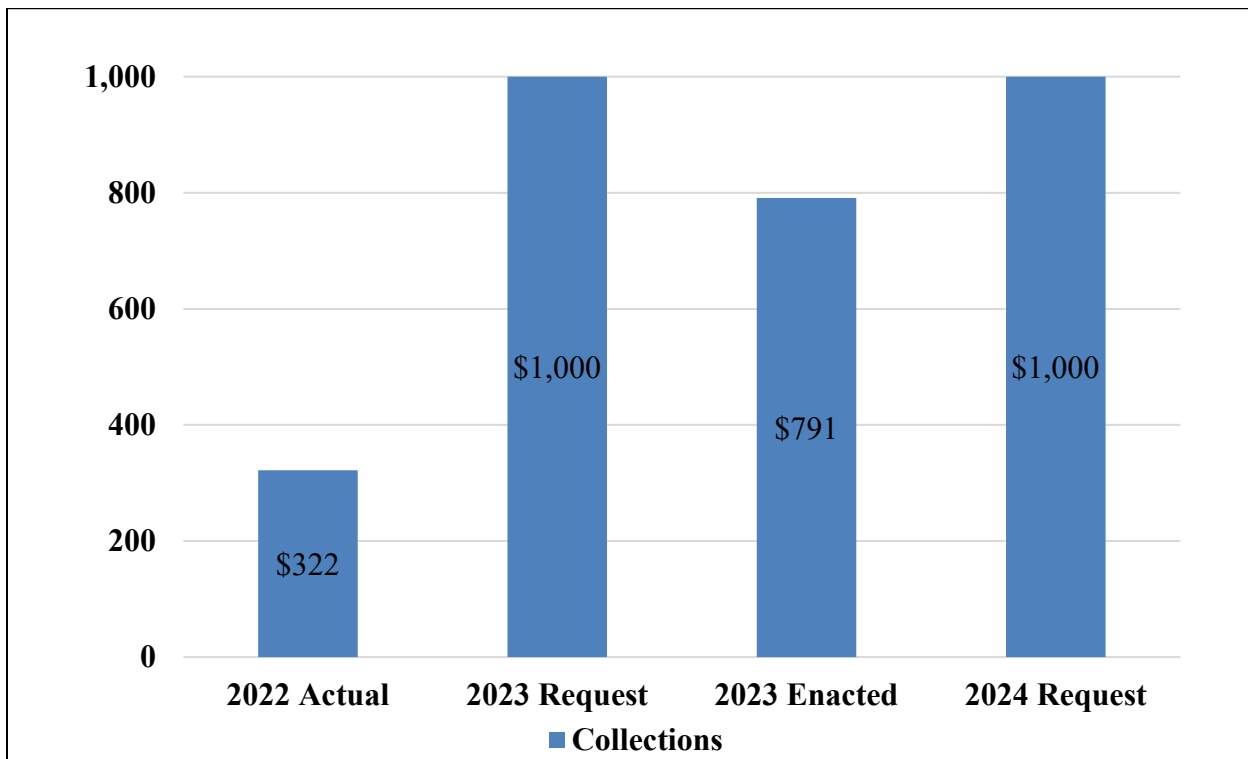
Obligations are estimated to be \$400,000 in 2024, which is consistent with the preceding fiscal year’s end-of-year balance.

The Facilities Operation Fund became operational in March 2005. NCA uses this fund to cover a portion of costs incurred in the operation and maintenance of its properties. In 2023 and 2024, NCA intends to use this fund to address deficiencies identified on the Facility Condition Assessment (FCA) to ensure safe and effective cemetery operations. The Facilities Operation Fund contributes to accomplishing our objective of ensuring that national cemeteries are shrines dedicated to honoring the service and sacrifice Veterans have made.



National Cemetery Administration Gift Fund

Budget Authority -- National Cemetery Administration Gift Fund ((\$s in thousands))



Gift Fund Program Description

Public Law 93-43, as amended, codified in 38 U.S.C. 2407, provides authority to accept gifts and bequests for the purpose of beautifying national cemeteries, or which are determined to be beneficial to such cemeteries.

National Cemetery Gift Fund						
Obligations and Budgetary Resources						
(\$s in thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct obligations	\$115	\$1,000	\$1,000	\$1,000	\$0	0.0%
Total obligations	\$115	\$1,000	\$1,000	\$1,000	\$0	0.0%
Budgetary resources						
Unobligated balance:						
Unob bal brought forward, Oct 1	\$1,340	\$1,340	\$1,549	\$1,340	-\$209	-13.5%
Recoveries of prior year unpaid oblig (unob balances)	2	0	0	0	0	0.0%
Subtotal, unobligated balance	\$1,342	\$1,340	\$1,549	\$1,340	-\$209	-13.5%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$322	\$1,000	\$791	\$1,000	\$209	26.4%
Subtotal, appropriation	\$322	\$1,000	\$791	\$1,000	\$209	26.4%
Subtotal, budget authority	\$322	\$1,000	\$791	\$1,000	\$209	26.4%
Total, budgetary resources	\$1,664	\$2,340	\$2,340	\$2,340	0	0.0%
Unexpired unobligated balance	\$1,549	\$1,340	\$1,340	\$1,340	0	0.0%

Summary of Budget Request

The National Cemetery Gift Fund is a trust fund, which is financed from gifts and bequests from donors. No appropriation action from Congress is required.

Program Activity

Fund obligations are estimated to be \$1 million in 2024. Congress established the Gift Fund, which authorized the acceptance of gifts and bequests, as of October 1, 1989. The fund is used primarily for beautification and improvements to cemetery grounds such as landscaping, walkways and benches and may be used for other items beneficial to the cemetery and the Veterans served. In this way, gift fund activity contributes to accomplishing our objective of ensuring that national cemeteries are shrines dedicated to honoring the service and sacrifice Veterans have made.

The National Cemetery Administration (NCA) is now accepting online donations to the Gift Fund through [pay.gov](https://www.pay.gov). NCA donation icons have been placed on the internal and public-facing websites directing potential donors to the donation forms. Pay.gov is a program of the U.S. Department of the Treasury, Bureau of the Fiscal Service, and provides government agencies flexible online and offline internet-based services. Agency customers benefit from the ability to make and manage their payments easily 24 hours per day, 365 days per year.



Veterans Benefits Administration

Part 2

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General Operating Expenses, Veterans Benefits Administration, Executive Summary

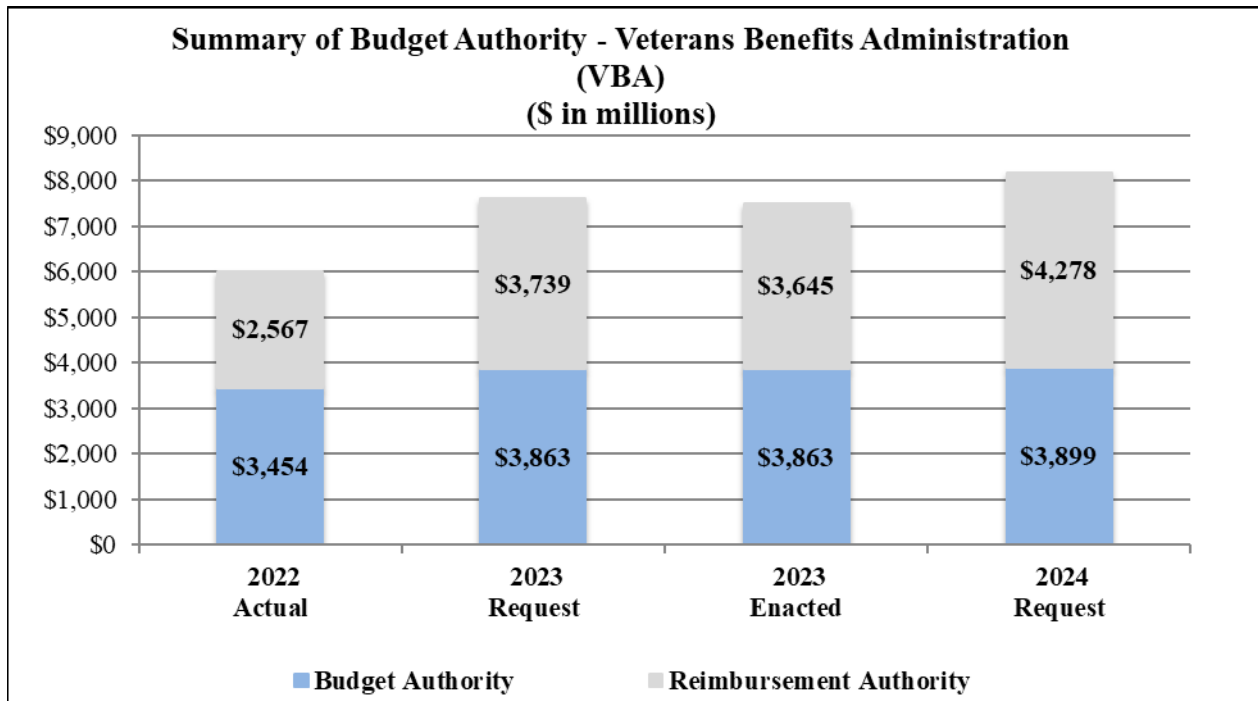
Mission Statement

To provide benefits and services to Veterans, their families and survivors in a responsive, timely and compassionate manner in recognition of their service to the Nation.

Vision Statement

“To fulfill our Nation’s promise to those who serve by delivering the benefits and services they have earned to enable full, independent and productive lives.”

2024 Budget Authority Request: \$3.9 billion
Change over 2023 Enacted: + \$36.0 million / + 0.9%



Appropriation Language

For necessary operating expenses of the Veterans Benefits Administration, not otherwise provided for, including hire of passenger motor vehicles, reimbursement of the General Services Administration for security guard services, and reimbursement of the Department of Defense for the cost of overseas employee mail, [\$3,863,000,000] \$3,899,000,000: *Provided*, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: *Provided further*, that, of the funds made available under this heading, not to exceed 10 percent shall remain available until September 30, [2024] 2025. (*Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023.*)

Summary of Budget Request

The Veterans Benefits Administration's (VBA's) 2024 discretionary budget request of \$8.2 billion provides Veterans, their dependents and survivors a variety of benefits and services. This includes \$3.9 billion in discretionary General Operating Expenses (GOE) budget authority and \$4.3 billion in reimbursements from other VA appropriations¹. This request delivers \$184 billion in mandatory benefit payments and services to Veterans and other beneficiaries, at an operating cost of about four cents for every dollar of benefits delivered.

¹ GOE receives reimbursements for services such as contract medical exams and Omnibus Budget Reconciliation Act (OBRA) payments from the Compensation and Pension account; certain education printing expenses from the Readjustment Benefits account; housing and Vocational Rehabilitation Direct Loan Program costs from the credit program account; and VA life insurance program funds for VA credit and life insurance program administration for reimbursable spending by VBA.

The following chart summarizes VBA’s total 2024 discretionary budget request and subsequent sections provide an overview for each of the seven lines of business.

Total VBA Summary					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Estimate	Request	Current Estimate	Request	Increase(+) Decrease(-)
FTE					
Direct	22,404	23,962	23,962	23,314	-648
Management Direction and Support	2,390	2,519	2,519	2,448	-71
Total FTE	24,794	26,481	26,481	25,762	-719
Obligations					
Disability Compensation	\$4,871,230	\$6,159,736	\$6,066,063	\$6,631,920	\$565,857
Pension, DIC, Burial, & Fiduciary	\$282,340	\$396,539	\$396,539	\$419,104	\$22,564
Education	\$329,493	\$352,435	\$352,446	\$371,228	\$18,782
Veterans Readiness and Employment	\$239,074	\$295,963	\$296,047	\$309,675	\$13,628
Housing	\$199,610	\$213,847	\$213,857	\$255,807	\$41,950
Insurance	\$35,887	\$46,420	\$46,420	\$46,889	\$470
Outreach, Transition and Economic Development	\$112,991	\$136,709	\$136,709	\$142,007	\$5,297
Total Administrative Obligations	\$6,070,626	\$7,601,649	\$7,508,082	\$8,176,629	\$668,548
Reimbursement Authority	-\$2,567,155	-\$3,738,649	-\$3,645,082	-\$4,277,630	-\$632,548
Attorney Fees Collections	-\$1,583	\$0	\$0	\$0	\$0
Unobligated Balance Brought Forward	-\$52,904	\$0	\$0	\$0	\$0
GOE Carry Over	-\$52,852	\$0	\$0	\$0	\$0
Recycling	-\$52	\$0	\$0	\$0	\$0
Unobligated Balance, End of Year	\$52	\$0	\$0	\$0	\$0
GOE Carry Over	\$0	\$0	\$0	\$0	\$0
Recycling	\$52	\$0	\$0	\$0	\$0
Unobligated Bal Expiring	\$4,777	\$0	\$0	\$0	\$0
Net Appropriation	\$3,453,813	\$3,863,000	\$3,863,000	\$3,899,000	\$36,000
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$3,453,813	\$3,863,000	\$3,863,000	\$3,899,000	\$36,000
Outlays (net)	\$3,282,598	\$3,988,192	\$3,708,000	\$3,774,000	\$66,000

Dollars may not add due to rounding in this and subsequent charts.

Net Changes

The following table displays the net change from the 2023 President’s Budget Request to the 2024 President’s Budget Request.

General Operating Expenses, Veterans Benefits Administration		
2024 Summary of Resource Requirements		
(\$ in thousands)		
	Appropriation	FTE
2023 President's Budget	\$3,863,000	26,481
2024 Current Services Increases		
Payraise (5.2%) and Benefits	\$122,860	
Non-Pay Inflation (2%)	\$17,066	
Pact Act Adjustment	-\$115,772	-795
	Net Change	-795
	% Change	-3.0%
2024 Total Current Services	\$3,887,155	25,686
2024 Additional Investments		
Veteran Transitional Assistance Grant Program:		
Pay	\$504	3
Non-Pay Requirements	\$47	
Grants	\$4,449	
<i>Total Additional Investments</i>	<u>\$5,000</u>	<u>3</u>
<i>Operational Increases</i>		
FTE ¹	\$0	73
Overtime	\$6,845	
<i>Total Operational Increases</i>	<u>\$6,845</u>	<u>73</u>
2024 Total Request	\$3,899,000	25,762

¹Cost of 73 FTE is reimbursed from Credit Reform appropriation

VBA is requesting an overall increase of \$36.0 million (0.9%) in direct annual administrative appropriation and a net decrease of 719 full-time equivalents (FTEs) over the 2023 enacted level. The net decrease in FTE reflects a downward adjustment of 795 FTE and \$116 million to be funded in the Toxic Exposures Fund (TEF), discussed in the “Toxic Exposures Funding” Section. The 2024 GOE budget reflects a projected increase of 5.2% in pay and 2.0% for non-pay inflation.

Of the requested increase, \$5 million will be invested in the Veteran Transitional Assistance Grant Program (VTAGP).

- **Veteran Transitional Assistance Grant Program (VTAGP)² (\$5.0 million and three FTE):** These resources will be used to implement the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315, Section 4304). VBA’s Outreach, Transition and Economic Development (OTED) will provide grants to eligible organizations for transition assistance to members of the Armed Forces who are separated, retired, or discharged and spouses of such members. VBA’s 2023 budget request included \$1.3 million in support of VTAGP. These resource the costs for four FTE and \$500,000 for the initial grant awards. For 2024, VBA is requesting an additional \$5.0 million for the program, which includes funding for an increase of three FTE and approximately \$4.5 million in grants awards.
- **Claims Processing Overtime Increase (\$6.8 million):** Funding will be used for overtime expenses in 2024 to support timely processing of claims during periods of claims influx.

Additional Appropriation Summary

The American Rescue Plan (ARP) (P.L. 117-2) and the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43, the 2022 Continuing Resolution to December 3, 2021) augmented VBA’s appropriation in 2022. ARP provided \$262 million in supplemental funding for claims processing, available until 2023. VBA obligated \$141.2 million of the available funding in 2022 with the remaining \$120.8 million being executed in 2023. Additionally, \$83 million was obligated under P.L. 117-43 in 2022. VBA received these funds to implement the interim final rule “Presumptive Service Connection for Respiratory Conditions Due to Exposure to Particulate Matter.” This rule established presumptive service-connection for asthma, rhinitis and sinusitis.

Additional Appropriation Summary of Funding (\$ in thousands)		
Obligations	2022 Actual	2023 Estimate³
VHA Transfer (P.L. 117-43)	\$83,000	\$0
ARP for Claims Processing	\$141,200	\$120,800
Totals	\$224,200	\$120,800

Toxic Exposures Funding

VBA also requests \$1.8 billion in 2024 for the PACT Act the Cost of War Toxic Exposures Fund (TEF), established by the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (P.L. 117-168). This funding is separate from the \$3.9 billion for 2024 in the General Operating Expenses (GOE) appropriations for requirements that are

² See the Outreach, Transition and Economic Development chapter within Part 2 of Volume III for more information on the Veteran Transitional Assistance Grant Program.

³ ARP (P.L. 117-2) funding available until September 30, 2023.

separate from the PACT Act.

President Biden signed the PACT Act into law on August 10, 2022, establishing the most significant expansion of disability compensation benefits and services for Veterans who were impacted by environmental hazards and their survivors in more than 30 years. The PACT Act expands and extends eligibility for VA benefits and health care for Veterans with toxic exposures and Veterans of the Vietnam, Gulf War and Post-9/11 eras. As part of the PACT Act, Congress authorized the TEF to fund incremental costs above 2021 funding levels for healthcare and benefits delivery for veterans exposed to a number of environmental hazards—and ensure there is sufficient funding available to cover these costs. Provisions of the PACT Act that impact VBA operational funding include adding over 20 presumptive conditions for burn pits and other toxic exposures⁴ and adding more presumptive-exposure locations for Agent Orange and radiation

In September 2022, VBA received \$302 million of the \$500 million initially appropriated to the TEF in FY 2022. These funds will remain available until September 30, 2024. In 2023, this initial funding is being used to resource the accelerated hiring of 1,871 FTE, at a cost of \$86 million, to support claims processing operations. VBA will utilize \$208 million in contract support to accelerate the extraction, scanning and digitization of millions of Veterans Official Military Personnel Files; sustain the efforts to modernize claims processing; respond to increased demand for the retrieval of private medical records; and for increased communication and outreach efforts. VBA will reimburse the Veterans Experience Office (VEO) \$8 million in support of expansion of the VEO Contact Center which serves as the front door voice for PACT general inquiries and transfer assistance.

VBA subsequently received \$482 million of the \$5 billion appropriated to the TEF in the Consolidated Appropriations Act, 2023 (P.L. 117-328). The funds from this enacted omnibus package are available until September 30, 2027. VBA began processing PACT Act claims on January 1, 2023 and as of March 4, 2023, has received 362,934 claims since August 10, 2022. This surpasses VBA's original PACT Act claims projection by approximately 277,000 claims from Veterans and survivors in the first six months. Through March 4, 2023, VA has completed 157,854 PACT Act related claims, granting 127,608 of those claims. The additional funding received in the Omnibus will resource continued hiring efforts up to a total of 6,720 FTE in 2023 to support claims processing operations and overall implementation of the PACT Act. Funds will also be utilized for contract support to resource hiring initiatives which include staffing services/support; background investigation services to review and process personnel suitability determinations; and training. Funding will also support program management for PACT Act entities.

To date, VBA has begun to take meaningful steps to implement the PACT Act. These include:

⁴ The following toxic exposure conditions are now presumptive under the PACT Act for Gulf War era and post-9/11 Veterans: Brain cancer; Gastrointestinal cancer of any type; Glioblastoma; Head cancer of any type; Hypertension; Kidney cancer; Lymphatic cancer of any type; Lymphoma of any type; Melanoma; Neck cancer of any type; Pancreatic cancer; Reproductive cancer of any type; Respiratory (breathing-related) cancer of any type; Asthma that was diagnosed after service; Chronic bronchitis; Chronic obstructive pulmonary disease; Chronic rhinitis; Chronic sinusitis; Constrictive bronchiolitis or obliterative bronchiolitis; Emphysema; Granulomatous disease; Interstitial lung disease; Pleuritis; Pulmonary fibrosis; and sarcoidosis. The following Agent Orange presumptive conditions are added under PACT Act: Monoclonal gammopathy of undetermined significance and Hypertension. Please refer to [The PACT Act And Your VA Benefits | Veterans Affairs](#) for more information on eligibility.

- Establishing a dedicated Military Exposures Team (MET) to develop policies and procedures for service-connected disabilities that are due to military environmental exposures. VBA's MET is part of the Secretary's aggressive MEE strategy, fortified by a new Presumptive Decision-Making Process, still under development, for considering additional presumptive conditions and the elevation and expansion of VHA's former Post Deployment Health Service to the new Office of Health Outcomes and Military Exposures (HOME).
- Beginning in 2022, VBA Human Capital Services (HCS) began supporting Congressionally mandated hiring initiatives aligned under the PACT Act of 2022 which is estimated to add more than 15,000 FTE to VBAs rolls by 2024. As of February 25, 2023, we have onboarded 1,360 (or 73%) of the newly authorized positions. The additional funding provided by the Omnibus will allow VBA to resource up to 6,720 FTEs to support claims processing operations and overall implementation of the PACT Act. VBA secured a PACT Act direct hire authority (DHA) from the Office of Personnel Management (OPM) that will expedite the hiring of mission-critical occupations through September 30, 2027, for Human Resources Management, Human Resources Assistant, General Legal and Kindred and Veterans Claims examining series positions. The DHA is used with a system of open continuous announcements that results in a steady flow of eligible and available applicants for selection at predetermined timeframes that suit the needs of the organization. We also have created opportunities to increase hiring by hosting on-site hiring events designed to connect job seekers nationwide with current PACT Act positions for Veterans Service Representatives (VSR), Rating VSRs (RVSR) and Legal Administrative Specialist (LAS). These new VA employees will help ensure Veterans and survivors get the PACT Act-related benefits they have earned in a timely manner.
- Partnering with industry experts through managed services contracts to provide innovative solutions for automating tasks and workflows. This includes 56 automation-eligible diagnostic codes (54 of which are diagnostic codes for all 26 PACT Act conditions) related to disability compensation claims. This will assist claims processors in making fast, accurate, and consistent claim decisions for Veterans.

VBA is requesting \$1.8 billion in TEF resources as detailed in the below chart. The projected TEF costs reflect an increase of over 8,000 FTE in combination with the 2024 GOE request of 25,762 FTE to support the successful implementation of the law and timely processing of the additional Compensation and Pension workload resulting from the PACT Act. Operational costs include over \$1.2 billion in payroll and \$533 million in non-pay costs to include training, equipment, travel, contracts and reimbursement to the VEO for Contact Center operations. Included in the \$1.8 billion are costs and FTE associated with toxic exposures that were realigned to the TEF to include Agent Orange and Blue Water Navy as the conditions and service eras are appropriately tied to the nexus of the PACT legislation.

Toxic Exposures Fund 1126
Veterans Benefits Administration
Summary of Employment, Obligations and Budgetary Resources
(\$ in thousands, FTE)

	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$/FTE	%
Employment			6,733	8,466	1,733	25.7%
Obligations			784,380	1,768,586	984,206	125.5%
Budgetary resources						
Unobligated balance brought forward, Oct 1			302,018		(302,018)	-100.0%
Budget authority:						
Appropriations, mandatory	302,018		482,362	1,769,000	1,286,638	266.7%
Total, budgetary resources	302,018	-	784,380	1,769,000	984,620	125.5%
Unexpired unobligated balance, end of year	302,018	-	-	414		

Toxic Exposures Fund FTE include 13 Veterans Experience Office PACT Act implementation FTE in 2023 and 2024 funded via reimbursement by VBA.

Toxic Exposures Fund (TEF) Resources
Obligation by Category
(\$ in thousands)

Obligations	TEF Start-Up Fund	2023 Enacted OMNIBUS	2024 Request
Pay	\$86,217	\$411,931	\$1,243,193
Non-Pay	\$207,726	\$63,507	\$513,950
VEO Reimbursement	\$8,075	\$6,924	\$11,443
Totals	\$302,018	\$482,362	\$1,768,586

VBA Overview and Priorities

VBA will continue to fund mission-critical agency operations in 2024. Securing the requested funding level will allow VBA to deliver benefits and services in a timely manner and with high quality to Veterans, Servicemembers, their families and survivors. The following three organizational priorities drive the 2024 budget request:



VBA's 2024 budget will enable VBA to comply with the law, reduce risk and deliver on the expectations of Veterans and other stakeholders. The request is also closely aligned to the VA Secretary's four fundamental principles of advocacy, access, outcomes and excellence.

Enterprise Risk Management

Enterprise Risk Management (ERM) is an effective approach to addressing the full spectrum of an organization's internal and external risks by understanding the combined impact of risks as an enterprise-wide, strategically-aligned portfolio view. The ERM policy framework for the federal government, OMB Circular A-123, provides guidance on creating an effective, efficient and open ERM program. Furthermore, ERM's goals for the budgeting process are to increase engagement, consistency and transparency. Over the past five years, VBA has worked diligently to manage risks by enhancing its ERM program and related capabilities. To help the mature the program, VBA instituted a risk governance body, the Executive Risk Committee (ERC), and refreshed the program charter. The ERM program also facilitated stakeholder interviews to identify and validate enterprise risks, as well as to identify opportunities to address those risks.

ERM assesses risks utilizing a risk score calculation, the possibility a risk event will occur given the risk responses and controls in place multiplied by the impact on VBA's ability to fulfill its mission or strategic objectives. The ERM program conducts a biannual assessment survey where senior executives and liaisons from each business line and staff office score each enterprise risk's likelihood, impact and speed of onset. Respondents are also asked to provide feedback on resources currently allocated and needed for effective risk response. After assessment, the liaisons and senior leadership integrate qualitative factors to prioritize the risks into tiers, resulting in VBA's Risk Profile approved by the ERC.

Using a risk-based budgeting approach, VBA's 2024 budget request was evaluated and prioritized with the top tier risks in mind. By aligning budget requests with risks to VBA's mission, available resources can be directed to the most critical risks. VBA's goal is to lessen the impact and/or likelihood of those risks while improving overall efficiency.

Activities to Build and Use Evidence

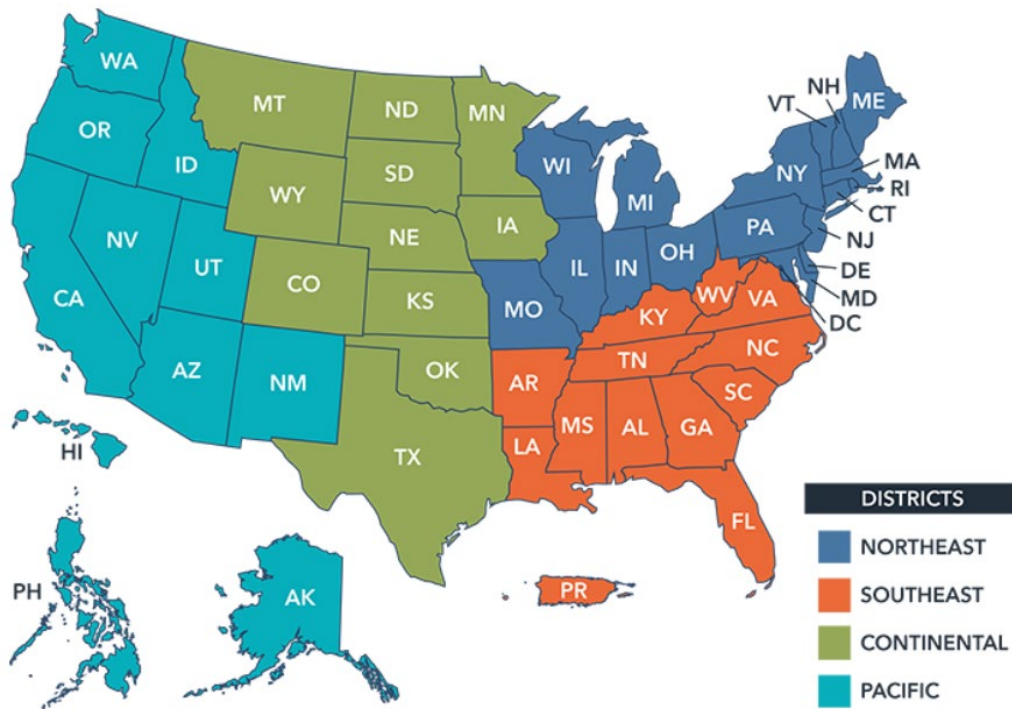
VBA continues to make progress towards ensuring that decisions are informed by the strongest available evidence in accordance with the Foundations for Evidence-Based Policymaking Act of 2018 (P.L. 115-435, Evidence Act). In 2022, VBA undertook activities to build organizational knowledge around evidence-based policymaking (EBP). VBA previously developed a series of courses aimed to assist employees with developing a common understanding of EBP and related processes, and over 300 employees completed these courses as of September 30, 2022. VBA also refined and deployed a process and associated training for evaluating strength of evidence in resource requests, and the results of these efforts are forthcoming. Furthermore, VBA continues to build evidence for use in policymaking and decision making. Selected efforts to build and use evidence include:

- **Earnings Loss Study (ELS)** - Incorporates economic based on data from the Census Bureau and Social Security Administration, on aggregate actual loss in earning capacity for Veterans with various types and combinations of conditions along with medical and scientific data to update VA Schedule for Rating Disabilities.
- **VR&E Longitudinal Study** - Assesses the long-term post-program outcomes associated with Veterans who began VR&E programs in 2010, 2012 and 2014. The study design allows for comparison across the three cohorts, but cannot determine the impacts of VBA services.
- **Education Outcome Measures** - VBA has begun efforts to measure data for Education Service on how benefits are used to support policies and procedures that promote beneficiary retention and graduation. It also will provide valuable information as it relates to beneficiaries to include income levels, educational paths, student debt and default rates.
- **Post-Separation TAP Assessment Outcome Study** - Designed to learn what factors drive Veteran satisfaction with services as well as measure their long-term outcomes across a host of life domains.
- **Economic and Housing Market Forecasts** - Collaboration with a team of economists to produce 30-year forecasts that allow VBA to be proactive in the managing the home loan portfolio and in crafting and implementing Loan Guaranty (LGY) policy decisions.
- **Race, Gender and Ethnicity Analysis** - Conducts quantitative analysis to identify the causal factors in differences in disability compensation grant rates by race, ethnicity and gender. Furthermore, it assesses whether there is evidence of bias in a specific component of the disability compensation claims process that presents a barrier to equal access. In 2022, VBA hired two evaluation analysts (senior operations research analyst and data scientist) to improve its capacity for equity assessments. Additionally, VBA worked with a Federally Funded Research and Development Center (FFRDC) on preliminary data findings on differences in mental health disability compensation grant rates by race, ethnicity and gender. The senior operations research analyst and data scientist are VBA's project leads for two subsequent projects informed by the FFRDC study.

To assist VA in expediting the implementation of Title I of the Evidence Act, VA requested 10 FTE and associated study-related costs for VBA. The FTE support the goal of expanding VBA capacity to enhance linkages between strategy and evidence. Additionally, these resources will support the design and execution of specific program evaluation activities; and develop VBA’s evaluation capacity.

Program Overview

VBA is aligned into four Districts, which operate a national network of 56 ROs, three Pension Management Centers (PMCs), six Fiduciary Hubs, two Education Regional Processing Offices (RPOs), eight Regional Loan Centers (RLCs), the Philadelphia Insurance Center and the National Contact Center (NCC). VBA provides benefits via seven distinct lines of business, in addition to the Office of Administrative Review (OAR), Medical Disability Examination Office (MDEO) and the Office of Production Optimization (Prod Ops).



* An index to VA regional offices and a listing of additional VA facilities located in each state.

The following table displays budget authority for VBA by lines of business.

Budget Authority (\$ in thousands)	2022 Actual	2023 Request	2023 Enacted	2024 Request
Disability Compensation	\$2,472,591	\$2,651,673	\$2,651,673	\$2,623,782
Pension, Dependency and Indemnity Compensation, Burial and Fiduciary Programs	\$267,520	\$384,321	\$384,321	\$406,091
Education	\$329,343	\$352,294	\$352,294	\$371,073
Housing	\$32,505	\$42,466	\$42,466	\$46,868
Veteran Readiness and Employment	\$237,062	\$294,088	\$294,088	\$307,671
Outreach, Transition and Economic Development	\$112,855	\$136,573	\$136,573	\$141,868
Insurance	\$1,936	\$1,585	\$1,585	\$1,646
Total Budget Authority	\$3,453,813	\$3,863,000	\$3,863,000	\$3,899,000

Notable Accomplishments by Business Line and Support Offices

Disability Compensation

VBA oversees the delivery of disability compensation, a tax-free monetary benefit paid to Veterans with disabling conditions that are the result of a disease or injury incurred or aggravated during active military service. Disability compensation rating claims are requests for benefits based upon the effects of disabilities, which VBA decides by reviewing medical evidence. One quarter of the total Veteran population of 20 million receives disability compensation. VBA completed 1.6 million disability compensation rating claims in 2022, processing over a million rating claims per year since 2014. By the end of 2023, VBA estimates more than 5.6 million Veterans will be receiving disability compensation, a 108% increase over 2006.

Pension, Dependency and Indemnity Compensation, Burial and Fiduciary Programs

VBA helps wartime Veterans, their families and survivors with financial challenges by providing supplemental income through Veterans Pension, Death Pension and Dependency and Indemnity Compensation (DIC). The Fiduciary Program protects the benefits paid to VBA's most vulnerable beneficiaries who, because of disease, injury or infirmities of advanced age, are unable to manage their finances. In 2022, VBA served over 299,000 Veterans and survivors receiving Pension totaling more than \$3 billion, over 477,000 survivors receiving DIC benefits totaling more than \$8.5 billion and more than 108,000 Fiduciary beneficiaries. VBA processed 78% of Pension Rating Claims within 125 days, with a National Claim-Based Quality for Pension of 97.8% in 2022.

Education

The Education Service (Education) administers eight education benefits programs that provided approximately \$10 billion in benefits for 834,460 beneficiaries in 2022. Education manages approximately 400,000 approved programs and processes approximately four million claims each year and provides education and training benefits to eligible Active Duty, National Guard, Reserve Service members, Veterans and dependents. Notably, Education processes original claims in an

average of 15 days with 98% accuracy. Additionally, VBA has provided nearly \$129 billion in Post-9/11 GI Bill benefits to Veterans and dependents since the program began in 2009.

Housing

The Loan Guaranty Service (LGY) provides oversight of the VA Guaranteed Home Loan Program that guarantees home loans in varying amounts and ensures Veterans' rights are protected when purchasing a home under the program. LGY also oversees administration of Specially Adapted Housing (SAH) grants for certain severely disabled Service members and Veterans so they can adapt or acquire suitable housing. Since 1948, VA has awarded over 48,000 SAH grants worth more than \$1.8 billion. Additionally, LGY saved over 205,000 Veterans and their families from foreclosure and guaranteed over 746,000 loans in 2022. LGY has serviced more than 3.6 million loans since the Federal Credit Reform Act (P.L. 101-508) was passed in 1990, including loans guaranteed prior to 1992.

Veteran Readiness and Employment (VR&E)

The VR&E Program assists Veterans and Service members with service-connected disabilities to prepare for, obtain and maintain suitable employment, start their own business or receive independent-living services. This program supported over 124,000 Veterans in 2022. In 2022, VR&E achieved 16,726 "positive outcomes," defined as Veterans who either achieved a rehabilitation plan goal, pursued higher education, obtained suitable employment or became employment ready. VR&E continues to champion student Veterans through the VetSuccess on Campus (VSOC) program, which places counselors on 104 college campuses to assist nearly 86,000 student Veterans. Additionally, VR&E's Integrated Disability Evaluation System (IDES) Counselors provided one-on-one briefings to an average of 1,165 Service members per month from October 1, 2021, through September 30, 2022.

Outreach, Transition and Economic Development (OTED)

OTED maintains oversight and management of the Military-to-Civilian Transition Services, as well as the development of economic initiatives that focus on empowering Veterans to achieve maximum economic well-being. OTED administers the Transition Assistance Program (TAP) in collaboration with interagency partners, supporting over 200,000 transitioning Service members annually. OTED oversees the VA Solid Start (VASS) efforts, providing early and consistent contact with recently separated Service members at three key stages (approximately 90, 180 and 365 days post-separation) during their first year of transition to civilian life. VASS successfully connected with 175,369 individuals in 2022, achieving a successful contact rate of 64.3% and exceeding the goal of 50%. OTED is also responsible for all VBA outreach and maintains national, state and local partnerships that engage specific Veteran populations. These include minority, women, elderly, homeless, Former Prisoner of War, LGBTQ+, rural, faith-based, Native American and incarcerated Veterans. In 2022, OTED participated in more than 9,903 outreach events for the year, reaching over 720,000 Veterans.

Insurance

The Insurance Service oversees life insurance programs that provide financial security and peace of mind to 5.6 million Veterans, Service members and their families by providing more than \$1.2 trillion in coverage. VBA paid over \$1.5 billion in mandatory obligations in 2022, including over 95,000 disbursements to insured and beneficiaries. In 2022, Insurance exceeded targets of

completed Service-Disabled Veterans Insurance application claims in an average of 3.4 days of processing with 97.7% accuracy, providing high quality service and further earning the trust of Veterans. Insurance also completed disbursement actions with an average processing time of 2.4 days for completed claims and with a 98.4% disbursement accuracy, surpassing the 2022 goals. The Insurance Service also launched Veterans Affairs Life Insurance (VA Life), a new guaranteed acceptance whole life insurance program, that opened to new applications on January 1, 2023.

Office of Administrative Review (OAR)

VBA successfully implemented the Appeals Modernization Act in February 2019 which allows Veterans to seek faster resolution of their disagreement with a VA decision by choosing one of three options to request further review: by filing a higher-level review, a supplemental claim or an appeal to the Board of Veterans' Appeals (the Board). Veterans with pending legacy appeals may choose to continue their appeal under that system, or they may opt into the modernized system at certain points in the legacy appeal process. VBA's goal is to complete supplemental claims and higher-level reviews in an average of 125 days. OAR continues to review data, identify potential risks and model multiple scenarios to allocate resources. VBA reduced its inventory of pending legacy appeals by 88%, down to fewer than 27,000. Higher-level reviews are completed in an average of 57 days. VBA continues to target further reduction of the legacy remand inventory.

Medical Disability Examination Office (MDEO)

MDEO's mission is to support VBA's disability claims process by administering the contract medical disability examination program worldwide to ensure Veterans receive timely and high-quality examinations. MDEO continues to maximize examinations completed by contract examination vendors to serve Veterans faster, especially in remote locations and overseas. MDEO completed over 1.8 million exam scheduling requests (ESR) in 2022. Additionally, MDEO forecasts contract exam vendors will complete medical disability ESRs for over 3.0 million Veterans ESRs in 2023 and over 3.3 million ESRs in 2024. MDEO's successful oversight resulted in increased accuracy from 95.9% to 96.1% in 2022. Oversight of the program in 2023 currently shows quality at 96.6%.

Office of Production Optimization

The Office of Production Optimization (Prod Ops), formerly known as the Chief Production Office (CPO), is a part of the Office of Automated Benefits Delivery. Prod Ops works collaboratively across VBA to ensure claims processors are equipped and supported with highly efficient technology and lean processes. Claims processing system modernization, timely defect resolution and user-driven system enhancements are three key areas of focus. Prod Ops identifies continuous improvements across VBA to reduce rework, drive efficiency, increase accuracy and ensure a productive work landscape that values employees.

Prod Ops collaborated with the Office of Information and Technology (OIT) to better the Service Level Agreement to timely repair all newly identified Veterans Benefits Management System (VBMS) production defects, resolving critical defects on average in fewer than 16 days. Additionally, 88 user-driven system optimizations were implemented in 2022. Through this effective continuous improvement process, optimization requests are received and assessed daily. Over 2,400 user-driven production optimizations were received since the creation of this office.

Prod Ops receives, reviews, prioritizes and submits system enhancement requests daily to OIT and conducts user-validation reviews of new functionality following VBMS releases.

In support of claims automation and modernization, Prod Ops works collaboratively with the Office of Benefits Automation and Office of Business Integration on the implementation of automation functionality. Upon implementation into production, Prod Ops leads the effort to validate automation functionality. Additionally, Prod Ops conducts Human Centered Design interviews with claims processors throughout the automation process to ensure the continuous improvement of automation functionality/processes.

Gulf War Presumptive Conditions

On August 5, 2021, VBA published an interim final rule establishing the new presumptive respiratory conditions of chronic asthma, sinusitis and rhinitis associated with exposure to fine particulate matter. As of September 30, 2022, VBA has received 61,690 claims; completed 41,121 claims; and granted 30,669 awards (74.6% of completed claims), providing more than \$124 million retroactive benefit payments.

Blue Water Navy (BWN)

VBA centralized processing to prioritize complex claims related to the BWN Vietnam Veterans Act of 2019 (P.L. 116-23). Compensation Service received more than 172,976 BWN claims through February 2023 and completed more than 143,489. VBA granted more than 87,967 awards (61.3% of completed claims). Under the BWN program, VBA has provided more than \$1.6 billion in retroactive benefits to Veterans or their surviving spouses.

Disability Compensation and Pension (C&P) Claims Modernization⁵

This initiative automates components of the C&P claims process from submission to decision. VBA expects the number of claims for disability benefits to significantly outpace the ability to complete them without fundamental changes to the underlying process. C&P Claims Modernization will focus on gaining efficiencies for certain types of claims through a suite of automation capabilities, increasing VA's capability to deliver fast, accurate and consistent claim decisions for Veterans. All claim decisions will still be made by a VBA employee, but this initiative will maximize automated tasks, allowing employees to focus on key decision-making functions such as claims authorization. In December 2021, VBA launched the initial pilot at the Boise RO, focused on non-original, single-issue claims for increase in hypertension, asthma, sleep apnea and prostate cancer. Preliminary metrics show claim decisions using Automated Decision Support technology were often completed in days, compared to months using the traditional claims process. VBA will expand the automation capabilities to all PACT Act conditions in 2023. Additional conditions and expansion to additional types of claims, including claims for presumptive service connection and supplemental claims, are planned by December 2023.

⁵ See the Disability Compensation chapter within Part 2 of Volume III for more information on Disability Compensation and Pension (C&P) Claims Modernization.

Pension Automation⁶

Pension Automation 1.0 (PA 1.0): Implemented in May of 2020, to date PA 1.0 has processed over 170,000 Burial, Dependency Indemnity Compensation (DIC), live pension and survivor pension claims. Several enhancements were made during fiscal year 2022 resulting in a 46.8% increase in claims processed from the previous year.

Pension Optimization Initiative (POI): The contract for POI was awarded on September 12, 2022, and will begin automating claims in 2023. POI will expand VBA's automation capabilities further and will reduce processing from months to weeks or days. This will set an industry standard for similar types of claims processing by implementing an end-to-end, high-performing, managed services solution that will continue to improve the accuracy, efficiency and processing-time of the workload at the Pension Management Centers.

Digital GI Bill (DGIB)⁷

DGIB is a modernized digital platform for EDU that is transforming VA technology systems, improving GI Bill students' user experience and optimizing benefits processes for millions of beneficiaries. September 29, 2021, marked the successful transition of Post-9/11 GI Bill® claims adjudication to a managed service platform. This was the first step in this modernization journey, which will eventually combine the functionality of dozens of legacy systems into a managed service. In 2022, the DGIB team successfully deployed the release which added new enrollment verification abilities and system improvements for supplemental claims. EDU also migrated Veteran Employment Through Technology Education Courses (VET TEC) data to process claims in the managed service, which now accepts applications, provides for calculations of awards and generates letters. In early 2023, VBA plans to add additional capabilities related to enrollment and Chapter 33, as well as VA Profile and VA-ONCE consolidation.

FTE Tables

The following tables display the estimated allocation of FTE in 2023 by grade and location and the estimated distribution of all grades from 2022 through the 2024 request.

⁶ See the Pension, Dependency and Indemnity Compensation, Burial and Fiduciary Programs chapter within Part 2 of Volume III for more information on Pension Optimization Initiative (POI).

⁷ See the Education chapter within Part 2 of Volume III for more information on Digital GI Bill (DGIB).

Analysis of FTE				
Distribution Headquarters/Field				
Grade	2023 HQ Estimate	2023 Field Estimate	Total	
SES	35	45	80	
GS-15	158	122	280	
GS-14	533	246	779	
GS-13	1,047	2,259	3,306	
GS-12	247	7,965	8,212	
GS-11	105	3,836	3,941	
GS-10	-	5,552	5,552	
GS-9	49	3,141	3,190	
GS-8	-	10	10	
GS-7	46	294	340	
GS-6	30	647	677	
GS-5	1	63	64	
GS-4	-	42	42	
GS-3	-	8	8	
GS-2	-	-	-	
GS-1	-	-	-	
Total	2,251	24,230	26,481	
Employment Summary-FTE by Grade				
Grade	2022 Actual	2023 Estimate	2024 Request	Increase/ Decrease
SES	76	80	80	0
GS-15	261	280	273	(7)
GS-14	725	779	758	(21)
GS-13	3,077	3,306	3,219	(87)
GS-12	7,643	8,212	7,973	(239)
GS-11	3,668	3,941	3,836	(105)
GS-10	5,168	5,552	5,406	(146)
GS-9	2,969	3,190	3,106	(84)
GS-8	9	10	9	(1)
GS-7	316	340	331	(9)
GS-6	630	677	659	(18)
GS-5	60	64	63	(1)
GS-4	40	42	42	0
GS-3	7	8	7	(1)
GS-2	0	0	0	0
GS-1	0	0	0	0
Total	24,649	26,481	25,762	(719)

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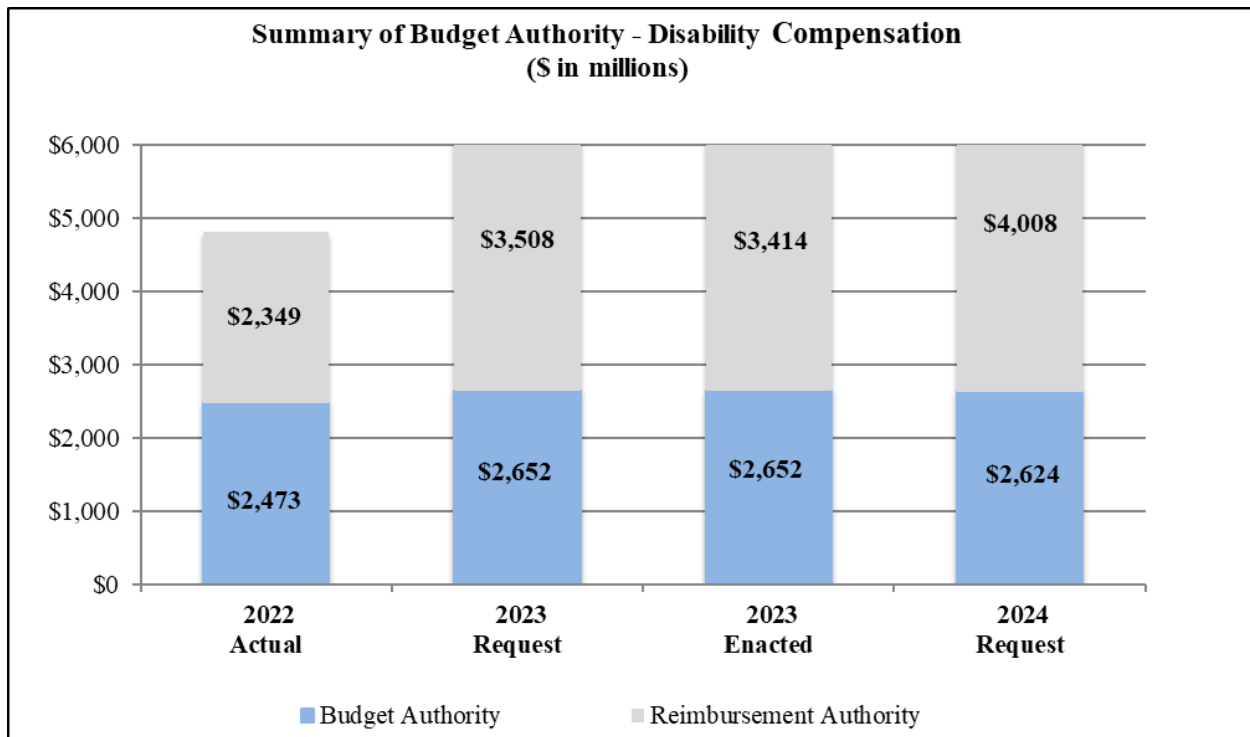
Disability Compensation

Mission

Provide monthly, tax-free payments to Veterans, their families and survivors in recognition of the effects of a disabling condition due to disease or injury incurred or aggravated as a result of military service.

Summary of Budget Authority

2024 Budget Authority Request: \$2.6 billion
Change over 2023 Enacted: - \$27.9 million / - 1.1%



Summary of Budget Request

VA requests \$2.6 billion in budget authority to fund the discretionary portions of the Disability Compensation Program (DCP) to include operational expenses for 17,595 full time equivalent (FTE), which represents a decrease of 767 FTE from 2023.

Disability Compensation					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Actual	Request	Enacted	Request	Increase(+) Decrease(-)
FTE					
Direct Compensation	16,083	16,662	16,662	15,966	-696
Management Direction and Support	1,641	1,700	1,700	1,629	-71
Total FTE	17,724	18,362	18,362	17,595	-767
Obligations					
Personal Services (without overtime)	\$2,014,687	\$2,139,317	\$2,139,317	\$2,178,657	\$39,340
Overtime	\$31,778	\$37,333	\$37,333	\$44,178	\$6,845
Travel	\$6,091	\$29,346	\$29,346	\$28,121	-\$1,226
Interagency Motor Pool	\$84	\$3,048	\$3,048	\$3,048	\$0
Transportation of Things	\$837	\$940	\$940	\$940	\$0
Rent, Communications & Utilities	\$106,578	\$137,777	\$137,777	\$132,021	-\$5,755
Printing	\$1,703	\$1,415	\$1,415	\$1,415	\$0
Other Services	\$2,704,282	\$3,786,381	\$3,692,708	\$4,220,328	\$527,620
Supplies and Materials	\$796	\$4,544	\$4,544	\$4,354	-\$190
Equipment	\$2,419	\$18,600	\$18,600	\$17,823	-\$777
Insurance Claims	\$1,975	\$1,035	\$1,035	\$1,035	\$0
Total Administrative Obligations	\$4,871,230	\$6,159,736	\$6,066,063	\$6,631,920	\$565,857
Reimbursements	-\$2,348,981	-\$3,508,063	-\$3,414,392	-\$4,008,138	-\$593,746
Attorney Fees Collections	-\$1,583	\$0	\$0	\$0	\$0
Unobligated Balance Brought Forward	-\$52,904	\$0	\$0	\$0	\$0
GOE Carry Over	-\$52,852	\$0	\$0	\$0	\$0
Recycling	-\$52	\$0	\$0	\$0	\$0
Unobligated Balance, End of Year	\$52	\$0	\$0	\$0	\$0
GOE Carry Over	\$0	\$0	\$0	\$0	\$0
Recycling	\$52	\$0	\$0	\$0	\$0
Unobligated Bal Expiring	\$4,777	\$0	\$0	\$0	\$0
Net Appropriation	\$2,472,591	\$2,651,673	\$2,651,673	\$2,623,782	-\$27,889
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$2,472,591	\$2,651,672	\$2,651,672	\$2,623,782	-\$27,889
Outlays (net)	\$2,350,018	\$2,813,204	\$2,545,275	\$2,539,665	-\$5,610

Dollars may not add due to rounding in this and subsequent charts.

Changes from Original 2023 Request

Total obligations decreased by \$93.7 million based on revised contract medical examination estimates. Current estimates show fewer examinations needed than previously planned.

Changes from 2023 Enacted to 2024 Request

Total obligations increased by \$565.9 million from the 2023 enacted level. Changes reflect a projected increase of 5.2% in pay and 2.0% for non-pay inflation for claims processing activities, as well as a projected increase in medical disability examinations caused by The Sergeant First

Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act (P.L. 117-168)⁸ legislation.

The 2024 request also includes a shift of 696 direct FTE and 39 Management Direction and Support (MD&S) FTE that are now being funded by the PACT Act. This impacts both pay and non-pay funding, to include rent, supplies and equipment. Additionally, this request reflects a shift of 32 FTE from MD&S to Outreach, Transition and Economic Development (OTED) for the National Call Center (NCC).

Program Description

DCP is a tax-free monetary benefit paid to Veterans with one or more disabling condition that are the result of a disease or injury incurred or aggravated during active military service. In 2022, DCP completed 1.6 million disability compensation rating claims, taking an average of 149.0 days to complete. Per the chart below titled “Compensation Rating Claims,” comparatively DCP completed 1.4 million disability compensation rating claims, taking an average of 118 days to complete, in 2021. At the end of February 2023, the inventory included 185,937 claims pending over 125 days, an increase of 39% from the previous year. VBA is committed to ensuring Veterans’ claims are decided accurately, as reflected by achieving a rating quality of 96.5% in 2022, exceeding the goal of 96%.

By 2024, VBA projects rating claims receipts will increase by 121% and non-rating claim receipts will increase by 22% compared to 2015. This includes PACT Act claims. DCP estimates completions of 1.8 million disability rating claims in 2023, with an average of 108 days pending and taking an average of 145 days to complete. DCP projects inventory of claims pending over 125 days to be approximately 264,024 in 2023. In 2024, DCP estimates completion of 1.9 million disability compensation rating claims. The projected increase in claims production is based on the expected levels of automated decision support, FTE, overtime and the sustained improvement to the claims evidence supply chain; this assumes continued increases in output from the contract medical examination providers and VHA, as well as continued improvement to Federal records access and availability. Even with aggressive hiring strategies and advancements in automated decision support, DCP projects the backlog to grow to more than 400,000 in the 2023 to 2024 timeframe due to the influx of claims stemming from PACT Act and return to a stable level of around 100,000 in 2025. This is dependent on hiring, attrition, receipts, technology deployment schedule and claims complexity.

Staffing

To help keep pace with increases in claims receipts, DCP increased claims production through process optimization and automation of administrative tasks and workflows, including Dependency Rules Based Processing and Automated Hospital Adjustments. Dependency Rules Based Processing allows Veterans to add a dependent(s) to their award and Automated Hospital Adjustments identify hospital admissions at VA Medical Centers and establishes claims for adjudicative review by a VBA employee. VBA uses evidence-based budgeting and work measurement studies to determine staffing levels. Work measurement studies assess the amount

⁸ See the Executive Summary for General Operating Expenses, Veterans Benefits Administration, within Part 2 of Volume III for more information on funding requests that are now addressed under the Cost of War Toxic Exposures Fund per P.L. 117-168.

of time it takes claims processors to complete a variety of standardized actions. The standards were updated and released in 2021, enabling VBA to better estimate the number of staff required for claims production based on anticipated claims receipts and current inventory.

VBA is committed to supporting Veteran employment to accomplish its mission. Approximately 55% of DCP employees are Veterans, and 90% of those employees are directly responsible for processing disability compensation claims and appeals. This entails gathering evidence, requesting disability examinations and making claims decisions. These employees ensure payments of approved claims are sent to Veterans. The oversight staff includes managers, administrative support and central office functions. The programmatic activities outlined in this chapter could not be accomplished without the management and executive leadership, who provide program direction, mentoring and oversight.

New Presumptive Conditions⁹

On April 26, 2022, VA published an Interim Final Rule that established presumptive service connection on the nine respiratory cancers due to exposure to fine particulate matter:

- Squamous Cell Carcinoma (SCC) of the larynx
- SCC of the trachea
- Adenocarcinoma of the trachea
- Salivary Gland-Type Tumors of the trachea
- Adenosquamous Carcinoma of the lung
- Large Cell Carcinoma of the lung
- Salivary Gland-Type tumors of the lung
- Sarcomatoid Carcinoma of the lung
- Typical and Atypical Carcinoid of the lung

This rulemaking was issued under VA's 38 U.S.C. section 501 rulemaking authority. VA determined through a focused review of scientific and medical evidence that there is biologic plausibility between airborne hazards, specifically particulate matter, and carcinogenesis of the respiratory tract. As of September 30, 2022, VBA completed 143 claims with a total retroactive award of \$680,000.

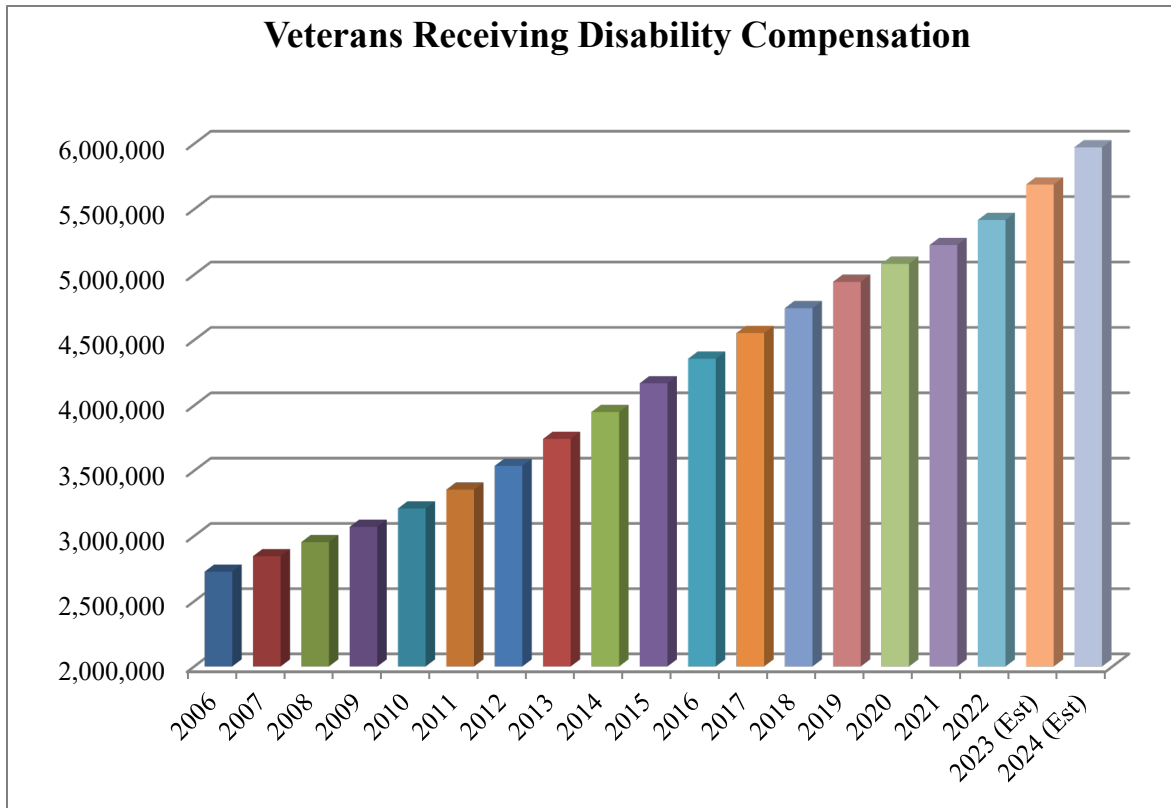
Workload

The DCP recognizes the importance of consistent recruitment, development and retention of employees. The following tables provide a summary of the VBA disability compensation workload and direct FTE projections:

⁹ See the Executive Summary for General Operating Expenses, Veterans Benefits Administration, within Part 2 of Volume III for more information on presumptive conditions that are funded under the Cost of War Toxic Exposures Fund per P.L. 117-168.

Projected Compensation Workload and FTE Requirements*	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Compensation Direct Labor FTE	15,748	16,083	16,662	15,966
Rating Receipts Compensation Claims	1,531,870	1,622,045	1,981,483	2,384,008
Rating Production Compensation Claims	1,399,049	1,608,201	1,746,653	1,906,433
Year-end Inventory Compensation Claims	586,089	599,933	834,763	1,312,338

*Claims projection include PACT Act workload.



By 2024, VBA estimates almost six million Veterans will be receiving disability compensation, a 119% increase over 2006. Due to the increase in Veterans receiving compensation, VA expects to see an increase in the number of award adjustments due to dependency changes, requests for ancillary benefits, clothing allowances, specially adapted housing and program reviews/requests for eligibility certifications for determining entitlement from other agencies.

DCP sends letters to Veterans, providing them with needed information from the time their claims are filed until a final decision is completed. Veterans may inquire about their claim status by calling VA’s toll-free number, 1-800-827-1000, from 8 a.m.-9 p.m. Eastern Standard Time or by using VA’s online self-service features at VA.gov to receive status updates or ask benefit related questions. The program strives to complete all rating claims in fewer than 125 days. The following are examples of when a claim may take longer than 125 days to complete:

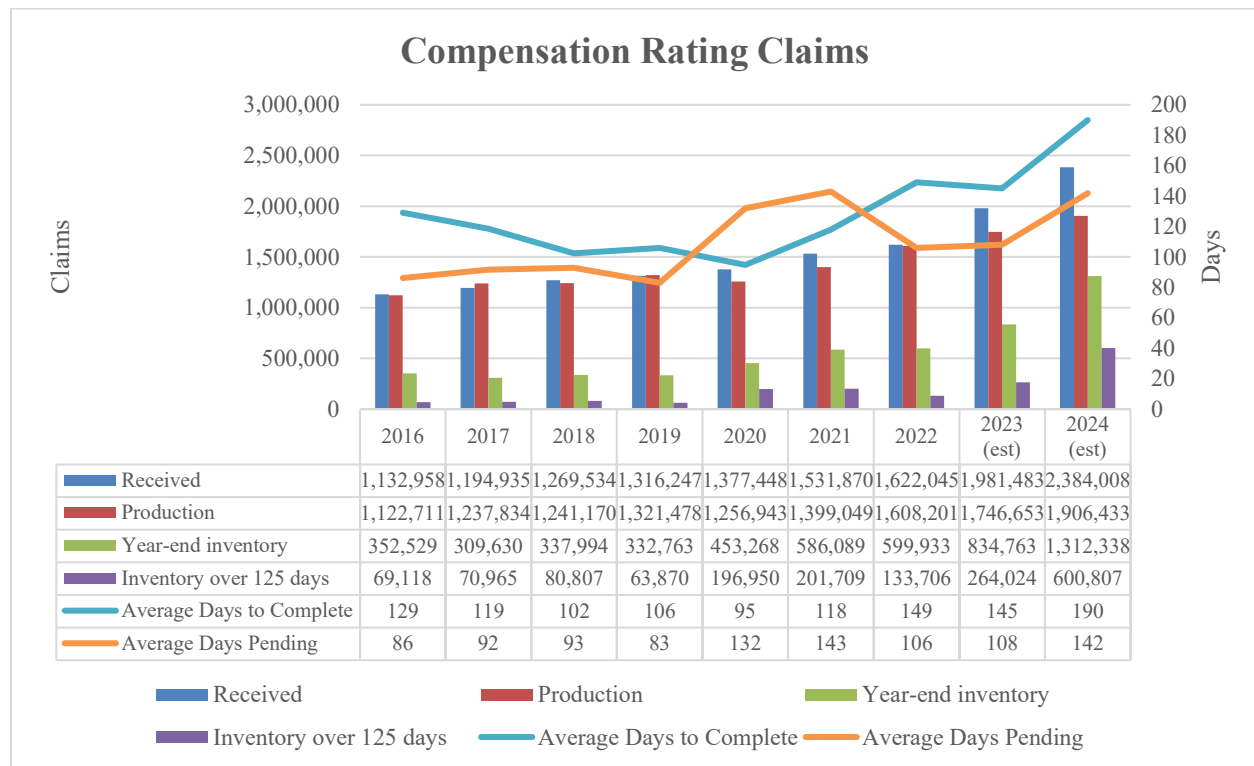
- Veterans claim new conditions before a decision is made on their previously claimed issues.
- Veterans submit new additional evidence for pending claims late in the claims process.
- Veterans request to reschedule their medical examinations for personal reasons.

- A Disability Compensation processor identifies additional disabilities the Veteran did not claim.
- A Disability Compensation processor identifies additional benefits, such as adapted housing or a total disability evaluation, based on the inability to maintain gainful employment.
- Claims involve complex conditions, such as exposure to radiation or environmental contaminants.
- Claims contain numerous conditions requiring additional development activities.

Compensation Claim Types

Compensation Service (CS), one of the business lines that is a part of the larger DCP, divides its work into two broad categories of rating and other than rating. These categories are used to monitor workload tracking and reporting, as well as employee and regional office (RO) performance. The program has a balanced approach to workload management to ensure timely completion of claims. Work is aggregated into the following categories:

- **Compensation Rating Claims:** Claims filed by Veterans for disabilities that require a rating decision. The following chart shows the receipts, completions, pending inventory, associated age of the inventory and average days to complete for rating claims.

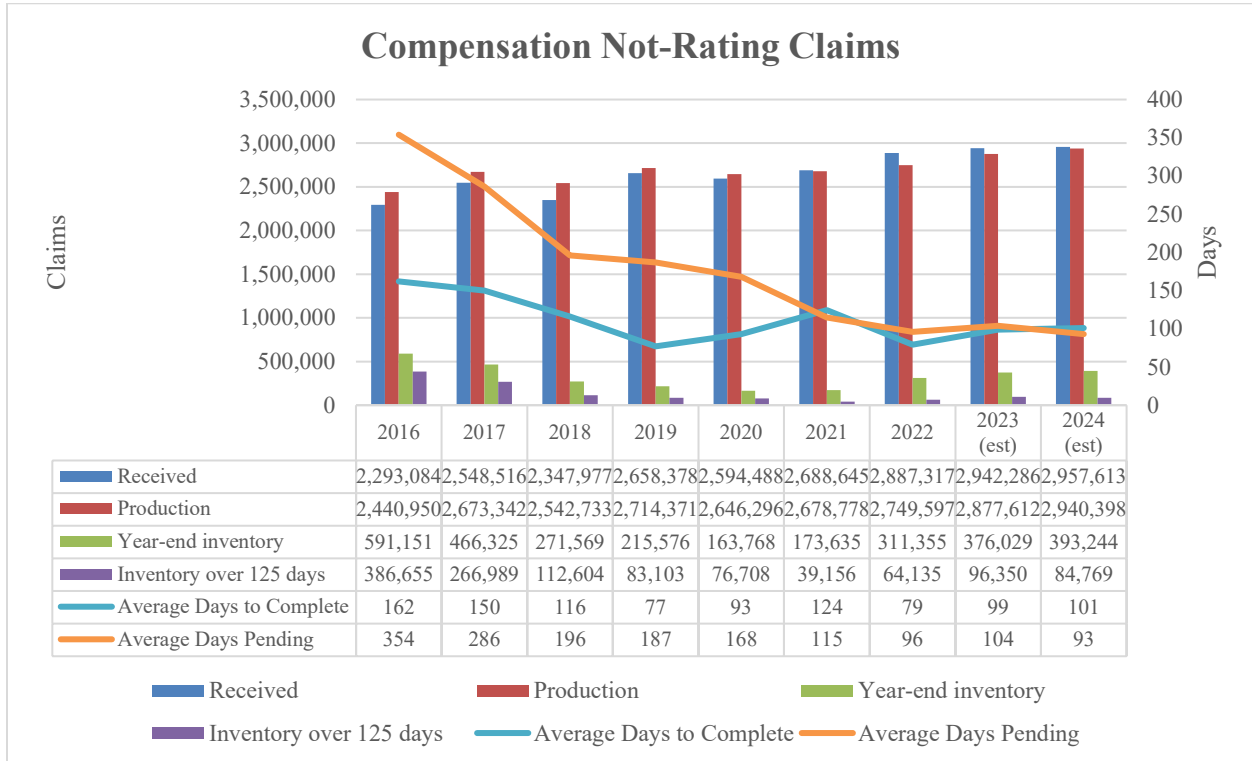


- **Compensation Other Than Rating Claims:** claims that do not require a rating decision fall into three categories:
- **Compensation Non-Rating Claims:** Modifications to current benefits. These include adjustments for dependency changes.
- **Compensation Controlled End Products:** Administrative review of claims, radiation cases and temporary 100% disability evaluations. This includes other controlled

work received that does not affect entitlements or require any adjustment to monetary benefits, such as responding to correspondence.

- **Compensation Non-Rating Other End Products:** Veteran Readiness and Employment (VR&E) eligibility, dependents’ educational assistance, social security verification, Individual Unemployability and requests for information under the Freedom of Information Act and Privacy Act (FOIA/PA).

The following chart shows the receipts, completions, pending inventory, associated age of the inventory and average days to complete for not-rating claims.



VBA predicts non-original, supplemental, Blue Water Navy (BWN), Agent Orange (AO) and other military environmental exposure (MEE) claims will continue to drive an increase in inventory.

Workload Relabeling

DCP is planning to modernize its current workload structure to improve customer understanding and transparency. VBA is working to replace the current terminology (rating, non-rating) with the following categories:

- **Direct Benefits:** Workload category includes claims for monetary benefits. Claims processed in this workload category allow access to other VA benefits and services.
- **Benefit Adjustments:** Workload includes ancillary claims that require a Veteran to be receiving direct benefits before they may be eligible. Examples include adjustments to

ancillary benefits and entitlement, such as dependent benefits, automobile allowance and Specially Adapted Housing.

- **Required Benefit Reviews:** Workload includes audits based on information received from other government entities, internal audits or other reviews needed to determine impact to benefits. Examples include data matches with the Federal Bureau of Prisons and Social Security Administration and military pay adjustments.
- **Unique Eligibility Decisions:** Workload includes requests to determine eligibility for Veteran status that are separate from direct benefit claims. This workload includes administrative decisions on dishonorable discharges to determine eligibility to health care and Filipino Equity Act claims from the Consolidated Security, Disaster Assistance and Continuing Appropriations Act of 2009 (P.L. 110-329). VBA receives approximately 8,800 of these requests per year.
- **Informational Requests:** Workload includes correspondence received from Veterans, survivors and stakeholders requesting information from VBA. This workload includes general correspondence, FOIA/PA requests and congressional correspondence.

VBA will seek input from stakeholders on official reporting by these new categories.

Highlights and Achievements

VBA’s 2024 request is aligned to the Secretary’s priorities. The below table summarizes 2023 and 2024 funding for several key initiatives. These requests for 2024, along with FTE and appropriation impacts for other initiatives, are in in the base budget request.

2024 Initiatives Disability Compensation (\$ in thousands)		
Initiative Name	2023 Enacted	2024 Request
C&P Claims Modernization	\$120,000	\$120,000
BWN (P.L. 116-23)	\$9,200	\$9,400
VA Schedule for Rating Disabilities (VASRD) Modernization	\$4,600	\$4,700
National Quality Assurance	\$129,000	\$132,000
Pre-discharge Programs	\$41,000	\$42,000
Warrior Training Advancement Course (WARTAC)*	\$4,700	\$5,000
National Training Curriculum (NTC)/ Competency Based Training System (CBTS)	\$1,200	\$1,224
TOTAL OBLIGATIONS	\$309,700	\$314,324

*Estimate revised from 2022 based on actuals and program requirements.

Providing Veterans with Earned Benefits

Compensation and Pension (C&P) Claims Modernization

The C&P Claims Modernization will achieve claims processing automation to deliver fast, accurate and consistent claims decisions. All claim decisions will still be made by a VBA employee, but this new data-driven capability will reduce manual administrative tasks and activities from the adjudication process and will enable employees to focus on key decision-making functions. This strategy will keep VBA on pace with the anticipated increased volume of claims related to expansion of benefits to new eligible populations of Veterans. The C&P Claims Modernization initiative is intended to deliver claims decisions more quickly, fairly and consistently than ever before.

Priorities in 2023 for automation included expanding the process to additional claims for increase in a service-connected condition, presumptive claims based on pending legislation and pre-discharge claims. VBA partnered with industry through managed services contracts to provide innovative solutions for automating tasks and workflows, to include 56 automation-eligible diagnostic codes (54 of which are diagnostic codes for all 26 PACT Act conditions) related to disability claims. In 2024, VBA plans to continue this effort by expanding automation functionality to additional types of claims, including claims for presumptive service connection, supplemental claims, direct and secondary service-connection. Furthermore, continued investments in this effort will reduce time to gather information in various documents in a Veteran's e-file and store generated information as part of the Veteran's official record, making it reviewable for independent verification and validation for quality reviews. It will also assist with process improvements, make appellate reviews more efficient and assist claims processors by leveraging the data that VBA has been able to ingest from military personnel files, service treatment records, private medical records and VA medical records to make timely, accurate, consistent and equitable claim decisions for Veterans.

VBA launched the pilot for the first iteration of the claims processing automation initiative in December 2021. The pilot introduced claims automation capabilities related to non-original, single-issue claims for increase in hypertension, asthma, sleep apnea and prostate cancer. VBA's Boise RO was the first pilot location, and expansion to the Des Moines RO, Montgomery RO and Pittsburgh RO was completed in August 2022.

During 2022, 1,299 claim decisions with some automated capabilities (non-original, specific single-issue and multiple-issue claims for increase) were completed by a VBA employee in an average of 24.2 days. Under the traditional claims process, it typically takes DCP over 100 days to complete the same types of claims. Building upon this initial success, VBA expanded automation capabilities to a total of 40 conditions, 38 of which are related to the PACT Act, in 2022. VBA will continue to expand the automation capabilities to additional conditions and types of claims within 2024.

Blue Water Navy (BWN) Vietnam Veterans Act of 2019 (P.L. 116-23)

This law changed VA's presumption for herbicide exposure to include Veterans who served on a vessel that navigated within a specified distance of the Republic of Vietnam and the timeframe for Veterans who served in or near the Korean Demilitarized Zone (DMZ) to September 1, 1967, and August 31, 1971, respectively. It also extended spina bifida benefits to cover the children of those

Veterans who were exposed to herbicides in Thailand. VBA implemented the provisions of the law to process the following types of BWN claims:

- New claims
- Previously denied claims
- DMZ new claims
- Spina bifida claims for Thailand

The program estimates receiving 238,000 BWN claims and almost 36,000 BWN appeals by 2024. VBA has collaborated with the National Archives and Records Administration (NARA) to digitize more than 10,000 Official Military Personnel Files (OMPF) and approximately two million archival U.S. Navy and Coast Guard deck logs. The scanned copies are added to the appropriate Veteran's case file. This process entails obtaining pertinent information such as ship name, hull number, date and the latitude/longitude (potentially more than one per day). This information now enables claims processors to make eligibility determinations.

DCP centralized BWN claims processing to prioritize these complex claims. Through the end of February 2023, the program has received more than 172,976 BWN claims and completed more than 143,489 claims since inception. The program has granted more than 87,967 (61.3%) awards. VBA has provided more than \$1.6 billion in retroactive benefits to Veterans or their surviving spouses.

Military Exposures Team (MET)¹⁰

In 2022, VBA established a dedicated staff within DCP to develop policies and procedures for service-connected disabilities that are due to MEE. The Military Exposures Team (MET) was established to provide dedicated focus and resources to issues related to chronic disabilities that may result from various exposure events and military deployments. This is in support of the Secretary's commitment to Veterans and stakeholders that VA will expeditiously review and analyze information related to MEE conditions that may potentially be eligible to meet the statutory threshold for the Secretary to pursue rulemaking as a presumptive disability under Part 3 of the U.S. Code of Federal Regulations. VBA's MET is part of the Secretary's aggressive MEE strategy, fortified by a new Presumptive Decision-Making Process for considering additional presumptive conditions and the elevation and expansion of VHA's former Post Deployment Health Service to the new Office of Health Outcomes and Military Exposures (HOME).

MET has program oversight and management responsibility to address all disability compensation benefit claim-related program research. It supports data analysis for making recommendations for service-connected conditions deemed presumptive due to MEE and support claims research and data analysis necessary to address evidence-based policy determinations for compensation benefits under the VA directives and framework that govern such decisions. Staff engages with internal and external stakeholders on MEE matters and works with other CS staffs to provide necessary guidance, training and quality review for disability compensation claims processors.

¹⁰ See the Executive Summary for General Operating Expenses, Veterans Benefits Administration, within Part 2 of Volume III for more information on the Military Exposures Team (MET) funded under the Cost of War Toxic Exposures Fund per P.L. 117-168.

MET works closely with VHA HOME and VHA Office of Research and Development (ORD) to implement PACT Act military exposure strategy and the presumptive decision-making process. VA has already established an Interagency Working Group as required by PACT Act Section 501 to facilitate mission alignment across federal partner agencies on research in military exposures. MET is a member of the new interagency working group and contributes disability benefit claim-related data and analysis to support this MEE work as needed.

VA Schedule for Rating Disabilities (VASRD) Modernization

DCP is continuing to revise and update the 15 body systems contained in the VASRD in 38 C.F.R. Part 4, under the authority of Title 38 U.S.C. §1155. VBA plans to resource \$22.2 million over a five-year period starting in 2020 for this initiative. These changes incorporate medical advancements that have occurred since the last review, update current medical terminology and further clarify evaluation criteria. These efforts yield a more accurate rating system and ensure Veterans with service-connected disabilities are compensated for average earning impairment based on modern medical standards.

The program utilizes a research contract to collect data to facilitate this effort. The Earnings Loss Study (ELS) evaluates chronic disabilities that may result from various exposure events and military deployments incorporate economic. ELS uses data-driven measurements based on data from the Census Bureau and Social Security Administration. This data shows aggregate actual loss in earning capacity for Veterans with various types and combinations of conditions along with medical and scientific data to update VASRD. The ELS initiative is in its final phase of building out a model that will deliver data-driven recommendations for additional diagnostic codes for future VASRD revisions. Once completed, the program will support a five-year diagnostic code revision cycle. In 2022, VBA continued planning for the next cycle of updates to the VASRD for 2024 through 2027, with a concerted focus on potential automation.

National Quality Assurance

DCP has a rigorous national quality assurance portfolio that improves decision accuracy. The program dedicates approximately 5% of its workforce to quality efforts. DCP conducts at least 10 national CS Quality Calls annually plus quarterly Quality Review Team (QRT) calls. Additionally, DCP employs a national quality review program known as Systematic Technical Accuracy Review (STAR). STAR assessments use a dedicated checklist including items like whether all claimed issues were addressed and decided, was the grant or denial of all issues correct, and was the percentage evaluation assigned correct (including combined evaluation) to assess national accuracy of processed claims.

DCP conducts comprehensive national STAR assessments for disability compensation rating and non-rating claim types, with a goal of 96.0% accuracy for rating claims based on these assessments. In 2022, DCP reviewed 22,323 ratings issued in 3,539 claims yielding a national issue-based rating accuracy of 96.4%. There were 3,621 non-rating claims reviewed by STAR, yielding a national accuracy of 92.0%. DCP is developing a holistic quality framework that better aligns and measures the underlying process components with the current STAR benefit outcome measures. This holistic approach, with interconnected programs that focus on unique requirements, will reduce duplication of efforts and improve overall efficiency. In 2022, DCP conducted 18 virtual oversight and compliance visits to internally assess compliance of Veterans Service Center operations.

DCP uses a tool called the Quality Management System (QMS) in support of both STAR and local quality assessments. The local quality assessments are known as Individual Quality Reviews (IQRs), which are assessments focused on employee performance. Both STAR and IQR reviews are completed using a detailed checklist and provide a more comprehensive analysis of quality data enabling for tailored individual feedback and training. In 2022, DCP completed 278,123 IQRs and increased the number of assessments to 15,000 reviews a year.

Agent Orange (AO)

On January 1, 2021, the National Defense Authorization Act (P.L. 116-283) added three new conditions (Parkinsonism, bladder cancer and hypothyroidism) to the list of presumptive conditions based on exposure to AO during the Vietnam War. As of September 30, 2022, DCP received over 81,000 claims for these newly added AO presumptive conditions and awarded more than \$525 million in retroactive benefits. VBA estimates receiving more than 176,000 additional claims over the next three years.

Pre-Discharge Programs

DCP's goal is to ensure Service members, who are within 180 to 90 days from military separation and wish to file a claim with VA for service-connected disability compensation benefits, receive upfront and timely assistance. The Benefits Delivery at Discharge (BDD) program provides transitional assistance to separating or retiring Service members and engages Service members in the claims process before discharge.

Through the Integrated Disability Evaluation System (IDES) program, VBA partners with the Department of Defense (DoD) to provide medically discharged Service members with a single set of disability examinations. It also provides a single-source disability rating that may be used by both departments in executing their respective responsibilities.

In 2022, more than 46,700 BDD claims were received and completed in an average of 59 days. Additionally, DCP received more than 27,100 IDES referrals and completed 26,387 Proposed Ratings, of which 86% were within the 20-day goal, to provide DoD with a preliminary medical determination for separation. DCP also provided 21,587 Service members separating from the IDES program with Compensation and Benefits of which 16,902 (78%) were completed within 30 days of discharge.

CS provides site visits as part of oversight of the Pre-Discharge program. While the pandemic's travel restrictions halted travel for 2021, DCP took precautionary measures to ease into in-person training summits in 2022. DCP plans to resume site visits and in-person training in 2023.

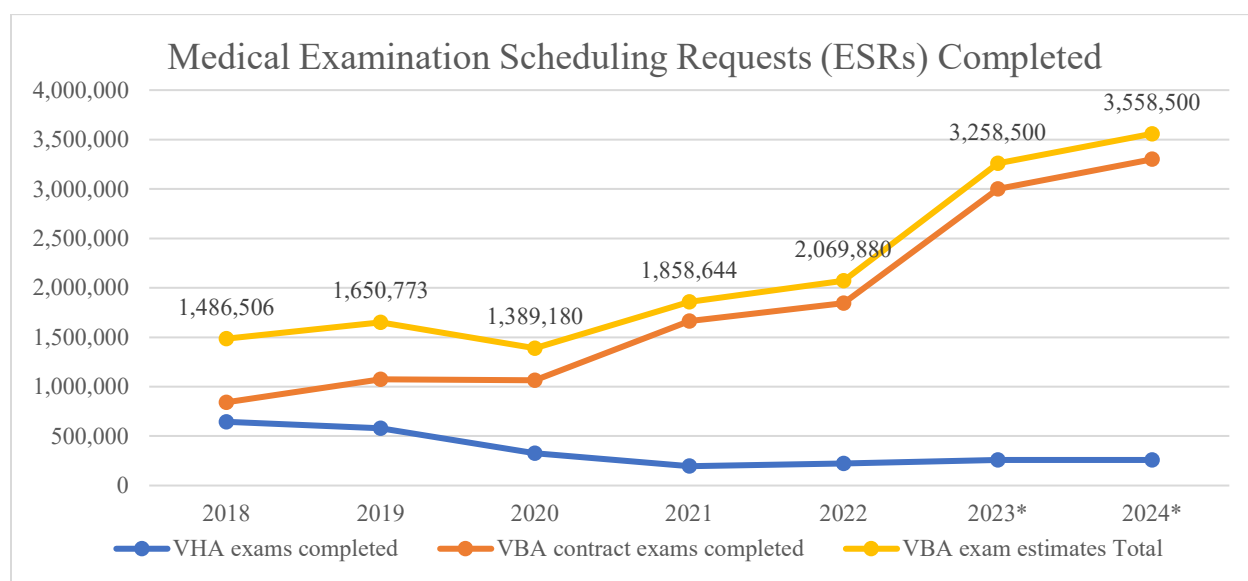
Medical Disability Examination (MDE) Program

MDE continues to maximize C&P examinations completed by contract medical examination vendors to serve Veterans faster, especially in remote locations and overseas. VA and DoD are working together to create a common examination protocol to be used for both DoD separation examinations and VA disability examinations. The intent is to improve consistency and to eliminate redundant examinations for discharging Service members at the time of separation or retirement from service. As a result of this partnership, VA has increased the number of contract medical examination vendors to support reduction in post service examinations. This contributed

to fewer delays in claims processing and enabled Veterans to start receiving benefits without delay soon after discharge. In April 2022, VA contract medical examination vendors started conducting pre-discharge examinations for Service members that were 180 days or less away from separation or retirement from service.

Contract vendors completed 1,844,399 examination scheduling requests (ESRs) in 2022. Despite challenges posed by the pandemic, MDE reduced the contract medical examination pending inventory from 258,000 to 189,195 in 2022. The contract vendors continue to increase their volume of completed ESRs each month, resulting in a decrease in the excess inventory of examinations.

The MDE Program forecasts contract medical examination vendors will complete medical disability ESRs for over 3.0 million Veterans' ESRs in 2023 and over 3.3 million ESRs in 2024, as seen in the chart below.



* 2023 and 2024 are estimates

On average each ESR yields 3.75 medical examinations, completed on Disability Benefits Questionnaires (DBQs) (total DBQs by fiscal year: 2019 - 3,418,990; 2020 - 3,255,832; 2021 - 5,281,066; 2022 - 6,924,016). The MDE program estimates approximately 10 million DBQs will be completed in 2024. The increase is caused by the new presumptions added in late 2022 from the passage of the PACT Act. MDEO will require \$4.0 billion in mandatory reimbursable funding from the Compensation and Pension Account to ensure the continued success of the MDE program in 2024.

Ensuring Strong Fiscal Stewardship

Private Medical Records (PMR) Program

The PMR program reduces the time it takes DCP to obtain private medical records. These efficiencies enabled VBA to redirect approximately \$88 million to other core missions since 2011. VBA has retrieved more than 1.7 million records from approximately 450,000 different private healthcare providers since the program's inception.

DCP anticipates increased demand through 2030. VBA intends to further modernize the retrieval process by leveraging automated capabilities and new connections to healthcare data exchanges to ensure records are located and available to claims processors as rapidly as possible. In parallel, DCP will also expand existing independent validation and verification processes to ensure Veterans' data is protected as the retrieval process becomes more intricate. Increased volume is anticipated through 2030 due to the passing of the PACT Act and other pending legislation that would impact claims processing.

Military Records Research Center (MRRC)

The MRRC program is an integral part of claims processing operations. It is designed to obtain auxiliary records as rapidly as possible; specifically, the MRRC research unit-level military service records to verify stressor and exposure incidents for Veterans. Traditional research operations were significantly impacted during the COVID-19. In response, DCP modified the existing contract to expand the volume of services and deployed a workflow management tool within the VBMS that provides a fully searchable digital image repository. DCP is targeting a full operational capability of the tool by the end of 2023. The VA-DoD IT interface is critical for the MRRC and DoD to process these requests. DCP also plans to implement a scanning solution for daily research activities in 2023 which will further streamline the research and information sharing process.

DCP completed more than 47,000 responses to research requests in 2021 and more than 58,500 in 2022. DCP anticipates continued demand for research services through 2030 as the number of annual requests continues to increase.

Veterans Claims Intake Program (VCIP)

VBA's centralized claims intake and mail operations manages the receipt and digitization of approximately six million mail receipts annually, either received in paper or digitally using Direct Upload. Centralization eliminates costly and redundant mail operations at VBA's ROs and ensures mail receipts are digitized and presented to VA personnel within six hours of receipt. DCP anticipates that the PACT Act and other pending legislation will significantly increase mail receipts through 2030 with claims related materials over and above our typical projected receipts. The Direct Upload capability is accessible through access.va.gov and is available to anyone as a more efficient alternative to traditional mailing.

The Supply Chain Modernization initiative encompasses recurring large-scale document conversion activities, to include scanning and digitizing of over one million OMPF annually. VA intends to fully maximize onsite operations to extract and digitize approximately 4.1 million records through 2024, primarily OMPF in response to the new presumptive conditions and pending legislative requirements. DCP will continue to expand onsite and offsite scanning capabilities to ensure materials needed to support active claims are rapidly digitized and available to claims processors.

The automation services initiative fully automated more than four million mail packets and established over 1.7 million claims since inception in January 2020. On average, over 9,000 mail processing transactions are automated each day, which equates to approximately 65% of all mail received. This initiative enabled DCP to reallocate more than 800,000 labor hours to other claims processing activities. VCIP continues to refine existing automation capabilities for mail intake and

collaborate with business lines to update forms and streamline processes, with a goal to increase the percentage of mail processed by automation to 75% by end of 2024.

Reducing Improper Payments to Veterans

VBA performs regular data matches with other federal agencies such as Social Security Administration, the Department of the Treasury and DoD to identify potential overpayments or duplicative payments due to a Veteran's return to active duty, reserve duty status, incarceration or death. VBA's Office of Financial Management (OFM) Improper Payments and Internal Control (IPIC) Division and the Accounting Policy and Reporting Division validates and analyzes payment trends/audit payments identified in accordance with the Payment Integrity and Information Act (PIIA).

PIIA testing is not being performed for DCP in 2022 due to a drastic reduction in improper payments in 2021. In 2021, VA reported a reduction of over 50% of improper and unknown payments from 2020 results (from over \$12.6 billion to \$6.3 billion). As a result, VA removed five programs (Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), Compensation, Dependency and Indemnity Compensation, Prosthetics and State Home Per Diem Grants) from improper payment reporting, as statistically valid testing showed these programs did not have significant improper payments.

VBA's OFM IPIC Division continues to monitor improper payments for VBA. In 2022, IPIC, VA's Office of Business Oversight and OFM's Benefits Delivery Protection and Remediation Division identified over \$18 million in improper payments. Improper payments increase year over year due to improved oversight; Oversight improvements includes access to more data, smarter data tracking and additional resources to analyze data.

The IPIC Division accomplished the following:

- Conducted extensive reviews of active benefit payments delivered to Veterans to identify trends in improper payments.
- Identified 2,693 active C&P benefit awards with recurring improper payments in 2022. In collaboration with the Office of Field Operations (OFO), all 2,693 awards were assigned and corrected to prevent additional improper payments to beneficiaries.
- Collaborated with the Department of Treasury to enhance the process for utilizing the Treasury Working System under the Do Not Pay Initiative for verification of continued eligibility for C&P beneficiaries.

Fraud, Waste and Abuse (FWA) Prevention

The Benefits Delivery Protection and Remediation (BDP&R) mission is to detect and prevent fraud across all payments delivered to Veterans. BDP&R accomplished the following:

- In 2022, reduced the C&P-related payment redirect fraud rate by 42% when compared to 2021.
- In 2022, identified 0.05% of all direct deposit changes (450 of 999,123) as fraudulent, down from 0.09% in 2021 (774 of 862,120).

- In 2022, VBA investigated 4,695 potential incidents of fraud which impacted over 4,312 Veterans.

BDP&R conducted 19 stakeholder engagement efforts to increase awareness about fraudulent activities targeting Veterans and their dependents. During 2022, the team obtained approximately 2.3 million impressions¹¹ through the following communications campaigns: Elderly Veterans Campaign (65+), LGBTQ+, Predatory Practices, PACT Act Fraud Prevention, Cybersecurity and other fraud prevention efforts.

Fostering a Culture of Collaboration

Foundational Training

Virtual and In-Person Progression (VIP) Training

The VIP training model administered by Human Capital Services (HCS) and the VIP Program Office established in October 2020 continues to be supported by VBA with development and maintenance of training content. The VIP model reduces hiring time to make employees productive by adding instructional integrity to training development. Within one month of completing VIP training and going on performance standards, VIP graduates from 2022 were performing at a 96.4% overall quality average, in line with national performance standards. It also reduces travel requirements for employees by utilizing expertise at the ROs during the instructional process. Based on the number of Veterans Service Representative (VSR) and Rating VSR (RVSR) VIP graduates thus far, VBA saved nearly \$60 million in travel costs as of the end of 2022. Additionally, RVSR training was fully transitioned from Challenge to VIP at the beginning of 2022 after successful pilot implementation.

VBA has added to the number of offerings and expanded training cohort size to support a hiring surge due to supporting MEE claims processing needs. VIP doubled the typical size of training cohorts up to 315 for VSRs and 420 for RVSR personnel to support the increase of newly hired employees and back fills due to internal promotions. VBA also updated and developed additional self-paced training modules. In 2022, the collaborative team conducted 16 VSR and RVSR training sessions supporting 3,538 employees.

HCS developed and instituted new evaluation plans for each VIP and special mission training programs. All of the evaluation training plans were created for 2022 and will be updated annually. These are aligned to VBA's Training Evaluation policy signed by the Acting Under Secretary for Benefits (AUSB) in December 2021 requiring all nationwide training programs in VBA to have an annual training evaluation plan. To prepare VSRs to manage benefits cases effectively, CS engaged the VIP instructional design team to conduct integrity reviews of training on the new presumptive conditions. HCS will review the successes and weaknesses of the program and make improvements in the coming year. The continuous process improvement and addition of instructional rigor has resulted in growth and improvement of training processes and standardization across VBA.

Warrior Training Advancement Course (WARTAC)

WARTAC is an entry-level education and employment program for Wounded Warriors and

¹¹ Number of times a post was visible in user timelines or feeds on social media platforms.

transitioning Service members. Successful completion of the training program allows Service members to apply for VSR or RVSR positions at VBA. WARTAC transitioned training to a 100% virtual environment during the pandemic. Nearly 87.5% of WARTAC graduates meet or exceed production performance standards, and the employment retention rate for WARTAC Graduates is 80%. There were 209 students and of those 164 Service members graduated from WARTAC training, and accepted 130 VSR positions and 34 RVSR positions in 2022. A total of 1,695 graduates, or 100%, have been offered positions at ROs to date. VBA plans to expand WARTAC offerings at additional military installations.

Specialized Training

National Training Curriculum (NTC)/Competency Based Training System (CBTS)

NTC is a culmination of specialized coursework that provides training to employees responsible for achieving agency goals. In 2022, efficiencies related to CBTS resulted in a 14.4% increase in RVSR availability.

VBA plans to deploy CBTS for Pre-Determination VSRs as a modernization of the NTC. CBTS will enable VBA to provide enhanced targeted training for VSRs and RVSRs based on their demonstrated training needs. The CBTS model will reduce the need for a standardized annual training requirement of the NTC. VBA expanded the CBTS model to some segments of VSR functions during 2022 and will be deployed in the first quarter of 2023.

National Work Queue (NWQ)

NWQ gives VBA the ability to assign any claim to one of its 56 ROs. NWQ currently has 26 employees supporting increased sustainment. NWQ staff analyze the daily workload and distribute it by national availability to current workload goals. The DCP quality assurance strategy routinely returns incorrect claims to the employee who previously worked them in an effort to provide feedback and training. All pending claims that require avoidable rework are returned to the office that completed the first action for claims processing efficiency. Unique Mission Tracking provides a work queue for ROs that have special missions. ROs manage their work using the VBMS queue. In addition to the daily operations of workload management, the operational improvement mission of NWQ is to:

- Enhance system functionality to integrate with automation initiatives
- Improve system capability through work queue modernization
- Integrate real time workload distribution capabilities
- Enhance system functionality to group concurrent pending claims
- Enhance command center functionality to effectively manage the workload
- Enhance system functionality for ROs to distribute work

National Contact Centers (NCC)

The NCC has ten contact centers located in Jacksonville, North Carolina; Columbia, South Carolina; Cleveland, Ohio; Nashville, Tennessee; Philadelphia, Pennsylvania; Phoenix, Arizona; Salt Lake City, Utah; St. Louis, Missouri; Reno, Nevada; and San Juan, Puerto Rico. The NCC accepts calls from 8 a.m. to 9 p.m. Eastern Time. If a Veteran calls after normal business hours, the Veteran can access limited information and self-service features through a speech-directed

language interactive voice response (IVR) system. Callers also receive information on accessing benefits information and assistance via VA.gov or eBenefits. VBA is working with the Office of Information and Technology to sunset the eBenefits platform and will transition all VBA functionality to VA.gov. Most features have already migrated to VA.gov, including the ability to file a claim, check claim status, assess eligibility for Chapter 36, update direct deposit information, view payment history and upload evidence.

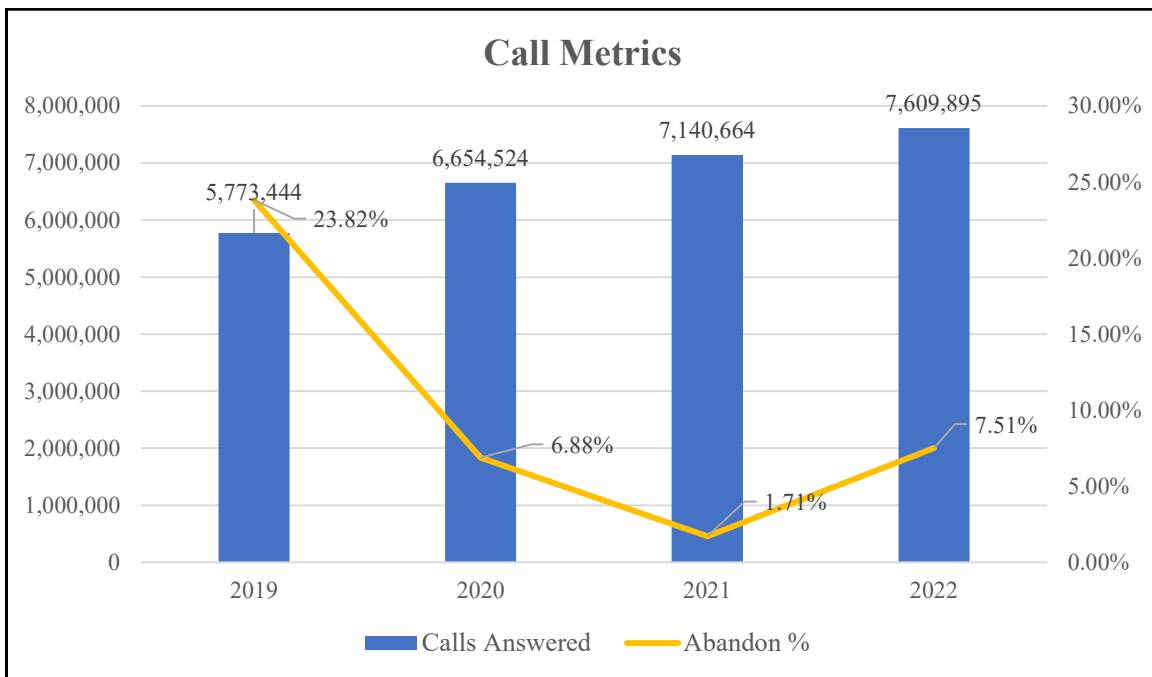
The NCC implemented the following enhancements and improvements in 2022:

- Expanded NCC service hours across all locations to ensure quick and efficient access across the full 13-hour span of control.
- Successfully completed the transition of VBA external electronic inquiries from the Inquiry Routing and Information System to the AskVA (AVA) platform. This transition streamlines the inquiry submission and response process.
- Implemented enhancements to the Point of Interaction (POI) processing program to support simple claim and record actions to be completed by the NCC agents, eliminating the need for unnecessary organizational handoffs to Veterans Service Center (VSC) claims processors. In 2022, NCC agents successfully completed over 81,000 POI actions, freeing up VSC capacity for more complicated claims processing activities.
- Implemented comprehensive service recovery program to address and resolve customer complaints received via multiple channels, e.g., White House Hotline and the Secretary of Veterans Affairs.
- Implemented an enterprise management approach and principles, including standing up a dedicated Workforce Management team, resulting in improved workload management and load balancing across the enterprise.
- Implemented the Visitor Engagement and Reporting Application (VERA) which allows Veterans, Survivors and other customers to schedule virtual and in-person interviews with VBA representatives. In 2022, VBA customers have scheduled more than 85,000 interviews using VERA.
- Implemented a comprehensive referral program and tracking site for special emphasis coordinators to improve transparency in completed actions and to improve response timeliness. Since the program launch in February 2022, more than 6,200 referrals were completed in 2022.
- In coordination with VBA's Office of Business Integration, implemented auto processing via mail automation of multiple types of report of contact referrals documented by the NCC. This process improvement eliminates unnecessary manual processes and improves operational efficiencies of multiple VBA divisions.

Agents provide callers with the status of their claim or appeal and verify receipt of submitted evidence. Agents are trained to take immediate action on any issues or concerns raised by the caller. NCC agents strive to resolve all issues during the call, eliminating repeat calls and unnecessary organizational hand-offs. In 2022, NCCs prepared and provided more than 495,000 Veteran requested letters via encrypted email, mail or fax.

In 2022, NCC experienced a 12.8% increase in call attempts in comparison to the same period in 2021, which has resulted in declines in performance for some key data points. NCC maintained a

blocked call rate of 0.0% and achieved an abandoned call rate 7.5%, an increase from the 2021 abandoned call rate of 1.7%. NCCs answered 7.6 million calls, an increase of approximately 469,000 from the same period in 2021. In 2022 the NCC wait time increased from the 2021 performance level of 32 seconds to 188 seconds. NCC has focused efforts and resources to streamline processes and operations to increase capacity to better serve the increased call volume that is attributed in part to changes, both implemented and proposed, to benefits related to presumptive conditions.



There are five primary types of calls VBA receives daily:

1. Status of the claim (41%)
2. Correspondence and forms (14%)
3. General benefits information (11%)
4. Update contact and account information (10%)
5. Payments and debts (6%)

The remaining call volume (18%) consists of a variety of call types that on average, individually comprise less than 5% of the NCC daily call volume.

NCCs answered more than 127,000 Board of Veterans' Appeals calls. Agents now provide appeal status, change of address, change of direct deposit, verification of the status of submitted documents and complete letter requests during the call.

Planned activities for 2023 include:

- Transition of NCC to remote environment to improve both the employee and customer experience.

- Increase agent staffing by more than 900 full-time employees to meet increased call volume due to PACT Act implementation, restore timely service and reduce the abandoned call rate.
- Deploy enhanced, consolidated new-hire virtual training program to improve consistency and efficiency in the onboarding training for new NCC employees.
- Utilize the Customer Relationship Management Unified Desktop-Optimized (CRM/UDO) in all RO Public Contact Team (PCT) to enhance the Veteran and employee interview experience.
- Update the telephony platform and call recording application for all VBA contact centers to improve system performance, stability and the employee and customer experience. Develop and deploy a comprehensive new-hire training program for RO PCT employees.
- Update the CRM/UDO system to incorporate all necessary data points to enable NCC and PCT employees to access the necessary information to assist with claims related inquires for claims automation efforts and new presumptive conditions.



Pension, Dependency and Indemnity Compensation, Burial, & Fiduciary Programs

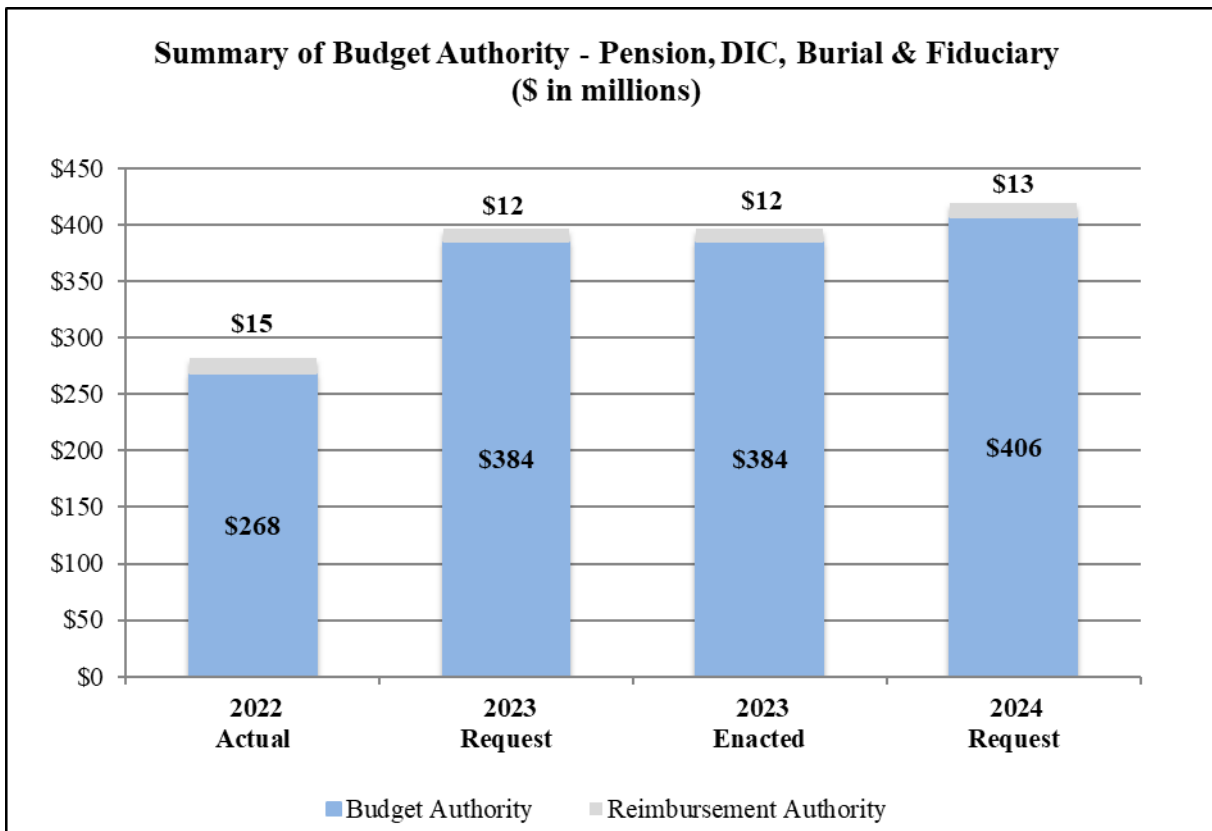
Mission

Help Veterans and their families cope with financial challenges by providing supplemental income through Veterans and Survivors pension benefits, Dependency and Indemnity Compensation (DIC) and burial allowances, while also providing oversight for VA's most vulnerable beneficiaries through the Fiduciary Program.

Summary of Budget Authority

2024 Budget Authority Request: \$406.1 million

Change over 2023 Enacted: + \$21.8 million / + 5.7%



Summary of Budget Request

VA requests \$406.1 million in budget authority to fund discretionary portions of the Pension and

Fiduciary (P&F) Service's Pension, DIC, Burial and Fiduciary programs, to include the administrative expenses for 2,614 full time equivalent (FTE).

Pension, DIC, Burial, & Fiduciary					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Actual	Request	Enacted	Request	Increase(+) Decrease(-)
FTE					
Direct Pensions	712	890	890	890	0
Direct Fiduciary	1,161	1,335	1,335	1,335	0
Direct Burial	118	118	118	118	0
PenFid Direct FTE	1,991	2,343	2,343	2,343	0
Management Direction and Support	237	271	271	271	0
PenFid FTE	2,228	2,614	2,614	2,614	0
Obligations					
Personal Services (without overtime)	\$219,551	\$295,804	\$295,804	\$316,393	\$20,590
Overtime	\$2,000	\$2,000	\$2,000	\$2,000	\$0
Travel	\$677	\$2,221	\$2,221	\$2,265	\$44
Interagency Motor Pool	\$1,288	\$1,314	\$1,314	\$1,340	\$26
Transportation of Things	\$271	\$276	\$276	\$282	\$6
Rent, Communications & Utilities	\$18,787	\$19,163	\$19,163	\$19,546	\$383
Printing	\$410	\$418	\$418	\$427	\$8
Other Services	\$36,682	\$72,311	\$72,311	\$73,757	\$1,446
Supplies and Materials	\$795	\$1,117	\$1,117	\$1,139	\$22
Equipment	\$1,823	\$1,859	\$1,859	\$1,897	\$37
Insurance Claims	\$56	\$57	\$57	\$58	\$1
PenFid Administrative Obligations	\$282,340	\$396,539	\$396,539	\$419,104	\$22,564
Reimbursements	-\$14,820	-\$12,218	-\$12,218	-\$13,012	-\$795
Net Appropriation	\$267,520	\$384,321	\$384,321	\$406,091	\$21,770
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$267,520	\$384,321	\$384,321	\$406,091	\$21,770
Outlays (net)	\$254,259	\$372,792	\$368,901	\$393,072	\$24,171

Dollars may not add due to rounding in this and subsequent charts.

Changes from Original 2023 Request

Total obligations did not change from the original 2023 request.

Changes from 2023 Enacted to 2024 Request

Total administrative obligations increase \$22.6 million from the 2023 enacted. Changes reflect a projected increase of 5.2% in pay and 2.0% for non-pay inflation.

Program Descriptions

Pension for Veterans and Survivors

P&F's [Pension](#) program provides monthly payments to wartime Veterans who meet age or disability requirements and whose income and net worth are within the yearly limits set by law. Survivors of wartime Veterans may also be eligible for monthly survivor's pension benefits if their income and net worth are within the yearly limits set by law.

[Veterans' Pension](#) is a needs-based benefit program for wartime Veterans who are age 65 years or older or have a permanent and total non-service-connected disability or are in receipt of Social Security benefits; who meet service eligibility requirements to include at least one day of war time service; and who have limited income and net worth. Based on financial need and eligibility requirements, this benefit may provide a single Veteran up to \$16,037 annually in 2023. Veterans who are more seriously disabled may qualify for pension at increased housebound rates (up to \$19,598 annually in 2023) or aid and attendance rates (up to \$26,752 annually in 2023). Surviving spouses and dependent children of deceased wartime Veterans are eligible for monthly pension benefits if they meet the net worth and income requirements. Based on financial need, this benefit may provide a surviving spouse with no dependents up to \$10,757 annually in 2023. The benefit amount increases according to the number of eligible dependent children. Surviving spouses with no dependents may also qualify for pension at the increased housebound rate (up to \$13,147 annually in 2023) or aid and attendance rate (up to \$17,192 annually in 2023) for a more serious disability.

Dependency and Indemnity Compensation (DIC) and Parents DIC

[DIC](#) provides supplemental income for survivors of Veterans who died because of or related to their service-connected disabilities.

[DIC](#) benefits are provided to two categories of survivors. P&F provides monthly benefits to surviving spouses (basic monthly rate of \$1,562.74 in 2023) and dependent children in recognition of the economic loss caused by a Veteran's death during military service, or after discharge from military service, because of a service-connected disability or a condition related to service. P&F also pays these benefits to the survivors of a Veteran whose death is not service-connected but who was rated by VA as being totally disabled due to a service-connected disability for a specified period immediately preceding death. In addition to the DIC Program for surviving spouses and dependent children, surviving dependent parents of a Service member or Veteran whose death is service-connected may be eligible for [Parents' DIC](#) if they meet certain income requirements.

Burial

The [Burial](#) program provides financial assistance for the dignified burial of Veterans. The [Burial](#) program provides a one-time payment for the burial of a Veteran. The maximum amount of the benefit varies depending upon whether the death was service-connected (\$2,000) or non-service-connected (\$300) and whether the Veteran died in a VA facility (\$893 for 2023). The benefit will generally cover a portion of the actual cost of the funeral and burial expenses up to the maximum amount prescribed by law. Veterans entitled to non-service-connected burial or who died in a VA facility may be entitled to a plot allowance. Reimbursement for transportation expenses may be payable for Veterans buried in a national cemetery or who passed away in a VA medical facility.

Fiduciary

The [Fiduciary](#) program protects VA's most vulnerable beneficiaries who, as a result of injury, disease, the infirmities of advanced age or by reason of being less than age 18, are unable to manage their VA benefits. P&F conducts an initial field examination to identify, investigate and appoint a fiduciary. A field examiner conducts an interview with the beneficiary to determine their needs and wants, inform the fiduciary of their [responsibilities](#) and monitor the performance of the

fiduciary. P&F conducts follow-up oversight through field examinations and financial reviews, to ensure the fiduciary is properly managing the beneficiary's funds and ensuring all needs are being met.

To monitor VA-appointed fiduciaries, P&F obtains and analyzes background checks for proposed fiduciaries. VA has a robust risk scoring matrix that places fiduciaries clearly into red, yellow or green categories which determines if the fiduciary is eligible or will remain eligible to serve as fiduciary. This process increases standardization, improves efficiency and lessens subjectivity in the appointment process. In addition to performing the background checks prior to appointment of a fiduciary, VA also utilizes a batch review each year wherein each current fiduciary is reevaluated, and action is taken to replace the currently serving fiduciary when the risk score categorizes them as high-risk.

Staffing

As detailed earlier in the "Summary of Discretionary Appropriation Highlights," an estimated \$316 million, or 75%, of the 2024 request for these programs is for salaries and benefits. As of September 2022, VBA employed 681 pension employees in the Pension Management Centers (PMCs) located in Philadelphia, Pennsylvania; Milwaukee, Wisconsin; and St. Paul, Minnesota. A total of 493 employees are Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs) responsible for developing, adjudicating and promulgating pension, DIC and burial claims.

There are 188 employees functioning as Supervisors, Assistant Supervisors, Claims Assistants (CAs), Capture Unit Staff, Rating Quality Review Specialists (RQRSs) and Authorization Quality Review Specialists (AQRSs). The Supervisors and Assistant Supervisors are responsible for ensuring all workload processed is consistent with employee performance standards. The CAs are responsible for reviewing claims material and establishing claims in the system, as well as file and mailroom duties. The Capture Unit Staff is responsible for scanning all claims containing federal tax information into the Legacy Content Manager. The RQRSs and AQRSs are responsible for reviewing pending and completed work to ensure overall accuracy.

Dedicated Quality Review Teams (QRTs) at each PMC evaluate decision accuracy of the individual employees at the PMCs and perform in-process reviews to eliminate errors at the earliest possible stage in the claims process. The QRTs are comprised of 60 quality review specialists (RQRSs and AQRSs) across three PMCs and are trained by national quality assurance staff to ensure local reviews are consistently conducted according to national standards. The QRTs have directly contributed to the overall accuracy rate of more than 97% of all claims, exceeding the target of 94%, by ensuring the claims submitted are adjudicated properly.

As of September 2022, VBA employed 1,131 fiduciary employees in six fiduciary hubs: Columbia, South Carolina; Louisville, Kentucky; Indianapolis, Indiana; Lincoln, Nebraska; Milwaukee, Wisconsin; and Salt Lake City, Utah. There are 397 Field Examiners (FEs) who conduct field examinations for beneficiaries VBA has determined are unable to manage their VA benefits. There are 370 Legal Instruments Examiners (LIEs) who finalize field examinations, release retroactive benefits, audit accountings and process misuse cases. Additionally, 116 Fiduciary Service Representatives (FSRs) are responsible for promulgating competency decisions.

During fiduciary field examinations, FEs conduct interviews and obtain appropriate signature(s) when appointing a fiduciary. LIEs, FSRs and FEs work to ensure Veterans and their survivors are receiving their benefits. There are 248 employees functioning as Supervisors, Assistant Supervisors, Management Analysts (MAs), Quality Service Representatives (QSRs) and Program Support Assistants (PSAs). The Supervisors and Assistant Supervisors are responsible for ensuring all workload is processed according to employee performance standards. The MAs are responsible for analyzing workload and identifying workload trends. The PSAs are responsible for establishing claims in the system as well as file and mailroom duties. The QSRs are responsible for reviewing pending and completed work to ensure overall accuracy.

As of September 2022, there were 93 employees at VBA Central Office (VBACO). P&F provides various support and oversight to the field to include updating policies and procedures; proposing legislation and drafting regulations; responding to congressional and field inquiries; developing and conducting training; performing quality assurance and oversight functions; and providing system enhancement requirements. P&F maintains open communication with PMC and fiduciary Hub employees to provide consistent guidance ensuring benefits are processed correctly and timely.

Quality and Oversight

As part of its quality and oversight process, P&F uses special focused reviews and site visits to assess performance and compliance with policies and procedures. P&F continues to look for opportunities to enhance its processes, including modernization efforts such as pension automation.

P&F actively served more than 108,002 people in 2022, with beneficiaries represented in all VA benefits categories. Upon appointment by P&F, a fiduciary is authorized to receive direct payment of a beneficiary's VA benefits and to disburse funds to creditors and the beneficiary.

P&F has taken steps to improve the efficiency of the program by developing training tools for [Fiduciary Program personnel](#) and [VA-appointed fiduciaries](#). These tools identify and address fiduciary misuse of VA benefits. P&F began processing fiduciary workload within the Veterans Benefits Management System (VBMS) in 2021. The move into VBMS has increased efficiency, enhanced timeliness and improved accuracy of the workload in all areas. In 2022, field exam processing timeliness improved 10% and overall accuracy is 93.5%, exceeding the target of 92%, because of VBMS processing.

Workload

P&F performs upfront income verification using federal tax information from the Internal Revenue Service (IRS) and Social Security Administration (SSA) at each of the PMCs. This exchange of data between relevant agencies reduces reliance on self-reported information, improves program integrity, reduces improper payments, reduces claimant burden and positions the Pension Program for automated rules-based processing.

The following table provides a summary of the workload and FTE projections. This summary includes data for only pension and DIC claims considered to be part of VBA's overall disability claims inventory (i.e., "rating claims").

Projected Pension and DIC Claims Workload and FTE Requirements	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Pension, DIC & Burial Direct Labor FTE	974	830	1,008	1,008
Total Receipts	121,913	125,191	201,471	196,845
Pension Claims	57,825	56,519	57,573	57,155
DIC Claims	64,088	68,672	143,898	139,690
Total Production	123,881	101,564	117,429	122,206
Pension Claims	58,724	42,404	44,484	45,883
DIC Claims	65,157	59,160	72,945	76,323
Total Year-end Inventory	16,418	40,045	124,087	198,726
Pension Claims	6,317	20,432	33,521	44,793
DIC Claims	10,101	19,613	90,566	153,933

Pension Management Center (PMC) Workload

The end-product (EP) system is the primary PMC workload management tool to conduct special reviews and correct a previous erroneous action. Correct use of the EP system facilitates proper control of pending workloads and appropriate work measurement credits. PMC workload is aggregated into the following categories:

- Veterans' Pension: a needs-based claim for Veterans
- DIC: a claim for monthly compensation for a surviving spouse, child or parent because of a Veteran's service-connected death
- Survivors' Pension: a needs-based claim filed by a surviving spouse or child
- Burial Allowances and Reimbursements: a claim for burial, plot and/or transportation allowances
- Accrued Benefits: benefits that are due but not paid prior to the Veteran's death
- Other Pension Non-Rating Claims: a claim that require benefit adjustments based on dependency or income changes and other changes in circumstances
- Pension Other: the combination of workload not included in the regular pension non-rating claims, such as correspondence and Privacy Act/Freedom of Information Act requests

The below table details PMC workload projections.

Pension Management Center - Production	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Pension Rating Claims (Includes Reopened Claims)	58,724	42,404	44,484	45,883
Dependency and Indemnity Compensation (Includes Reopened Claims)	65,157	59,160	72,945	76,323
Original Survivors Pension Claims	30,112	25,941	26,929	30,314
Burial Claims (Non-Add to Other Pension Non-Rating)	169,205	175,944	158,503	168,414
Accrued Benefits (Non-Add to Other Pension Non-Rating)	7,830	3,000	3,240	5,574
Pension Non-Rating Claims	346,132	344,409	358,188	361,681
Pension Controlled End Products	97,225	72,295	74,545	80,514
Pension Other End Products	90,068	95,598	73,457	71,173

The workload table below indicates the anticipated processing of field examinations.

Fiduciary Program Workload Completed and FTE Requirements	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Direct Labor FTE	1,225	1,161	1,335	1,335
Initial Appointment Field Examinations	25,050	22,107	22,218	22,329
Follow-up Field Examinations	-	-	-	-
Follow-up Alternate Field Examinations	-	-	-	-
Follow-up Field/Alternate Examinations	66,840	52,765	53,293	53,826
Percentage Initial Appointments	27.3%	29.5%	29.4%	29.3%
Total Field Examinations	91,890	74,872	75,510	76,154
Accountings	44,032	39,722	39,921	40,120
Fund Usage Reviews	5,489	27,482	28,032	28,592

Employees work to identify and complete all pending misuse matters, including final misuse determinations, debt establishment and benefit reissuance. P&F recognizes fiduciary misuse of benefits can cause financial hardship for beneficiaries and has taken additional steps to address this vulnerability. This includes requiring fiduciaries to submit detailed financial documents, emphasizing reporting of misuse allegations to fiduciary employees and aggressively pursuing recoupment of VA benefits when misused.

Performance Measures

The 2024 requested resource level supports the following performance measures:

- 63% of Pension Rating Claims processed within 125 days. The percentage of Pension Rating Claims processed within 125 days as of September 30, 2022, was 78%.
- National Claim-Based Quality of 93% for Pension Rating Claims in 2022. National Claim-Based Quality for Pension as of September 30, 2022, was 98%.
- 70% of Fiduciary Field Examinations completed within 54 days. The percentage of

Fiduciary Field Exams completed within 54 days as of September 30, 2022, was 94%.

Highlights and Achievements

P&F's 2024 request is aligned to the following VA Secretary's priorities:

Providing Veterans with Earned Benefits

Below are some of the ways P&F worked to strengthen the workforce, improve service and delivery of benefits:

- P&F is modernizing the fiduciary program by enhancing background check capabilities. Automated mechanisms for the evaluation of criminal records are being used to streamline the background check process, thus decreasing subjectivity. This has improved the consistency of evaluation, which allows for a more effective level of oversight for beneficiaries who need fiduciary support.
- P&F deployed the Fiduciary Accounting Submission Tool (FAST) to improve the accounting process in 2020. FAST is an optional web-based system for submitting accounting documents. FAST affords enhanced oversight, reduced workload and more accurate accountings for beneficiaries. P&F initiated an overhaul of Pension claims processing with a virtual event that included participants from the field and VBACO in 2021. The group came up with recommendations that included manual changes, form updates and system enhancements to improve timeliness and quality of claims processing. All approved recommendations were implemented in 2021. In addition, P&F realigned VA forms oversight and stood up a team to comprehensively review and update P&F owned forms on an ongoing basis.

Improve Accessibility and Service to Veterans and Beneficiaries

P&F is collaborating with the Office of Field Operations (OFO) to consolidate fiduciary related calls to the NCC in 2023. This increases availability and access to fiduciaries for beneficiaries seeking information related to the fiduciary program.

During the initial appointment with a prospective fiduciary the field examiner is required to provide various training information, including the [VA Fiduciary Guide](#) and several training modules entitled *Fiduciary Basics (101)* and *Acceptable Expenses*, which are located on the [VA Fiduciary website](#). The field examiner may provide this information via email, telephone call or text message when scheduling the field examination. Field examiners must also provide information on the use of the FAST for submission of financial documents, including accountings and fund usage reports. P&F also conducts outreach through targeted marketing campaigns (letters, social media platforms etc.). Fiduciaries will be notified that P&F is actively monitoring their activities and here to help them be successful.

Provide Specialized Services for Survivors

P&F has consolidated the processing of DIC and burial benefits to the Philadelphia PMC. The center is staffed with benefits advisors trained to meet the unique needs of surviving family members. Claims processors and benefits advisors provide proactive support for grieving survivors to ensure claims are processed with the least amount of burden. The PMC specializes in targeted outreach and personalized services for vulnerable survivors.

Pension Optimization Initiative (POI)

Pension Automation 1.0 was completed in 2021 and is in sustainment mode. The POI, formerly Pension Automation 2.0, will expand automation capabilities further. The POI contract was awarded on September 12, 2022. This automation effort seeks to leverage a Managed Service Provider to automate 75% of PMC claims from end-to-end, while providing an automated touch on 100% of claims. In 2023, P&F has a goal of achieving 25% end-to-end automation and progressing up to 75% in subsequent years. This automation enables VBA to process simple claims faster and allows claims processors to focus on more complex decisions, ensuring a quality decision in a timely manner.

Claims can currently take from four to six months to process. This is not an acceptable level of service for the Veteran. With the execution of POI, VBA will implement an end-to-end, high-performing, managed services solution that improves the accuracy, efficiency and processing time of the Pension Management Centers' workload. VBA will ultimately be positioned to process claims within days or weeks of receipt, which would set an industry standard for similar types of claims processing.

Pension Automation 1.0 efforts have reduced the Burial inventory from approximately 37,000 (as of end of year 2019) to approximately 8,625 (as of September 30, 2022). This is a 77% reduction in inventory. Automation has also decreased processing time from 75 days in 2019 to 31.2 days in September 2022. The continuous improvements in automation resulted in a 26% increase in burial claim production since 2019. VBA completed approximately 6,053 burial decisions from the automation program each month in 2022.

Expanding automation to pension claims through POI will free up FTE for other VBA priorities. About 800 employees will be needed on a full-time basis for continued current-state processing of large segments of the pension workload. POI will eliminate the backlog over the course of the project, modernize the claims process and provide the managed services capability that will result in a zero-backlogged claims model target.

Ensuring Strong Fiscal Stewardship

The following programs actively ensure we are fiscally responsible stewards of taxpayer dollars:

- From October 2021 through September 2022, P&F matched on more than 51,019 awards using the Social Security Death Master file match (Pension Claim labels only).
- The Post Award Audit (PAA) process is a periodic audit of pension and parents' DIC active benefit payments that assesses the accuracy of payments using earned and unearned income.
- P&F expanded automated state plot benefit payments to State Veterans Cemeteries that intern the remains of Veterans. This automation ensured the proper updating of Veterans' records and expedited payments to the cemeteries. In 2022, 57% of state plot claims have been completed within five days.
- P&F has generated more than 87,264 burial, DIC and pension decisions from October 2021 to September 2022 through Pension Automation and exceed 2021 output of 59,397 automated decisions.

- Pension claims are now completed in an average of 85 days while DIC claims are completed in an average of 73 days. This is well below the established goals of completing all claims within 125 days.

P&F is also making improvements to Message Work Item (MWI), a system-generated message designated to assist PMCs in identifying and tracking cases that require follow-up action. P&F initiated a MWI overhaul project to improve claims processing for better and faster service to Veterans and beneficiaries. Using a collaborative approach with multiple business lines, including Compensation Service, the workgroup successfully planned and implemented substantial system and procedural improvements between 2021 and 2022.

The final series of MWI enhancements undertaken by the MWI Integrated Processing Team (IPT), related to dependency adjustments, was completed on February 1, 2022. With the overhaul of this final series of five MWI dependency adjustments, the overall impact of the project culminated in successful elimination of a total of 92% of MWIs in the PMC workload, estimated at 109,993 annual cases. This reduction was the result of:

- Elimination of 14 MWI processes that were replaced with auto-establishment of new or previously existing end products, accounting for 67.8% of the total MWI inventory managed by P&F.
- Elimination of an additional 24.2% MWI inventory through implementation of Finance's new eMPWR system that went into effect in 2022.

As a result of these improvements, the number of touches required by the field will be reduced; the visibility and workload management of these essential actions will be increased; and the integrity of our payment and beneficiary data will be greatly improved.

Fostering a Culture of Collaboration

Collaboration and communication with Veterans and other stakeholders are priorities for P&F. Stakeholders include Veterans, dependents and survivors. Partners include VA-recognized Veterans Service Organizations (VSO), the Veterans Health Administration, the National Cemetery Administration, the Board of Veterans' Appeals, the Department of Defense, the Defense Finance and Accounting Service, the Department of Justice (DOJ), IRS, SSA and other Federal Government agencies.

- P&F represents VA on the Elder Justice Coordinating Council under the direction of DOJ to identify elder abuse markers and provide resources in rural areas where most vulnerable Veterans and beneficiary population live. The council allows for cross-agency collaboration and information sharing.
- P&F collaborates with VSOs to provide them information and updates on process changes in both the Pension and Fiduciary programs.
- SSA and IRS share data with P&F to verify income for its needs-based benefit programs.



Education

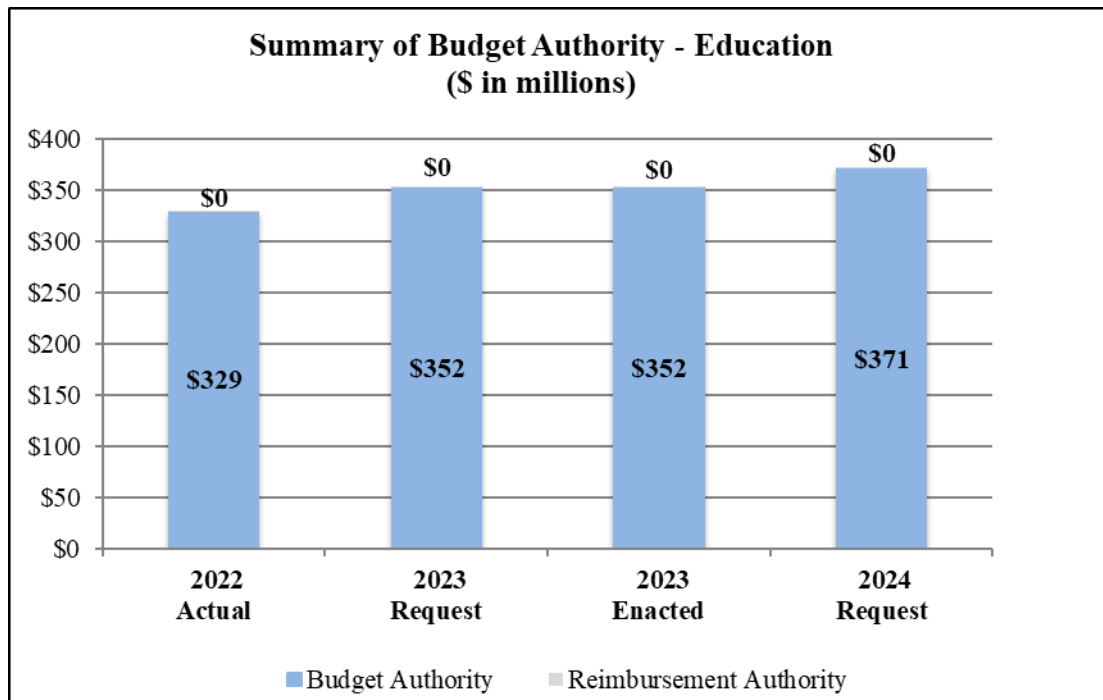
Mission

Provide educational assistance programs to Veterans, Service members, National Guard and Reserve members and eligible dependents by providing financial assistance, generally in the form of monthly benefit payments, as mandated in Titles 38 and 10, United States Code.

Summary of Budget Authority

2024 Budget Authority Request: \$371.1 million

Change over 2023 Enacted: + \$18.8 million / 5.3%



Summary of Budget Request

The Department of Veterans Affairs (VA) requests \$371.1 million in budget authority to fund Education Service (Education) for the administrative expenses of 1,995 full time equivalent (FTE). Total budget authority and offsetting collections will fund obligations of \$371.2 million. This request will provide the funding for Education to continue providing access to timely and accurate delivery of benefits.

Education					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Actual	Request	Enacted	Request	Increase(+) Decrease(-)
FTE					
Direct	1,626	1,803	1,803	1,803	0
Management Direction and Support	185	192	192	192	0
Total FTE	1,811	1,995	1,995	1,995	0
Obligations					
Personal Services (without overtime)	\$205,706	\$211,414	\$211,414	\$227,507	\$16,093
Overtime	\$6,000	\$6,000	\$6,000	\$6,000	\$0
Travel	\$506	\$1,536	\$1,536	\$1,567	\$31
Interagency Motor Pool	\$359	\$366	\$366	\$374	\$8
Transportation of Things	\$212	\$216	\$216	\$220	\$4
Rent, Communications & Utilities	\$11,972	\$12,211	\$12,211	\$12,455	\$244
Printing	\$666	\$679	\$679	\$693	\$14
Other Services	\$102,429	\$118,235	\$118,246	\$120,600	\$2,354
Supplies and Materials	\$715	\$831	\$831	\$848	\$17
Equipment	\$885	\$903	\$903	\$921	\$18
Insurance Claims	\$43	\$44	\$44	\$45	\$1
Total Administrative Obligations	\$329,493	\$352,435	\$352,446	\$371,228	\$18,782
Reimbursements	-\$150	-\$141	-\$152	-\$155	-\$3
Net Appropriation	\$329,343	\$352,294	\$352,294	\$371,073	\$18,779
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$329,343	\$352,294	\$352,294	\$371,073	\$18,779
Outlays (net)	\$313,017	\$341,725	\$338,159	\$359,177	\$21,018

Dollars may not add due to rounding in this and subsequent charts.

Changes from Original 2023 Request

Total obligations increase by \$11,000 from the original 2023 request based on a slight adjustment in reimbursement authority.

Changes from 2023 Enactment to 2024 Request

Total obligations increase by \$18.9 million. Changes reflect a projected increase of 5.2% in pay and 2.0% for non-pay inflation.

Program Description

Education provides educational assistance programs to Veterans, Servicemembers, National Guard and Reserve members and eligible dependents. This includes assisting beneficiaries with licensing and certification exams; providing on-the-job training placement programs; and providing beneficiaries with financial assistance for training at Institutions of Higher Learning (IHL) or non-college degree programs (NCD). These VA Education benefits help the United States Armed Forces both recruit and retain Service members, as well as assist Service members' readjustment to civilian life. Ultimately, Education benefits help enhance the Nation's competitiveness through the development of a more highly educated and productive workforce.

Benefits Administered

Education administers the following eight benefits programs: Post-9/11 GI Bill (Chapter 33) (Forever GI Bill); Montgomery GI Bill – Active Duty (Chapter 30); Montgomery GI Bill – Selected Reserve (Chapter 1606); Survivors’ and Dependents’ Educational Assistance Program (DEA) (Chapter 35); Veterans’ Educational Assistance Program (Chapter 32); Reserve Educational Assistance Program (Chapter 1607); Veteran Employment Through Technology Education Courses (VET TEC); and Veteran Rapid Retraining Assistance Program (VRRAP).

- [Chapter 33](#): Provides up to 36 months of benefits to Veterans who served after September 10, 2001, as well as dependents of Service members who died in the line of duty, while serving on active duty, after September 10, 2001. In general, Veterans must serve at least 90 days on active duty. There is no time limit on the benefit for Veterans who were discharged on or after January 1, 2013. Service members may be approved by Department of Defense (DoD) to transfer the benefit to their dependents.
- [Chapter 30](#): Provides 36 months of benefits to Veterans who served honorably after June 30, 1985.
- [Chapter 1606](#): Provides 36 months of benefits to Selected Reserve components.
- [Chapter 35](#): Provides up to 36 months of benefits to a spouse, surviving spouse and children of a Service member who died of a service-connected disability, has a permanent and total (P&T) service-connected disability or died while such disability existed.
- [Chapter 32](#): Provides 36 months of benefits to Veterans who have service dates of January 1, 1977, through June 30, 1985, and received an honorable discharge.
- [Chapter 1607](#): Provided up to 36 months of benefits to members of the National Guard and Reserve components. The National Defense Authorization Act of 2016 ended the Reserve Educational Assistance Program (REAP) on November 25, 2015. Some individuals remained eligible for REAP benefits until November 25, 2019, while others are no longer eligible.

Education administers specialized benefits under the VET TEC pilot program which pairs Veterans with high technology programs.¹² This innovative five-year pilot program features statutory performance targets for payments and oversight of providers based on the agreements entered with VBA. The payment structure provides 25% when a Veteran enrolls and attends, 25% when a Veteran completes their training program and the remaining 50% when the Veteran secures meaningful employment. Additionally, students have 180 days from program completion to find, secure and certify meaningful employment¹³ to VA. Since launching in April 2019, Education approved 54,000 applications. As of September 30, 2022, 31 approved providers are providing training to 1,943 students, with 6,841 graduating from their programs and 3,200 securing

¹² See “Highlights and Achievements” section for more information on the VET TEC program.

¹³ Meaningful employment is defined employment or advancement in a career supported by the completed program of study.

meaningful employment. The annual funding cap is currently \$45 million from the readjustment benefits account.

Education also administers VRRAP. VRRAP was established by the American Rescue Plan Act (P.L 117-2), and the program began on March 11, 2021. Veterans participating in VRRAP receive up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates. A Veteran must meet certain eligibility criteria in order to receive VRRAP retraining assistance benefits. Retraining assistance may not be paid for training that begins on or after December 11, 2022; however, benefit payments may continue to be paid after that date for individuals already pursuing a program under VRRAP. The program is limited to a maximum of 17,250 Veteran participants or the \$386 million funding limit.

Education worked with stakeholders to launch the program and ensure eligible Veterans had timely access to their benefits. An implementation team was formed and the processing of VRRAP benefits was centralized at the Muskogee Regional Processing Offices (RPO). To launch VRRAP, Education and its partners created an application for benefits, a participation agreement for training providers, a Salesforce application to manage the program and a solution for payments to Veterans and training providers. The application for benefits went live on May 3, 2021, within 60 days of enactment.

As of February 21, 2023, VA received 31,567 applications for VRRAP benefits and issued 22,801 Certificate of Eligibility (COE) letters with 13,580 Veterans participating to date. VA allocated \$375 million of \$386 million in funding. In addition, 1,180 educational institutions have been approved as VRRAP training providers.

Veterans and Service members have access to the [GI Bill Comparison Tool](#) and the Education Call Center (ECC) at 1-888-GIBILL1 (1-888-442-4551) as resources to assist them in making academic and career goal decisions regarding their individual benefit entitlements.

Regional Processing Offices (RPOs)

Education benefits are administered by 1,146 employees who serve as Veteran Claims Examiners, supervisors and support staff at two RPOs located in Buffalo, New York, and Muskogee, Oklahoma. These employees perform functions fundamental to delivering education benefits (reviewing, collecting and adjudicating claims to determine entitlement decisions). A specialized team administers the Edith Nourse Rogers Science Technology Engineering Math (STEM) Scholarship, VET TEC and Restoration of Entitlement provisions of The Harry W. Colmery Veterans Educational Assistance Act of 2017 (P.L. 115-48) (the Colmery Act).

In 2022, Education processed 3.5 million claims. These claims provided beneficiaries with benefits including tuition, fees and monthly housing allowances, along with the books and supplies used to pursue the education or training program of their choice at an approved VA facility. These benefits lessen the financial burden of a post-secondary education for Veterans.

Education Call Center (ECC)

The ECC, located in Muskogee, Oklahoma, employs 327 employees who respond to calls from Veterans, Service members and school officials regarding the various education programs. Calls

are fielded by 303 call center employees. These employees are well versed on all education programs, providing information about basic program eligibility and caller specific benefits information. The remaining 24 employees consist of the ECC Leadership Team and support personnel. The ECC maintains a dedicated hotline for School Certifying Officials (SCOs) to quickly reach an Education Case Manager (ECM) to discuss student certification or enrollment. Also, the ECC has a dedicated line for survivors to answer questions and connect them with other resources related to survivor benefits.

In 2022, the ECC answered over 1.9 million calls which increased the overall customer experience in the following areas:

- **Benefits Payments:** This allows Education to work directly with beneficiaries regarding their payment issues and provides opportunities for corrections or better-informed customers regarding their claim. Access to agents also allows Education to identify, process and expedite hardship cases.
- **Eligibility and Remaining Benefits:** Agents work directly with beneficiaries to provide information and assist in making informed decisions based upon service history and existing benefits. These calls help beneficiaries make better decisions on how to use their benefits.
- **General Education Overview:** These calls help beneficiaries understand the available benefits and how legislative changes may impact their benefits.
- **SCO Help Line:** This is a dedicated line where agents assist the SCO with questions regarding student enrollment status and proper claim entry. These calls help ensure that a greater percentage of claims are automated, which reduces beneficiary wait time.
- **Survivor Line:** This is a dedicated line for a child or surviving spouse who can contact the Education Call Center at 1-888-442-4551 and select Option 5. A highly trained agent assists the caller with their education benefits or survivor-related resources.

Oversight and Accountability Division

Education's Oversight and Accountability Division consists of 210 employees. The primary mission of the Oversight and Accountability Division is safeguarding the integrity of the GI Bill. This portfolio includes Integrity and Protection; Approvals, Compliance and Liaison (AC&L); Agreements and Federal Programs; and Federal and State Approval. Employees are based out of Washington, DC; Atlanta, Georgia; and other VBA Regional Offices (ROs) across the Nation. The division ensures the propriety of GI Bill payments, enforces compliance with GI Bill approval requirements and improves beneficiary satisfaction through:

- **Program Approvals:** Grant approval and/or reapproval for various education and training programs to participate in the GI Bill programs. Approval activities are completed by the designated State Approving Agency (SAA) and then provided to VBA for review and acceptance or are completed by VBA acting as the SAA. Without the granting of these approvals, beneficiaries are unable to utilize their education benefits at the school or

training provider of their choice. The team manages approximately 400,000 approved programs. This maximizes educational and training options available to GI Bill beneficiaries, while also ensuring approved programs meet federal and state standards, along with other applicable statutory requirements.

- **Compliance Surveys:** Administers programs responsible for conducting thousands of annual compliance surveys performed at schools and training providers, with approved programs, across the Nation as required by 38 U.S.C. § 3693. This compliance activity ensures VA and GI Bill beneficiaries are not overcharged; schools and training providers adhere to their curricula requirements and policies; and Education benefits are not used improperly or unnecessarily. In 2022, 2,635 audits were completed, resulting in Education continuing to safeguard the integrity of the GI Bill and \$11 billion in education benefit payments paid.
- **Risk-Based Surveys:** Administers a program responsible for SAA performance of educational program reviews based on risk factors identified in 38 U.S.C. § 3673A. These reviews, developed in partnership with the SAAs, may be regularly scheduled, based on a high composite risk profile score, or ad hoc, due to a notice of action by a Federal or State agency described in 38 U.S.C. § 3673(e). SAA performance of risk-based surveys, rather than compliance surveys, was effective on October 1, 2022.
- **Integrity and Protection Actions:** These employees monitor comments and feedback submitted through the GI Bill Feedback Tool. Additionally, these employees look for trends in potential noncompliance with GI Bill approval, recordkeeping and reporting requirements. These employees also work closely with other Federal agencies, including law enforcement agencies and VA's Office of Inspector General, to investigate noncompliance and undertake enforcement actions when necessary. These actions reduce harm to GI Bill beneficiaries and ensure the VA is a good steward of taxpayer funds.

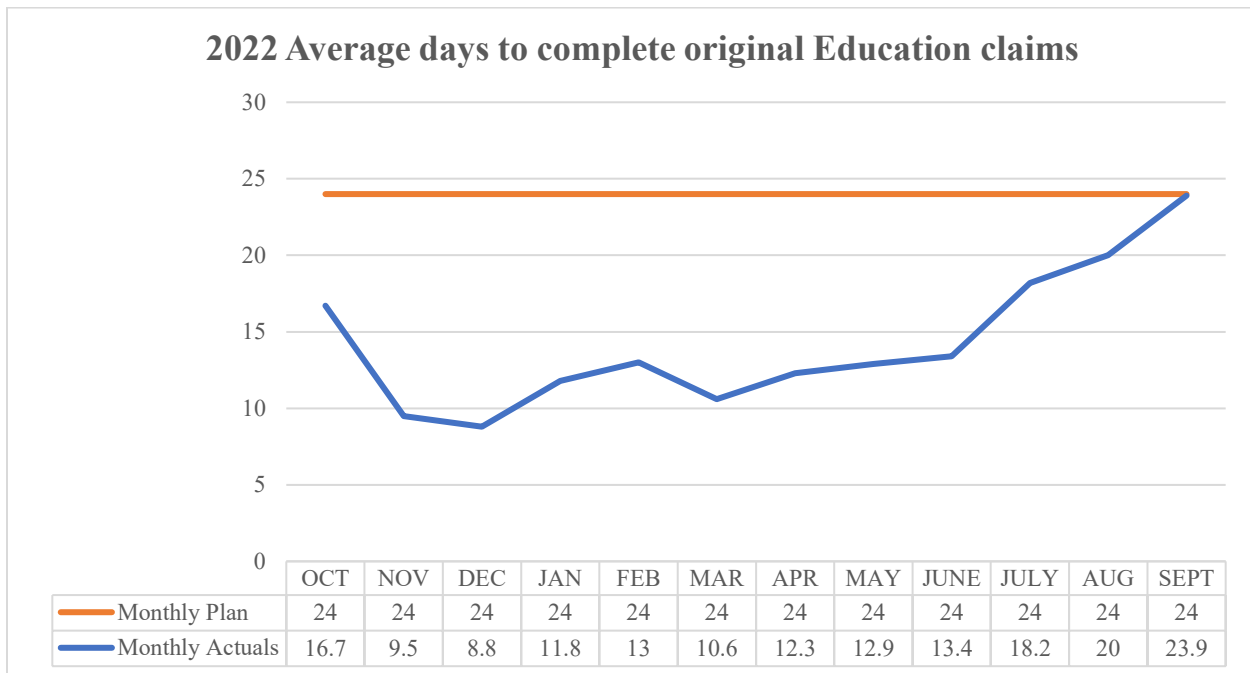
VBA Central Office (VBACO)

Education employs 185 staff located at VBACO in Washington, DC, which includes 25 term employees through September 30, 2023. These employees develop and implement policy, procedures, legislation, strategic oversight, communications and training. The staff also responds to inquiries from the Office of Management and Budget, Congress and other stakeholders.

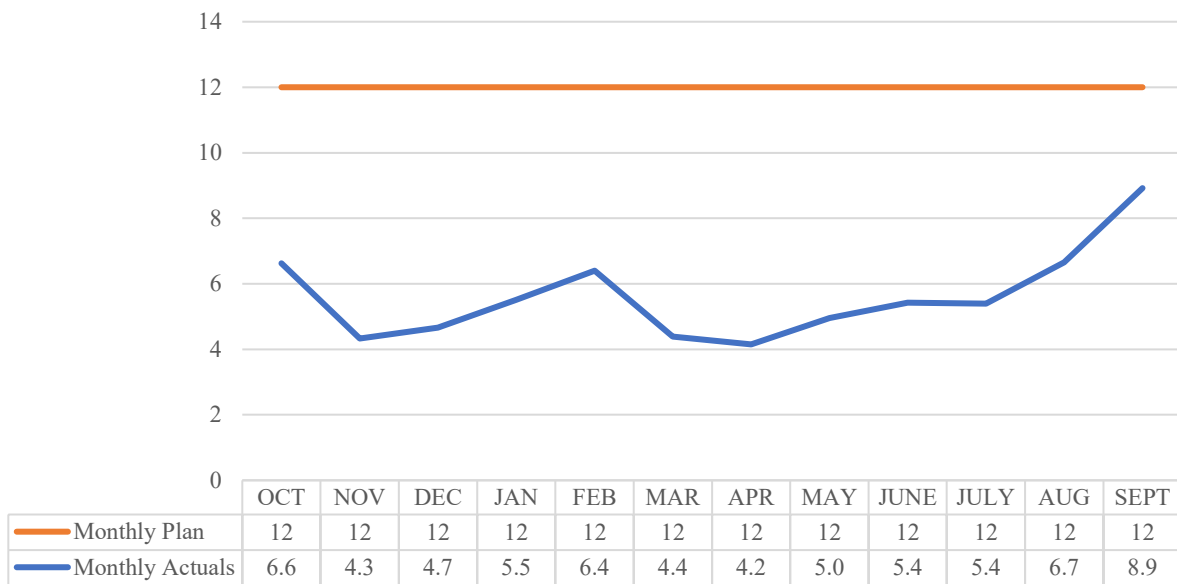
Workload

Projected Education Workload and FTE Requirements	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Direct Labor FTE	1,724	1,626	1,803	1,803
Total Claims Completed	3,447,033	3,551,580	3,723,768	3,862,135
Change in Claims Completed (over previous year)	-4.2%	3.0%	4.8%	3.7%
Average Days to Complete Original Claims	15	15	24	24
Average Days to Complete Supplemental Claims	6	6	12	12
Compliance Reviews	2,467	2,635	2,611	2,700
Calls Processed at Call Center (Answered)	1,799,224	1,981,632	2,768,633	2,768,633

Targets for 2022 and 2023 were developed based on a review and analysis of claims timeliness of other Federal agencies and the insurance industry. For 2022, Education processed original claims in an average of 15 days and supplemental claims in an average of six days. Historically, Education claims processing times always vary throughout the year, primarily due to the fall and spring peak enrollment periods. The chart below shows how claims processing times varies per month based on the enrollment periods.



2022 Average days to complete supplemental Education claims



Workload for the ECC is determined by the number of callers and inquiries received. The ECC is open from 7 a.m.-6 p.m., Central Time, Monday through Friday. If a beneficiary is unable to call during normal business hours, they can access information on the education and training page located at VA.gov. Beneficiaries are encouraged to submit their questions through the "Ask A Question" site on the website as this contact method is available all the time. In 2022, the ECC answered almost 2 million calls, a 10.14% increase compared to the prior year, with an average speed to answer of 8 minutes and 42 seconds, and quality of 94.4%.

Workload for the AC&L team is determined by the number of approval requests from the education and training providers in conjunction with the requirements of SAAs. AC&L ensures accurate and consistent application of the laws, regulations and policies governing GI Bill approval activities.

VA conducts a compliance survey of approved programs with at least 20 beneficiaries, unless waived due to a history of compliance. To meet the requirements of the law, the AC&L team must conduct, on average, a minimum of 2,500 compliance surveys per year. Additional ad hoc surveys, referred to as Risk Based Surveys (RBSs) and Targeted Risk Based Surveys (TRBSs), are conducted based on the existence of identified risk factors, complaints and enforcement actions by State or Federal agencies indicating possible violations of GI Bill requirements. This work helps to safeguard the integrity of the GI Bill and ensure that \$11 billion of benefits awarded are paid correctly.

Performance Measures

The 2024 requested resource level supports the following performance measures:

- Average Days to Complete Original Education Claims: The average number of days to process an initial application for education benefits. The target in 2023 and 2024 is 24

days. In 2022, Education completed original claims in an average of 15 days.

- **Average Days to Complete Supplemental Education Claims:** The average number of days to process subsequent claims for education benefits after eligibility is established. The target in 2023 and 2024 is 12 days. In 2022, Education Service has completed supplemental claims in an average of 6 days.
- **Payment Accuracy:** The amounts are reported as a percentage of the number of correct payments made as the result of a broad sample of claims selected and graded during quality reviews. Payment accuracy is measured based on the number of correct payments made to the accurate school, program and recipient versus the number of incorrect payments made and discovered during quality reviews. This measurement includes items such as the correct amount of entitlement, tuition, fees and whether accurate eligibility determination was made. The target for 2023 is 95% and 2024 will be 96%. In 2022, Education Service achieved a payment accuracy rate of 98.7%.
- **ECC Performance Metrics include Agent Availability (AA) and Average Speed to Answer (ASA).** The target for AA in 2023 and 2024 is 75%, and in 2022 the ECC achieved an AA rate of 82.7%. The target for ASA in 2023 and 2024 is 120 seconds, and in 2022 the ECC achieved an ASA of 522 seconds primarily due to the fall and spring peak enrollment periods resulting in higher call volume. Additional resources have been added in 2023 to achieve an ASA of 120 seconds.
- **Veterans or beneficiaries who are satisfied with the value received from their GI Bill:** The target in 2023 and 2024 is 80%. In 2022, satisfaction was 70%.
- **Average Days to Complete Education Program Approvals:** VBA reviews program approval documents submitted by SAAs to ensure that they meet statutory and regulatory requirements. The target in 2023 and 2024 is 37 days. In 2022, program approvals were completed in an average of 37 days.
- **Average Days to Complete Compliance Survey Reports:** VBA reviews and finalizes survey reports, conducted by both VA and SAAs, for accuracy and completeness to ensure that approved programs continue to meet statutory and regulatory requirements. The target in 2023 and 2024 is 80 days. In 2022, compliance survey reports were completed in an average of 36 days.

Highlights and Achievements

VBA's 2024 request is aligned to the Secretary's priorities:

Providing Veterans with Earned Benefits

VET TEC Program

The VET TEC Program is an innovative five-year pilot program which pairs Veterans with industry-leading high technology programs. The program features statutory performance targets for payments and oversight of providers based on the agreements entered with VBA. The payment structure provides 25% when a Veteran enrolls and attends, 25% when a Veteran completes their training program and the remaining 50% when the Veteran secures meaningful employment.

Students have 180 days from program completion to find, secure and certify meaningful employment to VA. Meaningful employment is defined as employment or advancement in a career

supported by the completed program of study. The available programs are approved and audited by Education's AC&L team, and the processing of claims and monitoring of funds involves individual case management from RPOs.

As of February 2, 2023, the VET TEC Program has received 91,501 applications and issued 62,962 Certificates of Eligibility. Currently, 31 approved providers are providing training to 2,444 students, with 8,572 graduating from their programs and 3,959 Veterans have secured meaningful employment within 57 days of graduating a VET TEC program with an average starting salary of \$65,061. This is an incredibly popular program where demand has consistently surpassed supply. The annual funding cap is currently \$45 million from the readjustment benefits account.

GI Bill

The [GI Bill Comparison Tool](#) provides information about education programs and benefits at different schools. The GI Bill Feedback System is available to support beneficiaries with smartphone access. Designed specifically, with mobile users in mind, it simplifies the user experience amongst a diverse population of beneficiaries. Since inception, over 16,407 complaints have been closed.

Education provides beneficiaries with the most up-to-date benefit information by email and social media. In 2022, Education emailed over 1.2 million beneficiaries on topics such as legislative changes, school closures, benefits updates, modernization efforts and COVID-19 impacts.

Education utilizes Facebook to help reach many of its beneficiaries and published 601 Facebook posts in 2022. These posts reached over 116,700 followers, which led to over 107,200 social media engagements related to the posted material.

Digital GI Bill (DGIB)

DGIB is a modernized digital platform that is transforming VA technology systems, improving GI Bill students' user experience and optimizing benefits processes for millions of beneficiaries. The new solution, designed with partner Accenture Federal Services (AFS), is improving operations within Education and providing streamlined services to Veterans, beneficiaries and school partners. DGIB operations will result in increased accuracy and timeliness of claims processing. DGIB also allows Education to respond to new legislative requirements quickly.

Digital GI Bill's future state is driven by the people who support and receive benefits from the GI Bill program, leveraging human-centered design (HCD). The end-users – including Veterans and their families – are at the center of the experience. The future state will tap into the exact experience end users desire, by identifying both pain points and the commercial experiences they enjoy. DGIB leverages the HCD process to inform updates to the program roadmap. To support this, HCD User Feedback Sessions are conducted with GI Bill students, SCOs, SAAs and internal VA staff to understand user experience, pain points and areas for improvement and presented research readout to summarize findings. This feedback informs the design stage where ideas are designed to address pain points and opportunities during concepting and sketching sessions. Before moving onto development, testing and validation of prototypes with different users is completed to measure success and feasibility of designs. The benefit of DGIB's HCD approach continuously puts the end-user at the center of the modernization and experience that we are creating.

The increased automation of claims is expected to reduce the number of errors, which will result in \$11 billion in benefits being paid accurately. The DGIB solution will support business intelligence for evidence-based decisions, along with centralized access to business analytics and reporting services that will track and harness data that resides in different systems today.

The DGIB solution will provide Veterans and their beneficiaries with real-time notifications of eligibility and enrollments and integrated and secure email, phone and chat. Beneficiaries will receive tailored analytics about course of study and degree options with potential career outlook. DGIB will also ensure the Certificate of Eligibility (COE) is available with direct access to the SCOs via email. This new platform will reduce the amount of time for benefits to be approved.

In January 2022, the DGIB team successfully deployed Release 3. Students at Institutions of Higher Learning (IHL) are now able to verify their enrollment monthly. Release 3 provided Non-College Degree (NCD) and IHL students with the new ability to verify their enrollment via e-mail, alongside the abilities to verify by text or calling the ECC. The Release also deployed system improvements to support supplemental claims process by making a streamlined process for address changes and calculations of awards for non-standard IHL graduate students. Additionally, on April 16, 2022, the DGIB released new functionalities (Release 4) by migrating VET TEC data to process claims in the managed service. This includes updates to the managed service to accept VET TEC applications, providing for calculations of awards, with and without amendments, as well as generation of letters.

In summer 2022, Education implemented My Education Benefits (MEB); new and updated original claims functionality; and an updated to the Integration Hub to support the VA/DoD Identity Repository (VADIR) external dependency.

Education developed and implemented the MEB Communications Plan based on insights from the MEB Design Thinking session with Communications Product Owners. The plan details MEB communications objectives, approach, stakeholders, key messaging, campaign branding, outreach activities and channels to reach the target audience. The MEB Communications Plan takes an omni-channel approach that blends both traditional and grassroots efforts to proactively reach internal and external stakeholders, and effectively communicate MEB changes being implemented to increase awareness, engagement, trust in VA and GI Bill benefits utilization.

In 2023, Education plans to complete Release 4. Business capabilities include:

- Enrollment Manager
- Ch33 Automation Improvement
- Ch33 Transfer of Entitlement (TOE) Original Claim via MEB
- CH33 Enrolment verification via MEB
- VA Profile Consolidation
- VA-ONCE Consolidation

Johnny Isakson and David P. Roe Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315)

P.L. 116-315 was signed into law on January 5, 2021. The law has had a transformative effect on Education's mission to provide access to timely and accurate delivery of education benefits. This law features 32 provisions that have impacted the administration and oversight of GI Bill benefits. This includes:

- New requirements for enrollment verification
- Expanded restoration of entitlement opportunities
- The sunset of the Montgomery GI Bill
- Substantial changes to Education's oversight of GI Bill approved schools and other education related issues

There were 15 provisions, effective on January 5, 2021, that necessitated swift action by VA for implementation. Other provisions took effect on August 1, 2021. In 2021, Education implemented 27 of 32 Isakson-Roe provisions; including IT updates for sections 1010, 1019, 1001, 1005 and 1020, including successfully implementing the monthly Verification Requirement (Section 1010) for Non-College Degree facility students to receive Monthly Housing Allowance payments. Education has implemented 31 of 32 Isakson-Roe provisions as of February 2023. The final provision will be implemented on September 30, 2030.

The Edith Nourse Rogers STEM Scholarship

Since inception of the program through September 30, 2022, 14,699 students were awarded a Rogers STEM Scholarship. The Rogers STEM Scholarship requires beneficiaries to satisfy at least six criteria for eligibility, and the scholarship includes a current yearly cap of \$75 million for the total amount of benefits Education can pay in through 2022. The Colmery Act increases the annual amount to \$100 million in 2023 and beyond. The eligibility requirements include:

- Entitlement to Chapter 33 benefits
- Entitlement use within 180 days of application
- Submission of a STEM specific application
- Enrollment in a STEM program that requires 120 semester credit hours or 180 quarter credit hours
- Completion of 60 standard (or 90 quarter) credit hours, completion of a STEM undergraduate degree and currently pursuing a teaching certification

Applications are prioritized for individuals who are entitled to 100% of Post-9/11 GI Bill benefits, require the most credit hours to complete their program and have not transferred their eligibility to a family member or dependent.

STEMText

The implementation of text message verification through the STEMText program highlights Education's ability to modernize education benefits delivery and customer experience for GI Bill students. There is currently an 87% opt-in rate from eligible Rogers STEM Scholarship awardees, with 93% of those who have elected to opt-in verifying their benefits for monthly housing via text.

Outcome Measures Contract

In August 2021, Education contracted with Sprezzatura Management Consulting to begin to measure data on how benefits are used to support policies and procedures that promote beneficiary retention and graduation and to provide valuable information as it relates to beneficiaries to include:

- Income levels
- Educational paths yielding the best return on investments as measured by civilian workforce success
- Disability and homelessness status
- Non-reliance on public assistance
- Attainment of educational goals
- Student debt
- Default rates

As part of the contractual effort, Education started to analyze how well users of GI Bill benefits fare before and after their use of the benefit. Initial dashboard reports were wireframed and drafted in 2022 that explore:

- Outcomes of those that have reached their delimiting or exhaustion date.
- Outcomes of Veteran and non-Veteran dependents using the GI Bill.
- Analysis of college-specific and degree-specific outcomes.
- Research on which educational paths yield the best return on investment as measured by civilian workforce success, income, disability or homelessness status, non-reliance on public assistance, educational attainment, student debt and default rates.

Training

As part of a modernization effort, Education conducted focus groups and subsequently established recurring planning sessions to identify training needs for field staff beginning in 2021. As a result of these sessions, Education is developing a national training program for new claims processing field staff to provide standardized training for claims processing personnel. The National Training Team – Processing (NTTP) facilitates recurring workgroup sessions supported by RPO field staff and members of Education Service’s National Quality Team – Processing. To date, the workgroup has developed a course curriculum for this program titled the Education Processing Instructional Course (EPIC) and has initiated content development on claims processing under the Survivors’ and Dependents’ Educational Assistance (DEA) program (Chapter 35). Training for other benefit programs will be developed as part of the DGIB modernization effort as functionality for new processing systems is deployed.

Education is developing micro-learning training videos to deploy to the ECC. This targeted training will provide an overview of various training topics to call center agents in a format that limits impact on their call availability. NTTP deployed numerous training videos addressing new legislation and updates on modernization efforts under the DGIB. Training was deployed on P.L. 116-154, the Veteran Rapid Retraining Assistance Program, as well as P.L.s 117-68 and 117-76. NTTP also deployed multiple training videos on the new enrollment verification process implemented as the result of section 1010 of P.L. 116-315.

The National Training Team – Compliance (NTTC) also developed national training for the compliance field staff. The first training session for new Education Liaison Representatives (ELRs) titled Approvals 101 was conducted successfully in June 2022, with the second conducted in October 2022. Additionally, training for new Education Compliance Survey Specialists (ECSSs) titled Compliance Training 101 was conducted in July 2022. Additional sessions for new ELRs and ECSSs and ELRs will be offered as needed when ten or more employees in either position are onboarded. In addition to new employee training, NTTC deployed quarterly procedural refresher training for compliance field staff in June 2022 and October 2022.

Education began conducting in-depth analysis of training to determine customer satisfaction with deliverables, and applicability to processing claims for benefits, ensuring compliance and processing enrollment certifications through the efforts of the NTTP, NTTC and National Training Team-Schools (NTT-S) teams, respectively.

Ensuring Strong Fiscal Stewardship

Oversight and Accountability

In 2022, 2,635 compliance actions were completed, which resulted in the recovery of \$6 million in benefit payments. Education projects over 2,500 compliance surveys and an increased amount of RBSs and Targeted Risk Based Reviews will be completed in 2024, as VA and the SAAs shift focus to a risk-based model, with an estimated savings of \$21 million. Education annually administers 53 cooperative agreements with SAAs whose core functions are approvals, compliance, liaison and technical assistance to the education and training providers in their home state. Enforcement actions are regular and ongoing in collaboration with other trusted federal agencies to include VA, Office of Inspector General (OIG) Criminal Investigation Division, Department of Justice (DOJ), Federal Trade Commission, Department of Education and others to include multiple State Offices of the Attorney General.

To improve and standardize compliance procedures, a platform was developed in the Salesforce application to manage compliance surveys. This centralized application is used by both VBA and SAA partners for entry, tracking, storage and analysis of compliance survey data. This application allows employees to complete a survey electronically and increase mobility rather than relying on hand carrying and tracking paper files. Since deployment in 2017, this platform has received over 80 enhancements and continue to update to keep pace with changing initiatives, congressionally mandated reports, statutory and procedural changes.

Quality Control

The Education quality review program conducts reviews at the national and local level. A focus of the national review is payment accuracy. Failure to meet the established targets requires implementation of Corrective Action Plans (CAPs) to remediate any deficiencies. Reports of payment accuracy between 2020 and 2021 showed a slight decrease in accuracy rates going from 98.3% to 97.9%. As of September 30, 2022, the rolling 12-month payment accuracy rate was 98.7%. Some of these errors are due to data input. Others are due to conflicting information received by the claimant or DoD. VA has worked with DoD to improve data reporting of creditable service periods in the Veterans Information Solution.

CAPs cannot resolve every issue associated with each payment error, such as a data entry issues, but do assist with providing refresher training on specific topics affecting payment accuracy rates. Any establishment of debts against a claimant or facility is established and tracked by VBA. Education used industry-standard best practices in statistical sampling and review of the quality assurance program. The sample design accounts for workload population, broken down by benefits programs and is based on GAO's formula provided in Veterans' Disability Benefits: Improvements Could Further Enhance Quality Assurance Efforts (Publication No. GAO-15-50).

Education has payment controls in place to ensure larger payments are thoroughly reviewed and authorized before release. Additional reviews are conducted by station and VBACO leadership as needed, to identify any required corrections. Based on the information gathered through quality reviews, Education personnel participate in annual training targeted to ensure best practices are shared and implemented. Education is committed to adhering to the highest quality standards to ensure we are good stewards of the taxpayers' dollars.

In 2022, the Quality Control program began evaluating DGIB claims automation for payment accuracy through special focus reviews. In 2023 and beyond, automated claims will be subject to quality review in a systemic manner with a focus on evaluating the quality of automated claims, the underlying data used for the automation, and the continued improvements and additional automation objectives developed by the DGIB modernization effort. These metrics will be reported at the national level through official reporting channels.

Safeguarding the Integrity of the GI Bill

From 2019 through 2022, Education, in partnership with VA's OIG Criminal Investigation Division and DOJ, closed over a dozen criminal and civil cases, to include settlements and jury convictions of school owners, administrators and education and training providers. These actions support the projected recovery of over \$195 million in restitution owed to the government.

Fostering a Culture of Collaboration

Children of the Fallen Patriots Foundation (CFPF)

In 2022, Education continued to collaborate with CFPF, an organization that provides college scholarships and educational counseling to military children who have lost a parent in the line of duty. The partnership between VBA and CFPF was established in a Memorandum of Understanding that is being extended through 2023. In 2022, the collaboration helped enroll 431 new Survivors' and Dependents' Educational Assistance students. Since the initiation of this partnership in June 2019, Fallen Patriots enrolled 1,249 students as a direct result of very successful email campaigns performed by VBA to share scholarship and enrollment information. This partnership has allowed CFPF to grant 89 of those new students over \$1.4 million in total scholarships in 2022 and to date over \$5.4 million to 283 students, with another 966 students accounted for in the pipeline.

VET TEC Employer Consortium

In October 2020, VA launched the VET TEC Employer Consortium to bridge the gap between program completion and meaningful employment. The collaboration between Training Providers, Employers and VA within the VET TEC Employer Consortium creates a key space for students to make connections, attend events hosted by VA and employer-partners and be primed for

employment success at the completion of their program.

The Employer Consortium seeks to engage VET TEC participants by hosting connection events where VA connects participants and those supporting the program, including employer-partners, and other partners committed to Veteran hiring. The Employer Consortium supports VA's commitment to shorten the hiring window from the time of program completion to employment in the field of study. VA has currently partnered with 19 employer-partners, to include VA's own Office of Information and Technology, which seeks qualified VET TEC graduates for filling internal IT vacancies. In 2022, VA and IBM [announced a collaboration](#) to connect Veterans to training and networking programs that lead to gainful employment in technology fields starting with over 12,000 VET TEC and VRRAP Veterans.

Veterans' Advisory Committee on Education (VACOE)

VBA collaborates with VACOE. The statutory Committee provides advice to the Secretary on the administration of education and training programs. VACOE recommends new and improved education benefit programs and services in reports to the Secretary and Congress. The current Committee is comprised of leaders from Veteran Service Organizations, technology corporations, and higher education institutions, as well as a representative from a State Approving Agency and a current GI Bill student. In 2021, the Committee submitted recommendations that the Secretary has approved. The Committee schedules two public meetings a year with the last meeting hosted virtually on November 29-30, 2022.

Enterprise Data Management System (EDMS)

Education continues to build out capabilities that allow DoD to engage with VA directly through EDMS. This is used to track requests for information sent to DoD instead of email and Microsoft Excel spreadsheets. Hosting a single platform that allows DoD to access and track requests has improved timeliness standards. Historically, this process has taken 30 to 45 days to complete. To date, this process has decreased to less than 30 days and it is anticipated this number will continue to decline as enhancements are added to EDMS.

SCO Annual Training Program

In 2023 and 2024, Education will continue to build and enhance the SCO annual training program required under Section 305 of the Colmery Act. Section 305 requires annual training at all institutions that have 20 or more enrolled beneficiaries; these institutions are referred to as covered educational institutions. For 2022, 3,862 covered educational institutions completed 101,979 hours of training.



Housing

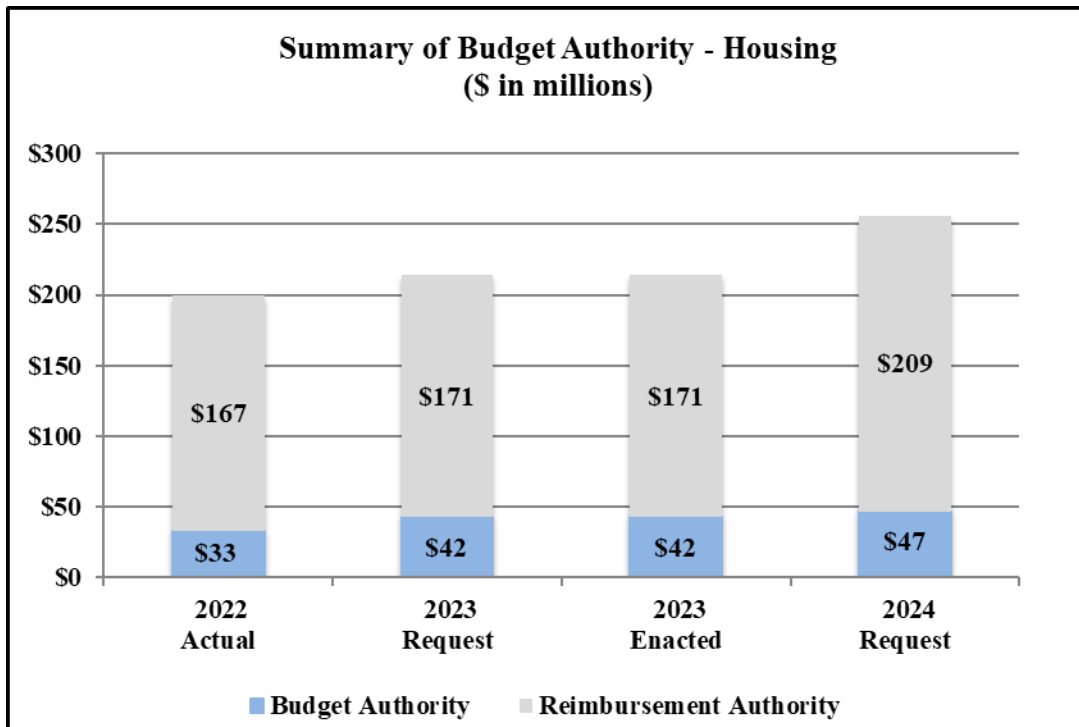
Mission

Maximize Veterans' and Service members' opportunity to obtain, retain and adapt homes by providing a viable and fiscally responsible benefit program in recognition of their service to the Nation.

Summary of Budget Authority

2024 Budget Authority Request: \$46.9 million

Change over 2023 Enacted: + \$4.4 million / + 10.4%



Summary of Budget Request

VA requests \$208.9 million in reimbursement authority from the credit administration accounts and \$46.9 million in budget authority to fund the discretionary portion of the Specially Adapted Housing (SAH) program. This request will provide funding for 1,144 full time equivalent (FTE), an increase of 73 FTE.

Housing					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Actual	Request	Enacted	Request	Increase(+) Decrease(-)
FTE					
Direct Housing	551	770	770	840	70
Direct Native American Direct Loan	7	7	7	10	3
Direct Specially Adapted Housing	201	201	201	201	0
LGY Direct FTE	759	978	978	1,051	73
Management Direction and Support	100	93	93	93	0
Total FTE	859	1,071	1,071	1,144	73
Obligations					
Personal Services (without overtime)	\$128,929	\$141,057	\$141,057	\$157,863	\$16,806
Overtime	\$76	\$76	\$76	\$76	\$0
Travel	\$925	\$1,964	\$1,964	\$2,003	\$39
Interagency Motor Pool	\$707	\$1,231	\$1,231	\$1,256	\$25
Transportation of Things	\$156	\$159	\$159	\$162	\$3
Rent, Communications & Utilities	\$6,552	\$6,683	\$6,683	\$6,817	\$134
Printing	\$80	\$82	\$82	\$83	\$2
Other Services	\$60,930	\$61,317	\$61,327	\$86,244	\$24,916
Supplies and Materials	\$518	\$528	\$528	\$539	\$11
Equipment	\$719	\$733	\$733	\$747	\$15
Insurance Claims	\$18	\$18	\$18	\$18	\$0
Total Administrative Obligations	\$199,610	\$213,847	\$213,857	\$255,807	\$41,950
VA Housing Administration Reimbursement	-\$166,577	-\$170,848	-\$170,848	-\$208,378	-\$37,530
USDA Portfolio Work Reimbursement	-\$528	-\$533	-\$543	-\$561	-\$18
Total Reimbursements	-\$167,105	-\$171,381	-\$171,391	-\$208,938	-\$37,548
Net Appropriation	\$32,505	\$42,466	\$42,466	\$46,868	\$4,402
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$32,505	\$42,466	\$42,466	\$46,868	\$4,402
Outlays (net)	\$30,894	\$41,192	\$40,763	\$45,366	\$4,603

Dollars may not add due to rounding in this and subsequent charts. Net Appropriation represents SAH funding.

Changes from Original 2023 Request

Total obligations increased \$10,000 for United States Department of Agriculture (USDA) Portfolio Work Reimbursement.

Changes from 2023 Enacted to 2024 Request

Total obligations increase by \$42.0 million. The 2024 request includes an additional 73 direct FTE funded via reimbursements. Changes also reflect a projected increase of 5.2% in pay and 2.0% for non-pay inflation. Additionally, the request includes an increase in other services for contract needs supporting modernization in the year of execution. Specifically, VA is supporting the environmental social governance initiatives, the Property Appraisal Valuation Equity initiative and

modernization of program business requirements. This also includes contract project management implementation and support for other program requirements.

Program Description

The VA Home Loan Guaranty (LGY) program helps eligible Veterans, Servicemembers, surviving spouses and members of the Reserves and National Guard (hereinafter referred to as Veterans) purchase, retain and adapt homes in recognition of their service to the Nation. LGY provides a guaranty on residential mortgage loans made by private lenders to eligible Veterans, enabling them to make loans with more favorable terms as the guaranty helps protect lenders from loss if the borrower fails to repay the loan. By utilizing the benefit, Veterans may take advantage of competitive interest rates, no down payment requirements, limitations on closing costs and servicing assistance in times of financial difficulty. If a VA home loan is foreclosed, VA will pay mortgage servicers a guaranty claim to cover a portion of the loss associated with the property, provided the prescribed conditions are met. LGY proactively conducts oversight of mortgage lenders and servicers to ensure loans are closed in accordance with the law, regulations and program directives and that homeowners are afforded every opportunity to retain their home and/or avoid foreclosure.

VBA will employ 1,062 FTE at the following locations for LGY:

- Atlanta
- Cleveland
- Denver
- Houston
- Nashville
- Phoenix
- Roanoke
- St. Paul
- St. Petersburg
- VBA Central Office (VBACO)

The 2024 request includes 73 additional FTE funded by reimbursements to support the LGY program in Loan Production (24 FTE), Loan Administration (12 FTE), Construction and Valuation (12 FTE), and VBACO (22), which also includes three FTE for the Native American Direct Loan (NADL) program. The additional NADL FTE are based on the program's growing construction demand, as well as a renewed focus on ensuring Native American Veterans are provided the opportunity to pursue home ownership on Tribal Lands. LGY continues to develop technology enhancements to evaluate lender performance, understand credit risk and expand capabilities for robust data analytics. These advancements require additional staff to analyze the comprehensive program information and robust data. This includes supporting the President's Justice40 initiative, which looks at government spending through socially and environmentally conscious data reporting and planning.

Construction and Valuation (C&V) and Specially Adapted Housing (SAH)

C&V's primary function is to assist and administer the VA Home Loan Program as it relates to real estate appraisals. This consists of providing oversight to the Lender Appraisal Processing Program (LAPP), issuing the Notice of Value (NOV) for independent lenders providing appraisal

technical support for the Loan Management Section (foreclosure) and administering the SAH program. LAPP appraisal reviews and NOV's contain the opinion of reasonable value used to determine the amount of guaranty. Through the issuance of NOV's and oversight of LAPP appraisal reviews, C&V staff are validating the quality of appraisal reports and ensuring basic property condition requirements as security for VA-guaranteed loans. The NOV details the conditions required for closing related to the property including VA's Minimum Property Requirements and adherence to VA appraisal requirements as outlined in 38 U.S.C. 3731. The Review Appraisers, Loan Specialists and SAH Staff of C&V were responsible for providing an average of 686,000 appraisals annually for the last three years. The Blue Water Navy Vietnam Veterans Act of 2019 (P.L. 116-23) removed the VA loan limits in certain circumstances, and subsequently C&V staff duties were expanded to ensure that valuations are validated and limit risk. Value determinations completed by C&V staff for pre-liquidation properties are very important as they impact VA's financial interest in properties and affects continued lender participation in the VA-guaranteed home loan program and the interests of the Veteran obligor.

C&V staff maintain and provide oversight to approximately 7,000 appraisers serving on the VA Fee Appraiser Panel. P.L. 116-23 created the Assisted Appraisal Processing Program, which expanded the information available to VA Fee Panel appraisers to assist in the appraisal process. VA Fee Panel Appraisers now can utilize data based on third-party information to complete appraisal reports. C&V staff also perform and provide additional service to stakeholders with valuation assistance for Veterans and lenders when an appraisal is under reconsideration, builder registration and condominium project reviews.

SAH staff assess the residences and provide hands-on guidance and suggestions for incorporating home modifications to improve mobility and promote independence. The primary focus of the grant program is to deliver industry standard options for total home accessibility ranging from passageway access to full bathroom functionality. Other adaptations are made, if necessary, based on a Veteran's disability.

SAH staff manage projects during active construction and serve as liaisons between the Veteran and the contractor completing the construction. SAH staff conduct final field reviews to assess the outcome and ensure the Veteran's unique mobility needs are addressed. Since 1948, VA has awarded over 48,000 grants worth more than \$1.8 billion.

C&V Value Stream environment consists of 340 VA staff members dispersed geographically nationwide. Assistant Valuation Officers are front line supervisors. They are responsible for serving as technical experts for both SAH and valuation activities and serving as project supervisors for all SAH cases assigned to their staff throughout the grant process.

Loan Production (LP)

Loan volume had grown over the past couple of years due to low interest rates; with the rise in rates, loan volume is now trending down, though it is still higher than the previous record volume established in 2017. As the market returns to more normal levels, we are able to see that the 2020 and 2021 record production was unprecedented. That type of growth was fueled by record low interest rates for purchase or refinance loans. With higher interest and inflation rates, demand has

decreased across the industry. The portfolio composition has changed due to legislative changes and the rise in national home prices driving cash-out refinance volume:

Average Loan Amount	Total Loan Volume	Year over year (YOY) increase in Loan Volume	Avg. Loan Amount	YoY increase in average loan amount
2019	624,546	2.3%	\$281,226	6.4%
2020	1,246,817	99.6%	\$301,044	7.1%
2021	1,441,745	15.6%	\$310,175	3.0%
2022	746,091	-48.3%	\$343,894	10.9%

The 282 LP staff nationwide includes LP Officers, Assistant LP Officers and Loan Specialists who provide closing activities. VA purchase home loans closed on average in 37 days in 2022, and 40 days for all VA loans, including refinance loans.

LP assists in the loan application process by ensuring valid Certificates of Eligibility (COE) are issued for any Veteran interested in using their home loan benefit. COEs are used by mortgage lenders to verify eligibility for the Home Loan Program. Of the 1,570,000 COEs requested in 2022, over 1.2 million, or nearly 78%, were issued instantaneously due to these requests being validated against VA records. For the other 350,000 requests, these were reviewed manually by LP staff. LP continues to make technological improvements to further automate all future COE requests. The downward trend in reduced COE volume is a direct result of reduced loan volume. As rising interest rates and rising property values slowed down demand, COE requests have declined, as would be expected. COE determinations manually processed by LP staff may include simple system corrections or can range from complex time intensive reviews that require further research and analysis to validate the applicant’s proof of discharge type or length of service. If evidence reflects the Veteran’s character of discharge is Other than Honorable or Bad Conduct and the minimum length of service is met, then LP staff will confirm if program usage is possible after consultation with VA’s Compensation Service. Compensation Service then determines if the Veteran has the requisite character of discharge for program eligibility.

COEs manually reviewed and completed by LP FTE	2020	2021	2022
RLC manual issue	599,881	557,077	331,183
Average processing time in hours	49,990	46,426	27,599
Average processing time in 8-hour workdays	6,249	5,803	3,450
Year over Year increase in manual processing time	22.4%	-7.1%	-40.5%

*Average processing time of 5 minutes per COE determination.

LP fully underwrites loans to determine if the Veteran is a satisfactory credit risk and has verified income to make the monthly mortgage payment. VA prior approval is required to limit risk to both the Veteran and agency. LP assists mortgage lenders and Veterans with any loan qualification or underwriting questions.

A key benefit for stakeholders is the availability of subject matter experts to assist stakeholders between 8 a.m.-6 p.m. eastern standard time Monday through Friday. The surge in program use in previous years has significantly increased call volume. Increased call volume and average talk times over the past three years resulted in increasing average wait times, as demonstrated in the table below. In 2022, LGY released an updated phone system to better account for different caller types. This new phone routing system is also designed to better address the reasons stakeholders reach out to VBA and limit unnecessary call transfers.

LP Phone Hunt Group	Calls Entered Queue	Calls Answered	Year over Year change in calls Answered	Time spent in Call Status (hours)	Year over Year change time spent in call status	Avg. Talk Time	Average Speed to Answer (Seconds)
2019	552,433	540,638	7%	40,247	8%	0:04:28	0:00:40
2020	618,381	599,516	10.9%	51,458	27.9%	0:05:09	0:00:55
2021	532,705	515,189	-14.1%	46,796	-9.1%	0:05:27	0:01:01
2022	392,021	386,707	-24.9%	33,300	-28.8%	0:05:10	0:00:36

LP is responsible for conducting oversight and assisting Veterans and industry stakeholders after loan closing, including funding fee refunds. Congress enacted the funding fee to help reduce the government's costs associated with loans guaranteed, made or insured. A Veteran who paid a funding fee and later received a rating for a service-connected disability, that was retroactive to a date prior to the loan closing, is entitled to a funding fee refund. LP processed over 30,000 refunds totaling more than \$135.5 million in 2021, and over 27,000 refunds, totaling \$145 million for 2022.

Loan Administration (LA)

The 226 nationwide LA staff include LA Officers, Servicing Officers, Loan Specialists and Loan Technicians. LA is responsible for all VA-guaranteed loans after origination until the loan is paid in full or terminated. Once a home loan becomes 61 days delinquent, servicers are required to:

- Report the Electronic Default Notification event to VA
- Work with the borrower to consider loss mitigation options or alternatives to foreclosure
- Report monthly updates on the status of the loan to VA. VA loans are reviewed during default to ensure that servicers have provided adequate servicing and explored all options to reinstate the loan and avoid foreclosure

Cases are reviewed to provide additional assistance to borrowers by LA, serving as an intermediary between the Veteran and servicer. Veterans are contacted, offered financial counseling and presented loss mitigation options.

VBA Central Office (VBACO)

VBACO employs 195 staff in the Housing Program at VBACO. The staff provides updated policies, procedures and proposed legislation; responds to congressional and field inquiries; and

conducts quality assurance and other oversight responsibilities. Operations are comprised of the following:

- Loan and Property Management
- Loan Policy and Valuation, and Oversight
 - Staff includes:
 - Loan Specialists
 - Realty Specialists
 - Appraisers
 - Mathematical Statistician
 - Leadership
 - Programmatic and Support personnel

Oversight

LGY internal controls and risk management activities are administered through systematic oversight of program operations, field employees and private sector partners. The staff performs the following key internal control and oversight functions:

- Oversight of contracted property management and portfolio loan service providers
- Lender and servicer audits, also providing accuracy reviews for all functional areas of the LGY program (LP, LA, C&V and SAH)
- Quality assurance through physical and virtual site visits of program operations
- Risk management functions

Oversight is conducted through the VA Loan Electronic Reporting Interface (VALERI) application to ensure servicers are compliant with VA regulations and policies. LGY also conducts post-audits of the servicing of guaranteed loans to ensure compliance with regulations. Employees assigned to the Oversight group performed 43 lender audits in 2022. Those employees also oversaw over 19,000 loan reviews.

Loan and Property Management

Loan Management serves as the primary resource for the operational staff and industry partners regarding VA policy and the servicing of delinquent home loans. Loan Management is responsible for policies, procedures, regulations, legislative proposals and VALERI issues.

While VA makes a great effort to assist Veterans in avoiding foreclosure, home loans that go to foreclosure can be conveyed to VA. The Property Management section provides oversight and direction to the contractor, who maximizes the return on investment to the Government and minimizes the time properties are held in inventory. This requires preparing, listing, marketing, sale and satisfying all title transfer requirements. The program has authority to offer VA-backed financing of VA-acquired properties. The Property Management team is responsible for regulations, policies and legislative proposals to ensure consistent operations. During 2022, VBA managed an average of over 1,500 properties monthly, acquiring over 2,700 properties and selling over 1,900 properties. The return on sale is 95.5%, with the value of properties sold over \$300 million.

Loan Policy and Valuation

Loan Policy and Valuation Staff develop regulations, policies and procedures relating to the eligibility of Veterans. The staff research regulations and statutes, analyze market trends and review standing policy to ensure the program remains current with conventional mortgage and lending industry standards.

The LP Policy Division provides oversight of the loan origination process. This includes the entitlement and eligibility determination for potential program participants and the development of policy for VA-guaranteed loan options. This division also manages the policy direction for the NADL program. Since its inception in 1992, close to 1,200 loans have been made under the NADL program.

Training

The Training team ensures individuals across LGY are informed on program and broader issues, and thus are able to translate those into positive operational directions. This team identifies, defines, acquires and delivers training to strengthen skill sets, knowledge and specialization across LGY. It maximizes staff opportunities across all business lines to help facilitate growth and resiliency of the workforce. It is also entrusted with ensuring professional growth of staff across LGY. The team collaborates with industry partners by ensuring external training is completed for lenders, appraisers and servicers. It is also responsible for making sure awareness of policies, regulations and procedures in fulfilling program objectives are disseminated across all stakeholders.

Regulations

The Regulations team translates legislative proposals and regulations into operational actionable parts. It troubleshoots and resolves regulatory and legislative limitations on operational effectiveness. The team also analyzes incoming bills and takes actions to provide costing for legislative proposals. Regulations also works with VA partners and OMB on all actions coming from Congress to address and develop proposals that have the ultimate goal of becoming laws in the benefit of Veterans.

Workload

In 2022, VA guaranteed over 746,000 loans. VA continues to be a significant industry leader despite a reduction in loans, which is consistent with the rise in mortgage rates that have affected home buyers. Workload projections are as follows:

Projected Housing Workload and FTE Requirements	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Direct Labor FTE	768	759	978	1,051
Total Guaranteed Loan Volume	1,441,745	746,091	653,871	653,962
Total Purchase Loans	444,050	410,365	427,547	436,253
Total Refinance Loans	997,695	335,726	226,324	217,709
Total Loan Amount*	\$447,192,002	\$256,576,574	\$207,916,173	\$212,103,204

*Dollars represented in thousands.

Performance Measures

Performance measures guide continuous improvement and accountability. LGY conducts outreach to Veterans, private-sector loan servicers and other industry stakeholders to ensure VA remains at the forefront of the industry in offering home retention options and alternatives to foreclosure.

The Default Resolution Rate (DRR) targets are set based on national mortgage and economic trends in the industry. VBA continuously monitors these trends and adjusts performance targets accordingly. VBA will continue to use VALERI to track data on home loans and provide proactive default and foreclosure avoidance assistance to Veteran borrowers.

The DRR was 98% in 2022, exceeding the target of 84% for the sixth consecutive year. The number of borrowers avoiding foreclosure in 2022 was over 205,000, less than a 1% increase over 2021. The estimated value of claims avoided is close to \$4.0 billion. LGY anticipates the DRR will begin to decline in 2023 and 2024 as the foreclosure moratorium from COVID-19 was lifted on July 31, 2021.

Claim Savings	2021 Actual	2022 Actual	2023 Estimate
Estimated Guaranty Claim Savings in Millions	\$7,890	\$3,992	\$3,539
Claim Payments Avoided	202,005	204,947	128,859
Borrowers Avoided Foreclosure	203,890	205,702	129,270

The 2022 established target for manual COE determinations issued within five days was 97%, but performance was over 98%.

Over 51,000 loan defaults were reported as National Emergency Declaration (NED) in response to the COVID-19 pandemic in 2022. The volume of NED impacted loans will result in a significant increase in oversight and reviews of the VA-guaranteed loan servicing portfolio.

Highlights and Achievements

VBA's 2024 request is aligned to the Secretary's priorities, a framework to put the needs, expectations and interests of Veterans and their families first and ensure the timely delivery of benefits and services.

Providing Veterans with Earned Benefits

LGY personnel provide exception-based servicing and home retention solutions to avoid foreclosure. VBA assisted more than 205,000 Veterans and their families in avoiding foreclosure in 2022, maintaining one of the lowest foreclosure rates in the industry. VBA's exception-based servicing saved close to \$4.0 billion in potential claim payments during 2022.

The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315) made numerous changes to the loan program. These include expanding eligibility for the VA home loan benefit to members of the National Guard who perform certain full-time National Guard duty (as that term is defined in section 101 of Title 10), but do not qualify for the home loan benefit under existing National Guard eligibility requirements. Such expansion enables many who served in support of the COVID-19 national emergency access to the home

loan benefit. P.L. 116-315 also amended VA statute pertaining to loan fees (38 U.S.C. § 3729), requiring VA to collect a statutory loan fee at the “initial loan” rate, rather than the “subsequent loan” rate, if a Veteran’s home secured by a VA-guaranteed loan is substantially damaged or destroyed due to Presidentially-declared major disaster. VA has approved approximately 1,200 applications since the law was passed in 2020.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) (P.L. 116-136) was enacted. VA issued guidance to its program participants to ensure compliance with the relevant sections of the CARES Act (Sections 4021, 4022 and 4024). This included outlining and extending the 120-day moratorium on certain eviction and foreclosure actions for properties with a VA-guaranteed loan. VA implemented Section 4022, which mandates that holders of VA-guaranteed loans grant a borrower’s request to forbear monthly installment payments if the borrower affirms that they are experiencing a COVID-19 related financial hardship. LGY tracks loans in a CARES Act/COVID-19 forbearance and issued guidance for servicers to ensure that Veteran borrowers are given full access to the forbearance protections. On May 28, 2021, VA published a final rule implementing a temporary relief program, entitled the COVID-19 Veterans Assistance Partial Claim Payment Program (COVID-VAPCP). This assists borrowers when exiting a COVID-19 forbearance. During 2022, VA received 40,536 VAPCP submissions and certified 18,192 payments resulting in those Veterans and their families saving their homes from foreclosure. VA continues to explore other ways to assist borrowers facing economic uncertainty, including those who have experienced permanent income loss due to the pandemic.

On July 23, 2021, VA published further guidance to assist borrowers facing economic uncertainty, including those who have experienced permanent income loss due to the pandemic. VA outlined a waterfall of home retention options to assist servicers helping borrowers affected financially by the pandemic in VA Circular 26-21-13. This Circular also announced the COVID-19 Refund Modification, a loan modification specific to those borrowers needing payment reductions when exiting COVID-19 forbearance.

Ensuring Strong Fiscal Stewardship

VALERI is a modernized, robust, paperless oversight and servicing system. VALERI is the primary means of communicating with LGY to report events, submit documents, and perform revisions and loan cancellations. LGY provides status and feedback on Veteran loans through reports in the portal. VALERI improves LGY’s program oversight capability and reduces the cost of servicing and liquidation of VA loan defaults.

LGY has leveraged VALERI to assist nearly 1.5 million Veterans and their families with an alternative to foreclosure since 2009, saving over \$43 billion in potential claim payments. The system enables LGY to track those most at risk for loan default, which is a key measure to prevent Veteran homelessness. VALERI helped over 205,000 Veterans and their families avoid losing their homes, saving close to \$4.0 billion in claim payments during 2022.

LGY implemented a system enhancement in 2022 to send an automatic letter to all borrowers explaining loss mitigation options and providing their assigned technician's contact information when VA gets notified by the servicer of a referral to the foreclosure attorney. Additionally, foreclosure alternatives and home retention options are reviewed when VA is notified of a

foreclosure sale date. At that point, VA contacts the borrower to attempt to assist, and may intervene by requesting a foreclosure sale gets postponed when appropriate. VA will continue to explore new options to avoid foreclosure with affected Veterans.

Another system used to serve Veteran borrowers is the Appraisal Management System/Automated Valuation Model (AMS/AVM). AMS/AVM provides an in-depth risk assessment of every completed appraisal. VBA exceeded 680,000 assessments in 2022, allowing employees to focus on high-risk appraisals, increase the quality of appraisals and recruit appraisers. AMS/AVM processed and analyzed over \$250 billion in annual total loan volume in 2022.

Addressing Climate-Related Financial Risk

In accordance with the President's Executive Order on Climate-Related Financial Risk, LGY is working with the Departments of Agriculture and Housing and Urban Development to consider approaches to better integrate climate-related financial risk into federal credit programs. Efforts to-date include contracting for additional expert analytical support; identifying and sharing initial risk assessments in working groups comprised of credit representatives of these agencies; and exploring the financial sensitivity of proposed 2024 activity to adverse movements in default and recovery performance that could be related to climate-change risks.

Fostering a Culture of Collaboration

Employees and fee personnel such as appraisers, inspectors and management brokers are also critical to providing Veterans with quality and timely service. LGY maintains an independent fee appraiser panel to have appraisals completed on a rotational basis to ensure no favoritism or discrimination in the making of assignments. This allows LGY to hire appraisal services for Veterans on an as-needed basis, in any part of the country, without having to maintain full-time personnel. VA is also participating in the Property Appraisal and Valuation Equity (PAVE) Interagency Task Force to address bias and inequity in the home appraisal and homebuying process.

VA continues to maintain an outsized share of the overall residential mortgage market. Nationally, Veterans make up 5.5% of the entire US population, but in 2022 VA loans were close to 11% of the entire mortgage market. This is indicative that outreach and communication efforts are reaching the desired audience, as reported in industry source data obtained on a quarterly basis. VA loan volume was over 746,000 in 2022, below the record 1.4 million loans originated in 2021, but our market share went from 12% to near 11% respectively. The program is still forecasted to remain a significant industry leader despite expected lower loan volumes.

All adaptation functions previously performed by Veteran Readiness and Employment (VR&E) are now performed by LGY SAH staff in alignment with P.L. 115-177. This includes Veteran engagement, construction assessments and project management. For 2022, 116 VR&E Independent Living (IL) projects were referred to the SAH program.

VRE IL Referrals		
Fiscal Year	Totals	Monthly Averages
2020	93	8
2021	82	7
2022	116	9
Totals	291	8
Active Cases	159	

LGY hosts webinars, events and training online using advanced software capabilities to reach internal and external stakeholders by hosting live training events with closed captioning and monitoring participant engagement in real-time. LGY records and provides timely information to keep stakeholder abreast of any change to regulations and handbooks. Additionally, LGY delivered specific program training to field staff on the NADL Program.



Veteran Readiness and Employment

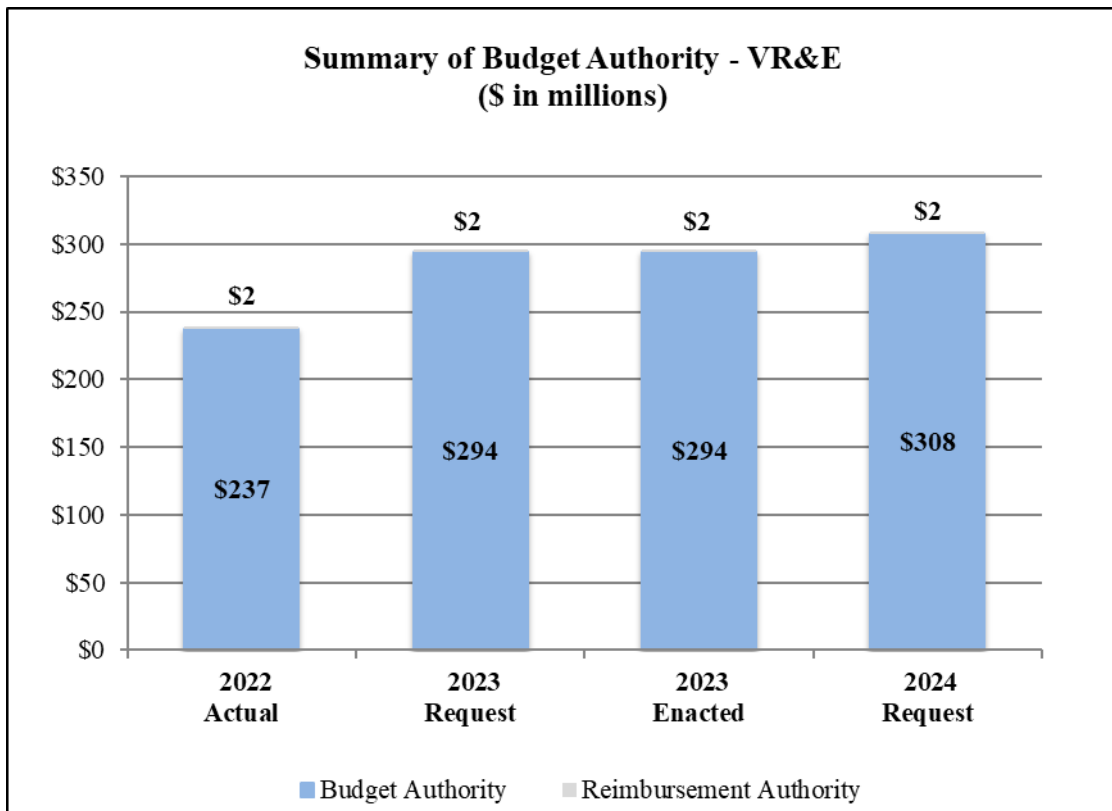
Mission

Provide and administer comprehensive services and assistance to enable Veterans and Service members with service-connected disabilities and employment barriers to prepare for, find and maintain suitable employment. For Veterans with service-connected disabilities so severe that they cannot immediately consider work, the Veteran Readiness and Employment¹⁴ (VR&E) Program offers services to improve their ability to live as independently as possible in their homes and communities.

Summary of Budget Authority

2024 Budget Authority Request: \$307.7 million

Change over 2023 Enacted: + \$13.6 million / + 4.6%



¹⁴ Formerly “Vocational Rehabilitation and Employment”.

Summary of Budget Request

VA requests \$307.7 million in budget authority to fund discretionary portions of VR&E to include administrative expenses for 1,856 FTE.

Veteran Readiness and Employment Summary of Discretionary Appropriation Highlights (S in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Actual	Request	Enacted	Request	Increase(+) Decrease(-)
FTE					
Direct	1,491	1,628	1,628	1,628	0
Management Direction and Support	191	228	228	228	0
Total FTE	1,682	1,856	1,856	1,856	0
Obligations					
Personal Services (without overtime)	\$192,283	\$245,063	\$245,063	\$257,765	\$12,702
Overtime	\$500	\$500	\$500	\$500	\$0
Travel	\$543	\$2,594	\$2,594	\$2,645	\$52
Interagency Motor Pool	\$266	\$271	\$271	\$277	\$5
Transportation of Things	\$191	\$195	\$195	\$199	\$4
Rent, Communications & Utilities	\$12,890	\$13,148	\$13,148	\$13,411	\$263
Printing	\$490	\$500	\$500	\$510	\$10
Other Services	\$30,913	\$31,654	\$31,738	\$32,289	\$551
Supplies and Materials	\$538	\$1,569	\$1,569	\$1,600	\$31
Equipment	\$421	\$429	\$429	\$438	\$9
Insurance Claims	\$39	\$40	\$40	\$41	\$1
Total Administrative Obligations	\$239,074	\$295,963	\$296,047	\$309,675	\$13,628
Reimbursements	-\$2,012	-\$1,875	-\$1,959	-\$2,004	-\$45
Net Appropriation	\$237,062	\$294,088	\$294,088	\$307,671	\$13,582
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$237,062	\$294,088	\$294,088	\$307,671	\$13,582
Outlays (net)	\$225,310	\$285,265	\$282,288	\$297,807	\$15,519

Dollars may not add due to rounding in this and subsequent charts.

Changes from Original 2023 Request

Total obligations increase by \$84,000 from the original 2023 request due to a slight adjustment in reimbursement authority. This was based on revised estimates considering 2022 actuals.

Changes from 2023 Enacted to 2024 Request

Total obligations increase by \$13.6 million from 2023. Changes reflect a projected increase of 5.2% in pay and 2.0% for non-pay inflation.

Program Description

VR&E assists Veterans and Servicemembers with service-connected disabilities and barriers to employment prepare for, obtain and maintain suitable employment. VR&E also helps Veterans and Service members with a serious employment barrier obtain independent living services. VR&E is the only federally mandated program established to provide Veterans with service-connected disabilities with comprehensive vocational rehabilitation benefits with the goal of employment.

Operations

Of the 2024 request, \$258 million, or 83%, is for salaries and benefits. VR&E employs over 1,152 Vocational Rehabilitation Counselors (VRCs). This includes 967 VRCs assigned to work Chapter 31, 98 VRCs who execute the Integrated Disability Evaluation System (IDES) mission and 87 VRCs who execute the VetSuccess mission. VR&E's service delivery model supports Veterans at over 350 office locations including the 56 Regional Offices (ROs), the National Capital Region Benefits Office, 142 out-based offices, 70 IDES installations and 104 VSOC schools/sites.

Employment Coordinators (ECs)

VR&E's 70 ECs help Chapter 31 Veterans find, apply for and secure suitable employment. ECs currently assist approximately 11,000 Veterans who are actively seeking employment. ECs provide support for professional job placement training to prepare resumes for the private sector and federal job placement, interviewing skills, career counseling and other job readiness activities.

Integrated Disability Evaluation System (IDES)

Currently, 98 Counselors provide direct services to IDES participants. These IDES Counselors provided one-on-one briefings to an average of 1,165 Service members per month during 2022. This includes comprehensive rehabilitation evaluations to determine abilities, skills and interests for employment purposes. Transitioning, wounded, ill and injured Service members receive timely benefits and enhanced services from IDES Counselors who retain office space on military installations. The National Defense Authorization Act (P.L. 110-181), Section 1361(b), established VR&E eligibility and automatic entitlement for severely injured active-duty individuals before a VA rating is issued. The IDES/VR&E initiative transforms the way VA supports wounded, ill and injured Service members and Veterans with service-connected disabilities and their families to ease the stress of transitioning to civilian life. Early intervention helps combat homelessness and financial challenges caused by the loss of income between the transition from military service and the time it takes to obtain civilian employment. Integrating the VR&E program early into the IDES process allows Service members and their families to smoothly transition into civilian life, better adapt and work with their service and non-service-connected disabilities.

VetSuccess on Campus (VSOC)

The VSOC program supports a population of nearly 86,000 Veterans at 104 campuses nationwide. VSOC provides outreach and transition services to student Veterans during their transition from military service to college. VSOC enables student Veterans to stay in college to complete their degrees and enter career employment by assisting them with applying for VA benefits; coordinating with school officials on behalf of the student Veterans; and providing adjustment counseling and referrals throughout the student Veterans' degree programs. For example, VSOC Counselors help student Veterans to compare and apply for VA education benefits alongside career counseling services to ensure those benefits are used wisely. Additionally, adjustment counseling provides support for acclimating to unforeseen challenges, and referrals are made for financial aid, healthcare, campus disability services and other community resources.

VSOC Counselors responded to 70,260 issues or follow-ups from over 24,300 student Service members, Veterans and dependents through the VSOC program during 2022, meeting established targets. Issues reported by students included questions about financial aid, debt management, VA

education benefits, mentoring and tutoring requests, healthcare referrals, employment assistance, professional counseling and assistance with VA claims. VBA currently has 286 requests for VSOC Counselors on college campuses. Of those 286 requests, 67 schools meet the minimum criteria of 800 attending student Veterans.

VBA Central Office (VBACO)

VR&E employs 106 FTE in VBACO, consisting of the Executive Leadership Team, Vocational Rehabilitation professionals, program support staff and Management and Program Analysts. Notably, VR&E is currently executing more than 10 modernization efforts across the enterprise. Major modernization initiatives include Electronic Virtual Assistant (e-VA), Readiness & Employment System (RES), Invoice Payment Processing System (IPPS), Centralized Mail (CM), Folder Scanning and Tele-counseling.

Operations Division

The overall mission of the Operations Division is to provide innovative tools and business solutions that support and improve benefits delivery. To achieve this, the Operations Division implements technology and automated systems intended to improve capabilities. The Operations Division consists of 22 FTE and conducts direct support to the field. They also manage more than 25 multi-year contracts valued at more than \$75 million that are related to modernization. These modernization initiatives present new and challenging requirements, which increase the demand on VR&E to provide support to field staff. As modernization continues, there will be increased data reporting and systems level requirements necessary to support and sustain the business line.

Oversight

The overall mission of the VR&E Quality Assurance (QA) program is to ensure delivery of quality services, identify best practices and ensure consistency in service delivery. The QA Oversight Team monitors field operations by conducting site visits at each RO. This guarantees the provision of services to Veterans and their dependents are consistent with laws, regulations, manuals, circulars, program policies and other directives.

The QA Oversight Team, consisting of 11 FTE, collaborates with District Offices to conduct on-site RO visits. For these visits, VR&E provides the analysis of the data and information to identify risks or areas of concern. The site visits increase oversight, allowing for earlier intervention and increased consistency of service delivery, as well as identifying trends and best practices. During the COVID-19 pandemic, travel was impacted. To ensure sufficient oversight, VR&E conducted virtual site visits and collaborated with the District Offices to conduct Collaborative Supportive Visits (CSVs). CSVs are done in collaboration with the District Offices. The District does the on-site visit, and the VR&E Oversight Team provides support remotely by reviewing the VR&E Divisions performance, workload and quality data. The purpose of the collaboration is to ensure VR&E Service, the District and the RO have a clear understanding of the VR&E Division's performance, including best practices, areas of concern or actions to be taken.

VR&E conducted 11 site visits and four CSVs in 2022. Additionally, the QA Oversight Team is scheduled to conduct 12 site visits in 2023 and 2024.

Compliance

The QA Compliance Team, consisting of 14 FTE, conducts case reviews to assess the quality of services provided. In 2022, 11,142 National QA reviews (also known as Systematic Technical Accuracy Reviews (STAR)) were completed, and approximately 14,500 will be completed each year in 2023 and 2024. In 2022, the Compliance Team was also responsible for overseeing approximately 31,281 Local QA reviews to assess the performance of individual employees. The results of these reviews are used to identify trends and training needs.

National QA reviews assess the accuracy of entitlement and outcome decisions, fiscal activity and service delivery. VR&E uses a statistically valid sampling methodology for National QA. The statistical methodology considers the population size, past performance confidence level (CL) and margin of error (MOE). The formula used is provided in GAO's Veterans' Disability Benefits: Improvements Could Further Enhance Quality Assurance Efforts (Publication No. GAO-15-50). A 95% CL is the level commonly used by researchers and is considered the industry standard. In recent years, VR&E used a 90% CL and 5% MOE but increased the CL to 95% in 2022. This resulted in an average of 1,128 reviews per month in 2022 and a projected increase to 1,215 reviews per month in 2023.

Program and Policy

In 2022, VR&E Service reorganized the Policy and Procedures Teams to develop Program and Policy, which consists of Policy, Procedures and Field Services. The teams are comprised of 24 FTE. The Policy Team determines the impact of legislation to make appropriate recommendations for regulatory additions and amendments, develops legislative proposals and suggests policy changes resulting from legislation that impacts service delivery to participants receiving benefits in the VR&E program. The Procedures Team is responsible for developing and delivering the procedures and agency guidance needed to implement the VR&E benefits, as well as maintenance of the M28C manual. The Field Services Team is responsible for responding to Veteran and Field Office inquires, tracking vacancies in the field offices and assisting with workload management.

The Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), requires policy and procedural changes to be developed and implemented. VR&E Service continues to work with Office of Management and Budget (OMB) regarding updating the form for restoration of entitlement, which will be published during 2023.

Direct Service Delivery

The Direct Service Delivery Staff (DSDS) consists of 967 FTE who are mostly VRCs or Counseling Psychologists. Their primary role is to provide comprehensive individualized services to beneficiaries. Both positions require a master's degree in Rehabilitation Counseling or a related field with at least 30 hours of specific coursework. They are also required to maintain their professional credential of Certified Rehabilitation Counselor, Certified Veterans Rehabilitation Counselor, Licensed Professional Counselor or National Certified Counselor.

In developing individualized plans, Counselors assess Veterans' interests, skills, abilities and labor market information. Counselors provide services addressing activities of daily living, personal adjustment counseling and support services. Veterans can receive education or vocational training for up to 48 months under the educational assistance benefit. VR&E Counselors work with

Veterans to develop an individualized development plan following one of five tracks:

- Reemployment: for Veterans who are now returning to employers for whom they worked previously.
- Rapid Access to Employment: for Veterans who are ready to seek employment after separation and have the necessary skills to find employment.
- Self-Employment: for Veterans who have job skills to start a business.
- Employment through Long-term Services: provides an extended period of training and rehabilitation services to ensure Veterans acquire the skills necessary to obtain and maintain suitable employment.
- Independent Living (IL): IL plans are designed to enable an individual to achieve maximum independence in daily living and, whenever possible, increase the individual's ability to return to work.

VR&E works with each track to achieve a “positive outcome,” defined as Veterans who either achieved a rehabilitation plan goal, pursued higher education, obtained suitable employment or became employable. Specifically, Employment Rehabilitations are achieved when the participant has successfully adjusted to or obtained suitable employment in the same or closely related occupation. Education Rehabilitations are achieved when the participant has completed the program and is considered employable in a suitable occupation but chooses to return for additional education at their own direction. A Maximum Rehabilitation Gain is achieved when the participant is employed, and VR&E was a contributor to the participant obtaining or maintaining employment in a suitable occupation. In 2022, VR&E achieved 16,726 Positive Outcomes, exceeding VR&E's annual target by 2,671:

- 10,675 Employment Rehabilitations
- 904 Educational Rehabilitations
- 234 IL Rehabilitations
- 4,327 Maximum Rehabilitation Gains/Employable
586 Maximum Rehabilitation Gains/Employed

Workload

Projected VR&E Workload and FTE Requirements	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Direct Labor FTE	1,493	1,491	1,628	1,628
Actual Participants*	125,144	124,437	139,950	144,463
Annual Percentage Change in Actual Participants (over previous year)	1%	-1%	3%	1%
Positive Outcomes**	17,875	16,726	14,271	TBD

*Participants include all Veterans who were in a rehabilitation plan of service or an extended evaluation plan during 2022, including those who were successfully rehabilitated or who discontinued their program of services in 2022.

**Estimates for 2024 will not be available until later in 2023, after the performance target workgroup convenes in June.

Performance Measures

The 2024 request supports the following four performance measures:

- Positive Outcomes: In 2022, 16,726 Positive Outcomes achieved, exceeding the 2022 target of 14,055 by 2,671 outcomes.
- Job Ready Decisions: In 2022, 16,313 Job Ready Decisions completed, exceeding the 2022 target of 12,795 by 3,518 decisions.
- Accuracy of requirements in closing a Veteran's case or declaring the Veteran rehabilitated or discontinued: For 2022, VR&E finished with a 97.4% accuracy rate, exceeding the target of 91.0%.
- Adherence to 1:125 VRC to Veteran ratio: At the end of 2022, the ratio was 1:124, which is under the mandatory ceiling ratio of 1:125.

Highlights and Achievements

VR&E's 2024 request is aligned to the following VA priorities:

Providing Veterans with Earned Benefits

VR&E Electronic Virtual Assistant (e-VA)

VR&E is leveraging artificial intelligence through e-VA, which provides faster, easier and more useful communication between participants and VR&E staff. e-VA breaks down communication barriers by enabling Veterans to connect faster with their Counselors using their smartphone, tablet or computer. e-VA allows Veterans to ask questions and receive timely responses, submit documentation, schedule appointments and receive automated alerts and reminders. e-VA stands as the bidirectional communication vehicle for more than 126,000 program participants. VRCs leverage e-VA for balancing caseload and managing participant interactions and correspondence. Claimant adoption rate of e-VA is over 96%. Additionally, the e-VA application documented over eight million case notes since deployment. The automation of case notes improves the quality, timeliness and accuracy of the participant case file. VR&E further uses e-VA to provide employment opportunities to its over 10,000 Veterans seeking employment.

In an effort to improve automation efforts throughout VR&E and demonstrate tangible positive organizational impact as a result of automation efforts, VR&E has identified and is working to implement a new workflow process for e-VA. This new workflow process will include the automatic upload of VR&E letters and forms to the Veterans Benefits Management System (VBMS) e-folder, and will allow field staff the ability to draft, edit and send documents to Veterans for electronic signature, reducing the administrative constraints of manually uploading VR&E forms and letters to the VBMS e-folder and increasing the time spent providing vocational counseling and case management services to the VR&E Veteran population. The national roll out of this new functionality took place in November 2022.

Readiness & Employment System (RES)

The RES, previously called the Case Management Solution (CMS), will integrate with the other modernization initiatives and leverage rules-based processing to streamline business processes to assist Counselors with workload management. VR&E is collaborating with the VBA Office of Strategic Program Management (SPMO) to procure a contract for a base plus nine option years.

The acquisition for this contract will begin in the second quarter of 2023. These improvements will allow more time for high-quality counseling and employment services. RES will integrate VR&E's other modernization initiatives and leverage rules-based processing and automation to streamline business processes to allow Counselors to manage workload more efficiently and effectively.

VA Video Connect (VVC)

VR&E is using tele-counseling through the VVC platform, which provides secure video teleconferencing technology to VRCs. This allows VRCs the capability to remotely counsel Veterans who have busy schedules, live in rural locations or face transportation challenges. Tele-counseling was deployed in 2019 and completed nearly 19,000 appointments during the first year. In 2020, that number grew to over 106,330 tele-counseling appointments, in part due to the COVID-19 pandemic and greater adoption amongst our VR&E Veteran population. VR&E continues to utilize VVC to reach Veterans and has scheduled over 512,067 tele-counseling appointments since inception.

Invoice Payment Processing System (IPPS)

Through IPPS, VR&E uses an electronic authorizing and invoicing system for a program participant's tuition, books and fees. IPPS transformed VR&E's authorization and invoice processes, improving reporting capabilities and providing oversight of service provider payments at the enterprise level. IPPS reduces the time it takes staff to make payments; eliminates paper invoice processing for Veterans' tuition, books and fees; and increases the percentage of on-time payments, all which mitigate potential gaps for Veterans to continue in their programs. In 2022, VR&E paid over 227,000 invoices for over \$696 million, with 99.9% of invoices paid in less than 60 days and 99.3% of invoices paid in less than 30 days. VR&E exceeded \$1.89 billion in IPPS payments since it was launched in 2019.

Competency-Based Training System (CBTS)

The CBTS is administered annually to eligible VRCs, VSOC Counselors and IDES Counselors in accordance with the VR&E CBTS Badge Schedule. This system delivers empirically researched and industry-benchmarked competency assessments to Counselors. It identifies tailored training needs with corresponding refresher training to close competency gaps.

CBTS incentivizes high-performing, experienced VRCs, VSOC Counselors and IDES Counselors who score in the top advanced range by not assigning them refresher training hours for that year. Employees that score 80% and above are advanced level, 70% to 79% are intermediate level and 69% and below is entry level. Counselors who perform in the entry to intermediate ranges work with their supervisors on required refresher training. Supervisors can assign up to 20 hours of CBTS-related training, which counts towards fulfilling the required 40 hours of the annual National Training Curriculum. Once Counselors complete the training, supervisors can award a badge to recognize their proficiency in each technical competency.

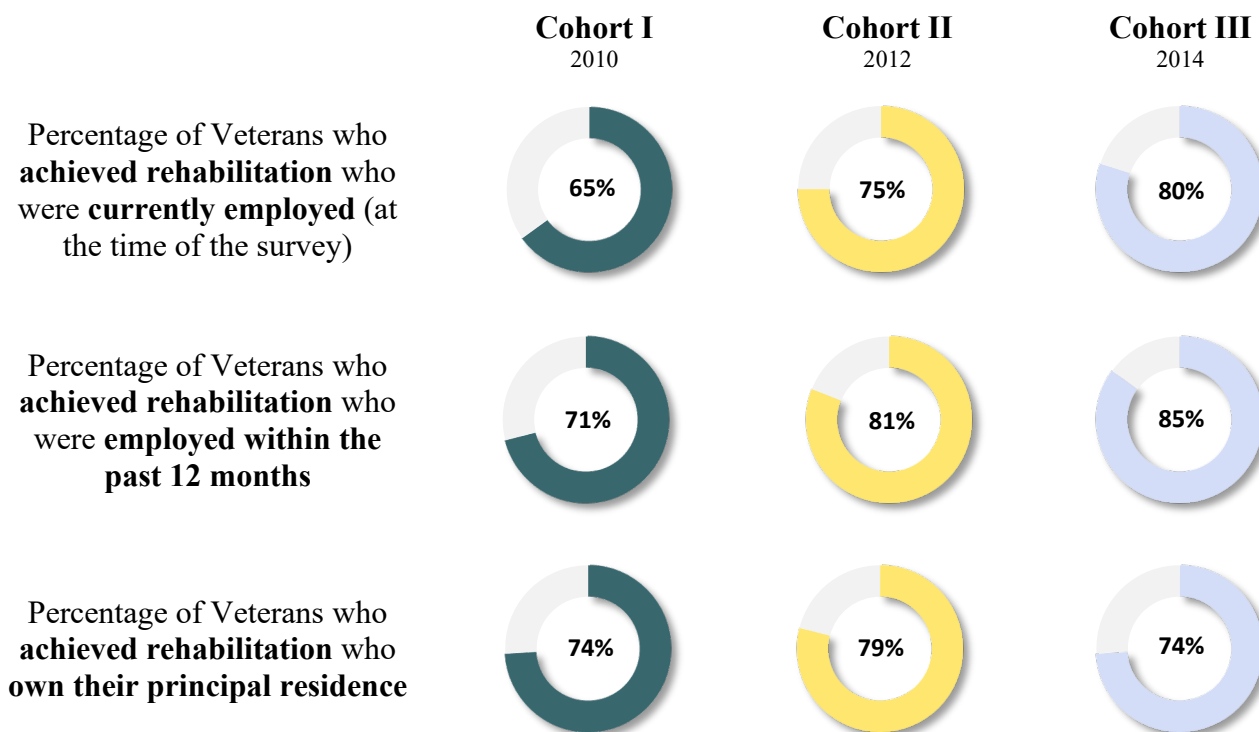
Ensuring Strong Fiscal Stewardship

Longitudinal Study

VR&E continuously analyzes trends among Veterans receiving services and improves and adapts services to their changing needs. The Veterans' Benefits Improvement Act of 2008 (P.L. 110-389)

created the VR&E Longitudinal Study of Veterans who began VR&E programs in 2010, 2012 and 2014. Reports are submitted to Congress annually on the long-term benefits of participating in the Chapter 31 program. The study design allows for comparison across the three cohorts. The primary focus is on the long-term employment and standard of living outcomes for VR&E participants after they exit the program. A "rehabilitated" Veteran successfully completes the rehabilitation program. Veterans are considered rehabilitated once suitable employment has been maintained for at least 60 days. As shown in the figure below, Veterans who have achieved rehabilitation report high levels of employment and homeownership. Nearly 90% of all Veterans have moderate to high levels of satisfaction with the program.

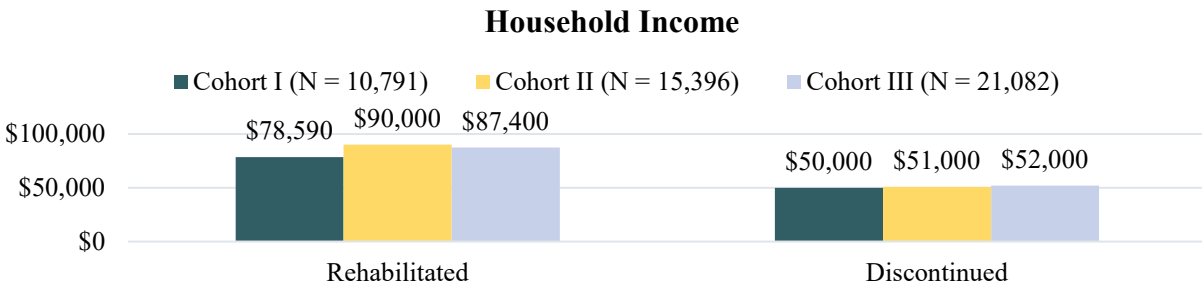
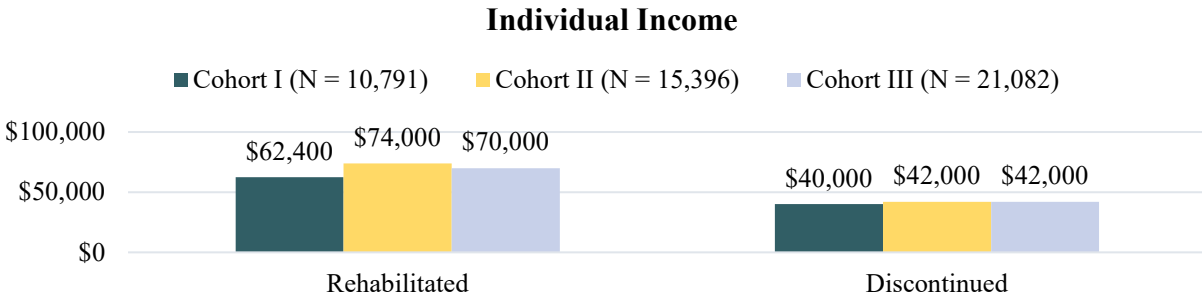
Rehabilitated Veterans have High Levels of Employment and Homeownership



Veterans who have achieved rehabilitation reported higher annual income amounts than discontinued participants – at least \$22,000 higher for individual income and at least \$28,500 for household income. Across all cohorts, between 79% and 88% of Veterans who have achieved rehabilitation from an employment plan of services were employed in the past year.

Veterans who achieve rehabilitation have a higher rate of owning their principal residence, relative to that of those who discontinued:

- Cohort I – 74% versus 68%
- Cohort II – 79% versus 58%
- Cohort III – 74% versus 59%



N = Number of individuals in each cohort

A key finding of the study is that regardless of the length of time since a Veteran has been rehabilitated, they report achieving better employment and standard of living outcomes than those who discontinued services. One caveat to the findings is that Veterans who discontinued services may have different characteristics from those who continued with services, making the two groups difficult to compare.

Fostering a Culture of Collaboration

VR&E stakeholders include Service members, Veterans, Guard and Reserve members, as well as dependents of certain Veterans. Partners include the Veterans Health Administration (VHA), Department of Labor, Small Business Administration, Office of Personnel Management, Department of Defense (DoD), General Services Administration, Social Security Administration, Internal Revenue Service, Congress, Veterans Service Organizations and other vocational rehabilitation facilities.

Within Program and Policy, Field Liaisons communicate with stations on a weekly basis to provide support and guidance in driving performance from a proactive standpoint. This identifies performance gaps early; ensures compliance with policies, procedures and modernization initiatives; and ensures all stations are providing the best customer service.

The Field Services Team provides:

- Increased communication and rapport with the field and strengthened collaboration with the field and District Managers, including monthly meetings with District Offices.
- Action plans to broker cases to ensure all stations can assist Veterans and meet their targets.
- Additional guidance, support and clarification on changes in work due to COVID-19.
- Briefings to VR&E Executive Director on each station's performance, support needs,

guidance requirements and current concerns from the field staff.

- Special case reviews and training.
- Best practices among the stations.

Commission on Rehabilitation Counselor Certification (CRCC)

VBA continues to strengthen its partnership with CRCC. VR&E allows eligible VR&E Counselors to request reimbursement or sponsorship for application and renewal fees. For 2022, VR&E reimbursed 45 VRCs. VR&E also supports VHA's Employee Education System that offers CRCC accreditation by allowing VHA CRC employees access to VR&E's CRC-approved training items for continuing education credit.

Suicide Prevention

Suicide is a national health concern, and VA believes all its programs have a role in reducing Veterans' risk of suicide. The VR&E program helps Veterans find greater purpose through employment training and independent living. VR&E ensures all VRCs are educated on suicide prevention and are prepared to help a Veteran experiencing signs of distress.

VR&E established a partnership between e-VA and the Veteran Crisis Line (VCL) in 2021. The functionality within the e-VA platform allows for the scanning of all electronic communications for keywords and phrases containing harmful or self-destructive language. The partnership allows VR&E to provide additional follow-up care for participants in crisis. This provides a safeguard to ensure no Veteran misses the opportunity to receive care after a mental health crisis and establish a "Continuation of Care" model that ensures follow-on support will be available. Since the launch of the partnership, there have been four VCL referrals for assistance.

Non-Paid Work Experience (NPWE) Program

The NPWE, specific to the VR&E program, provides Veterans who might lack suitable work experience an opportunity to gain valuable skills in positions aligning with their interests, by providing training and practical job experience. A NPWE program is developed within a facility of any agency in federal, state or local (city, town, school district) government. Participants receive a monthly monetary subsistence allowance to assist with living expenses. The NPWE program serves as a major "tool in the toolbox" for ECs and VRCs. As of September 2022, VR&E had 209 participants in a NPWE program. Although there is no guarantee that a participant will be hired, they do receive valuable work experience and develop employment references that can assist them with other employment opportunities.

Chapter 31 National Contracts

To improve the employee experience, provide additional support and render timely services, VBA continues to procure supplementary VR&E services by contract. These Chapter 31 national contracts provide VR&E with support services on an as-needed basis for Initial Evaluation and Assessments, Case Management and Employment Services. This allows VR&E to provide surge capacity during peak retirement and separation timeframes.

Each of the awarded contracts has a direct and positive impact on those Veterans participating in the VR&E program. These impacts can be seen at the RO level by improvements in the Counselor to Veteran ratio. VR&E closely monitors the utilization of the contracts at each station and collects

feedback regarding the contractor's performance and ability to provide services. In 2022, \$4.6 million was obligated for the three services mentioned above. The costs for these services vary from station to station based on the geographic location and cost of living at the different Regional Offices. Tasks orders are issued against these Indefinite Delivery/Indefinite Quantity Contracts for each service group and the task orders are for a period of performance not to exceed 12 months. Funds obligated in September 2022 may have referrals issued against those funds for 12 months, which will end in September 2023. Adjustments are made based on needs and utilization each year.

Outreach & Marketing

VR&E, previously referred to as "Vocational Rehabilitation and Employment," implemented its new name and rebranded the program in 2020 as "Veteran Readiness and Employment." Through a comprehensive Human-Centered Design research effort, VR&E learned that confusion around the former program name, a general misunderstanding of the services provided and stigma attached to the naming convention deterred some potential program participants from seeking Chapter 31 services. An effective naming convention and updated program brand highlighting Chapter 31 as a career/employment program was created to help mitigate confusion about program benefits and facilitate greater awareness and access to the program. This name change was established by final rule effective February 2022.

VR&E continued to market its new name and other major program information in 2022 via a variety of platforms to include social media and blogs. During 2022, there were 111 social media posts (Facebook, Twitter and Instagram) and 21 blog posts communicating information on program initiatives and major celebratory events like the National Disability Employment Awareness Month and employment events.

Veterans Orientation Express (VOX)

VR&E launched the VOX web-based tool and video series designed to enhance the Veteran experience in 2021. Creation of this tool was a collaborative effort between VR&E and the Office of Strategic Engagement's VA.gov team. The effort also included user acceptance testing with Veterans and Service members before the tool was officially launched. The VOX is embedded in VR&E's application and guides Service members, Veterans and their dependents through a series of questions to help them understand and determine their eligibility. If the individual appears eligible, the tool guides the applicant through a series of videos explaining each of VR&E's Five Tracks to Employment, which empowers the individual to make an informed choice about the benefit they are applying for. The videos can be viewed using this link: [Veteran Readiness and Employment Orientation | Veteran Affairs \(va.gov\)](#).

Employment Services Modernization

During 2022, VR&E shared 1,330 job leads/employment events with field staff. Over 250 were virtual/remote job leads or events, which contributed to over 10,600 employment rehabilitations for 2022.

VR&E created several MOUs focusing on business partnerships and NPWE opportunities. These provide Veterans with training and practical job experience toward employment with government entities. MOUs have been and are being developed with the Department of Transportation,

Department of Homeland Security, Department of Interior, National Park Service, Internal Revenue Service, Department of Health and Human Services, Centers for Disease Control, USDA and the Council of State Administrators of Vocational Rehabilitation.

VR&E has continued its long-standing relationship with the Department of Labor (DOL), focusing in the areas of job placement services and the provision of targeted labor market information. This partnership expanded to DOL's Office of Apprenticeship, focusing on increasing the utilization of registered apprenticeships within the VR&E program and has resulted in a nine-month Apprenticeship Pilot at six ROs. Training on apprenticeships has now been formally added to the annual training curriculums for all professional field staff members. Since the apprenticeship training was added to curriculums, the number of VR&E participants entering apprenticeship programs has increased. In 2020, there were 271 Veterans who entered into an apprenticeship program, 309 in 2021 and 328 in 2022. The DOL Veterans' Employment and Training Service (VETS)/VR&E Joint Work Group is beginning to work on developing protocols for addressing the needs of making referrals to the State Joint Work Force personnel on a national level for the provision of employment services by the Disabled Veterans' Outreach Program Specialist under the Jobs for Veterans State Grant program. The test period for the initiative began in the first quarter of 2023.

VR&E partnered with Microsoft and hosted two virtual career events in 2021 and 2022. These events provided both our private and public sector business partners an opportunity to present and share information about their agencies and to provide employment opportunities to all Veterans within and outside of VR&E. The events focused on positions in the areas of Computer Science, Business, Program/Management Analyst, IT, Technology, Customer Service/Support and Software Engineering. The events were attended by over 6,000 Service members and Veterans, including over 2,800 VR&E participants, and resulted in over 500 Veterans securing employment within the government and private sectors.

In 2022, VR&E participated in 40 employment-related events with 19 of the events being sponsored exclusively by VR&E. Additionally, during the month of June 2022, VR&E held an Employment Extravaganza, providing 15 separate career fairs with 15 of VR&E's private and public business partners. These events were open to all Veterans and Services members. Over 13,800 Veterans attended VR&E events during 2022.

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Insurance

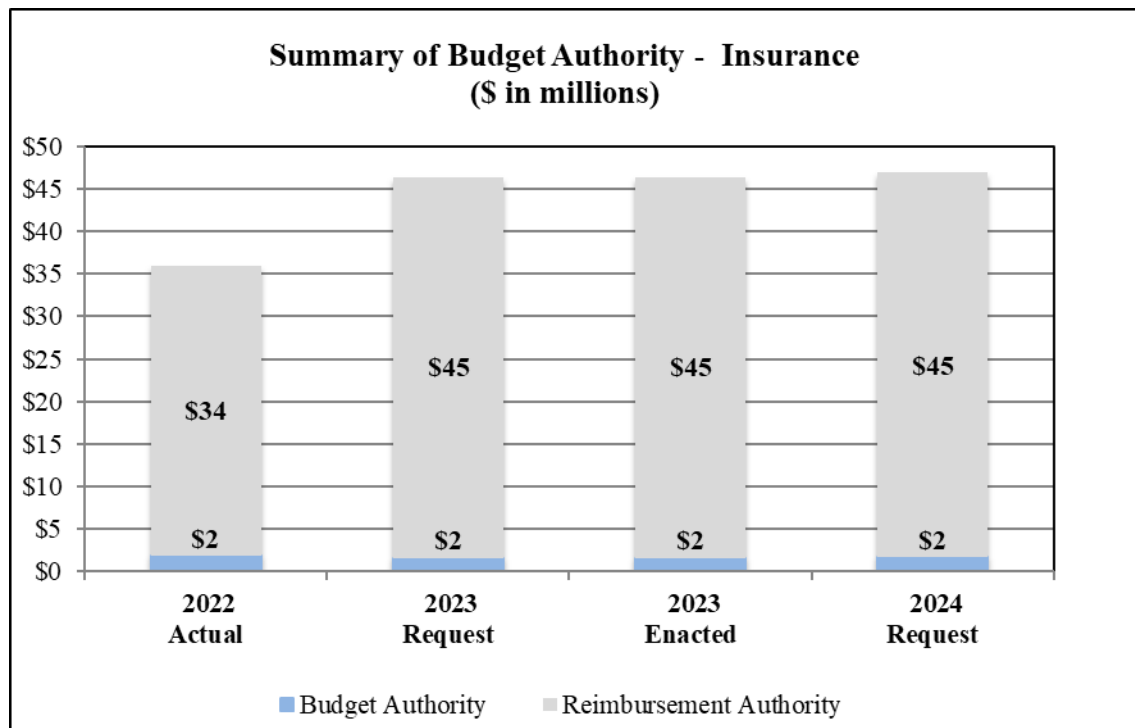
Mission

To provide our Nation's Veterans, Service members and Military Families insurance products and services.

Summary of Budget Authority

2024 Budget Authority Request: \$1.6 million

Change over 2023 Enacted: + \$61,000 / + 3.9%



Summary of Budget Request

VA requests \$1.6 million in budget authority to fund the Veterans' Mortgage Life Insurance (VMLI) Program, as well as projects and activities not directly associated with Insurance Service's (Insurance) reimbursable programs. Total budget authority and offsetting collections will fund obligations of \$46.9 million in 2024. This request will enable the Insurance service to continue administering eleven valuable life insurance benefits programs to Veterans, Service members and their families and is further explained below in program description. It funds administrative expenses for 341 full-time equivalent (FTE) who help our Veterans and survivors to process new

insurance applications, respond to inquiries, perform outreach activities to disabled Veterans, pay insurance policy loans and cash surrender requests from policyholders, and pay life insurance death benefits to beneficiaries.

Insurance					
Summary of Discretionary Appropriation Highlights					
(\$ in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Actual	Request	Enacted	Request	Increase(+) Decrease(-)
FTE					
Direct	260	322	322	322	0
Management Direction and Support	18	19	19	19	0
Total FTE	278	341	341	341	0
Obligations					
Personal Services (without overtime)	\$30,888	\$39,635	\$39,635	\$41,556	\$1,920
Overtime	\$290	\$105	\$105	\$107	\$2
Travel	\$25	\$91	\$91	\$91	\$0
Interagency Motor Pool	\$2	\$5	\$5	\$2	-\$3
Transportation of Things	\$0	\$0	\$0	\$0	\$0
Rent, Communications & Utilities	\$2,310	\$2,544	\$2,544	\$2,609	\$65
Printing	\$36	\$38	\$38	\$38	\$1
Other Services	\$2,316	\$3,661	\$3,661	\$2,146	-\$1,515
Supplies and Materials	\$14	\$89	\$89	\$89	\$0
Equipment	\$6	\$252	\$252	\$252	\$0
Insurance Claims	\$0	\$0	\$0	\$0	\$0
Total Administrative Obligations	\$35,887	\$46,420	\$46,420	\$46,889	\$470
Reimbursements	-\$33,952	-\$44,835	-\$44,835	-\$45,244	-\$409
Net Appropriation	\$1,936	\$1,585	\$1,585	\$1,646	\$61
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$1,936	\$1,585	\$1,585	\$1,646	\$61
Outlays (net)	\$1,840	\$1,538	\$1,521	\$1,593	\$72

Dollars may not add due to rounding in this and subsequent charts.

Changes from Original 2023 Request

Obligations remain unchanged from the original request.

Changes from 2023 Enacted to 2024 Request

Total administrative obligations increased \$470,000 from the 2023 enacted. This includes a projected increase of 5.2% in pay and 2.0% for non-pay inflation. Rent, Communications and Utilities increase by \$65,000 due to re-estimates of mail volume and the associated postage expenses in the legacy insurance programs. Other Services decrease by \$1.5 million primarily due to a decrease in project management requirements for the Veterans Affairs Life Insurance (VA Life) Program.¹⁵

¹⁵ Veterans Affairs Life Insurance was previously referred to as VALI in the 2023 President's Budget.

Program Description¹⁶

VA offers life [insurance coverage](#) at competitive premium rates for Veterans that complement the coverage provided while in uniformed service. Insurance provides Veterans with life insurance benefits that may not be available from the private insurance industry due to lost or impaired insurability resulting from military service. Insurance also provides universally available life insurance benefits to Service members and their families; traumatic injury protection insurance for Service members; and options to convert existing term insurance policies to either permanent plans or renewable term insurance policies after separation from service.

The following programs assist with financial security for Service members' and Veterans' beneficiaries upon the insured's death:

- Servicemembers' Group Life Insurance (SGLI) provides up to \$500,000¹⁷ of group term life insurance coverage to Service members that can be converted to Veterans' Group Life Insurance (VGLI) or to a permanent life insurance policy with any of VA's participating commercial insurance companies after the Service member's separation from duty. Full-time SGLI coverage is available for:
 - Commissioned, warrant and enlisted members of the Army, Navy, Air Force, Marine Corps, Space Force and Coast Guard
 - Commissioned members of the National Oceanic and Atmospheric Administration (NOAA) and the United States Public Health Service (USPHS)
 - Cadets or midshipmen of the United States Military, Naval, Air Force and Coast Guard Academies
 - Ready Reservists and National Guard members assigned to a unit and scheduled to perform at least 12 periods of inactive training per year
 - Members of the Individual Ready Reserves (IRR) who volunteer for assignment to a mobilization category
- Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI) provides short-term financial assistance to severely injured Service members to reduce financial burden during an extensive recovery and rehabilitation process from their injury. All Service members who have SGLI coverage are automatically covered by TSGLI through a \$1 premium insurance rider.
- Family Servicemembers' Group Life Insurance (FSGLI) provides coverage for spouses and dependent children of members covered by full-time SGLI. Spousal coverage is available in increments of \$10,000 up to a maximum of \$100,000 or the Service member's coverage, whichever is less. Dependent child coverage is \$10,000 and offered at no additional charge.

¹⁶ See the Mandatory Insurance Benefits chapter within Part 3 of Volume III for more information on Insurance Programs

¹⁷ Servicemembers' Group Life Insurance (SGLI) coverage increased from \$400,000 to \$500,000 effective March 1, 2023, per Public Law 117-209 (Supporting Families of the Fallen Act), signed into law by the President on October 17, 2022.

- VGLI provides for conversion of SGLI coverage to a renewable group term life insurance policy after a Service member's separation from service. Applications for coverage received within 240 days from separation are automatically approved with no health review. Applications received between 241 days and one year and 120 days from separation are still considered for coverage; however, a health review is required prior to approval. Coverage is available for the following members:
 - Full-time SGLI insureds who are released from active duty, Reserves or National Guard
 - Ready Reservists who have part-time SGLI coverage who, while performing active duty or inactive duty for training for a period of less than 31 days, incur a disability or aggravate a pre-existing disability that makes them uninsurable at standard premium rates
 - Members of the IRR, the USPHS Inactive Reserve Corps (IRC) and Inactive National Guard (ING)

- SGLI Disability Extension (SGLI-DE) provides up to two years of no cost SGLI coverage to separating Service members who are totally disabled at the time of separation. To be considered totally disabled, the Service member must have a disability that prevents gainful employment or have one of the following conditions, regardless of employment status:
 - Permanent loss of use of both hands
 - Permanent loss of use of both feet
 - Permanent loss of use of both eyes
 - Permanent loss of use of one hand and one foot
 - Permanent loss of use of one foot and one eye
 - Permanent loss of use of one hand and one eye
 - Total loss of hearing in both ears
 - Organic loss of speech¹⁸

- Service-Disabled Veterans Insurance (S-DVI) provides life insurance coverage to Veterans who may not be able to obtain coverage from the commercial life insurance industry due to their service-connected disabilities. In order to be eligible for S-DVI, a Veteran must:
 - Have been released from active duty under other than dishonorable conditions on or after April 25, 1951;
 - Receive a new grant of service connection, regardless of the percentage rating assigned;
 - Be in good health except for any service-connected conditions; and
 - Apply within two years from the date VA grants a new service-connected disability or before December 31, 2022.

Note: In accordance with P.L. 116-315, this program stopped issuing new policies on January 1, 2023.

¹⁸ Lost ability to express oneself, both by voice and whisper, through normal organs for speech; being able to speak with an artificial appliance is disregarded in determination of total disability.

- VA Life offers up to \$40,000 (in increments of \$10,000) of guaranteed acceptance whole life coverage to all service-connected Veterans aged 80 and under, with no time limit to apply. No medical underwriting is required for enrollment. Some Veterans aged 81 and older may also be eligible if they applied for VA Disability Compensation before age 81 and receive their rating after turning 81 years of age, if they apply within two years of being notified of their rating. VA Life launched on January 1, 2023.
- VMLI provides up to \$200,000 in mortgage protection insurance that can help families of severely disabled Service members or Veterans pay for their home mortgage in the event of death. Veterans must apply for VMLI before their 70th birthday. VMLI is only available to Service members and Veterans with severe service-connected disabilities who:
 - Received a Specially Adapted Housing (SAH) grant to help build, remodel or purchase a home;
 - Have the title to the home; and
 - Have a mortgage on the home.
- United States Government Life Insurance (USGLI), National Service Life Insurance (NSLI), Veterans' Special Life Insurance (VSLI) and Veterans' Reopened Insurance (VRI) provide life insurance coverage to World War I, World War II and the Korean War Era Veterans. These programs are serviced by the VA for existing policyholders; however, new policies are no longer issued as of 1940 for USGLI, 1951 for NSLI, 1957 for VSLI and 1966 for VRI.

Workload

Insurance Workload and Direct FTE Requirements	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Insurance Direct Labor FTE	268	260	322	322
Death Claims	78,966	64,117	72,190	70,440
Loans and Cash Surrenders	27,498	31,677	30,280	28,670
Telephone Calls Answered	397,479	401,488	402,520	403,380
S-DVI & VMLI Applications	22,626	19,149	8,970	980
VALife Applications	n/a	n/a	10,000	20,000
All Other Insurance Maintenance Actions	166,657	134,854	158,290	163,160

Insurance employs 322 direct employees in the Philadelphia, Pennsylvania VA regional office. Insurance operations personnel include: Claims Examiners who support approximately 21,000 insurance applications and over 70,000 death claims in 2024; Insurance Specialists who handle over 403,000 calls to the Insurance Customer Service Center; Financial Accounts Technicians who assist in processing over 163,000 maintenance actions (i.e., correspondence reviews, policy updates, etc.); and Insurance Specialists who provide outreach efforts to disabled Veterans annually to inform them of their potential insurance options. The increase in telephone calls and maintenance actions is a result of the increase in policies in force in the VA Life program. The

decrease in loans and cash surrenders is due to the decline in total policies in force in the legacy insurance programs. Additionally, the decrease in S-DVI applications is due to the closing of the program to new issuance effective December 31, 2022.

VBA Insurance Quality Assurance staff reviews 100% of employee-generated death claim disbursements prior to release and monitors system-generated disbursements. This staff is a major factor in Insurance's ability to achieve an accuracy rate of at least 97.5% for disbursements.

The Insurance business line is made up of four major components: (1) Stakeholder Engagement and Mission Support; (2) Program Administration; (3) Actuarial Staff; and (4) Operating Divisions. These four business office components and support staff ensure Insurance's ability to execute a successful benefit that our Veterans have earned.

- Stakeholder Engagement and Mission Support prepares budget and accounting, and oversees enterprise risk management, business system support, stakeholder engagement and strategic communication.
- The Program Administration component oversees performance management, data analytics, training, policy, procedures, innovation, program quality and program oversight.
- The Actuarial staff prepares actuarial studies, analyses, financial reports, program and financial projection models.
- The Operating Divisions executes the actions to receive, process and take action on applications, service requests and claims.

VBA no longer issues new insurance policies for USGLI, NSLI, VSLI and VRI. Insurance's workload trend is expected to shift in 2023 as the S-DVI program closed effective December 31, 2022, and the VALife program began January 1, 2023. Workload associated with the closed legacy insurance programs will continue to decline, while workload related to the new insurance program (VALife applications, calls, death claims and maintenance actions) will begin to grow. The VALife program expands the pool of service-disabled Veterans eligible for insurance coverage by not having the medical underwriting requirements nor the two-year application window that existed under the S-DVI program.

Performance Measures

In 2024, the resources requested will enable Insurance to continue providing world-class service to our Veterans, Service members and survivors. In 2024, VA estimates processing approximately 99,000 disbursements in four days or less with 97.5% accuracy or better; answering approximately 403,000 calls; and processing 21,000 insurance applications.

The 2024 resources requested support performance for continuous improvement and increased client satisfaction. Insurance employs a variety of techniques to enhance the customer experience and improve client satisfaction, such as the toll-free Insurance Customer Service Center, email, the Interactive Voice Response (IVR) system, social media and the Insurance self-service website.

Insurance recently implemented several initiatives to achieve timely and accurate processing of disbursements. This includes an automated online loan application tool and implementation of digital signing services to streamline claims processing and enhance security for claims made by

survivors.

Highlights and Achievements

VBA's 2024 Insurance budget request aligns with VBA's Strategic Goals to provide benefits in an exceptional manner. Achievements from 2022 that support these goals are highlighted below.

Providing Veterans with Earned Benefits

Insurance provides high-value life insurance benefits for Veterans, Service members, families and their beneficiaries in a timely and efficient manner. Employees in the Insurance Customer Service Center complete requested actions at the time of a Veteran's call for first time resolution when possible. This improves overall timeliness of service delivery because telephone call issues are often addressed immediately, and not referred for processing by another employee. During 2022, the Insurance Customer Service Center answered 82.2% of phone calls within 20 seconds. With an average speed to answer of 37.5 seconds, Insurance's Customer Service Center provided swift, reliable service, promoting trust with the Veterans served.

In 2022, Insurance completed S-DVI application claims in an average of 3.4 days of processing with 97.7% accuracy. This exceeded the 2022 goal of processing S-DVI applications in eight days or less at an accuracy rate of 94% or better, providing high quality service and further earning the trust of Veterans. Insurance also completed disbursement actions with an average processing time of 2.4 days for completed claims with 98.4% disbursement accuracy, surpassing the 2022 goals of completing disbursements within four days with at least 97.5% accuracy.

Insurance has studied and implemented methods to improve timeliness of services and benefits. This includes the February 2022 launch of a new paperless death claims process, leveraging VA's enterprise eSignature platform. Beneficiaries are now able to submit claim forms with digital signatures and upload all necessary supporting documentation using a secure portal. Compared to mailing in paper claim forms, the new platform significantly reduces the amount of time it takes for a claim to reach a Veterans Claims Examiner for review/processing from one to two weeks to one to two days. This enables beneficiaries to receive payments quicker. Additionally, the new platform reduces the back-and-forth communication needed and improves accuracy by validating that claims forms are completed correctly before they are submitted. This will reduce the amount of follow up action needed, which is anticipated to result in a reduction of 1,600 FTE hours per year.

Innovation

Insurance is in the process of modernizing its policy administration system from an in-house legacy mainframe platform to a commercial, cloud-based managed service solution. The new IT solution, which is expected to be complete by 2024, will empower Insurance to be a more data-driven organization.¹⁹ Efficiencies include elimination of large data storage facilities, lower overall cost for software/hardware, improved standardization across insurance products and improved data reporting capabilities.

In partnership with the Department of the Treasury's Bureau of the Fiscal Service, Insurance

¹⁹ Additional information about OI&T's Life Insurance Policy Administration Solution (LIPAS) can be found in the Benefits Portfolio section of OI&T's chapter within Volume 2 of the budget submission.

launched an e-billing solution via www.Pay.gov to send billing notices via email and collect payments electronically. Starting in 2023, customers will have the option to pay bills using electronic fund transfer, credit or debit cards, as well as other modern payment options. Insurance will leverage this new platform to offer more secure and convenient options for Veterans to pay their insurance premiums or policy loan repayments online, with the goal of eliminating paper processing.

Insurance is also committed to improving data analytics and continues to partner with VBA's Office of Performance Analysis and Integrity (PA&I) on robust reporting tools that provide improved workload management.

Survivor Benefits

Insurance supports survivor benefits by increasing awareness of benefits payments available, streamlining application processes and increasing economic security for survivors.

The Insurance Service is currently developing and executing communication campaign strategies to highlight efforts to educate, automate, and innovate through Veteran engagements, newsletters, outreach, social media, podcasts, traditional media and more. Efforts have increased awareness of Insurance products across various VA, VBA and other government channels to make clear the VA is increasing access and outcomes to provide Veterans and Service members benefits they have earned.

Ensuring Strong Fiscal Stewardship

Insurance's discretionary expenses are primarily funded outside of appropriations through premium collections and redemption of securities. Over 90% of the requested resource levels are reimbursable by the Insurance funds. Taxpayer dollars support the administration of the VMLI program and limited other items (described in the Summary of Budget Request).

Insurance continues to be a fiscal steward of taxpayer and policyholder dollars by using various methods to minimize the risk of improper payments. In 2022, Insurance maintained a high accuracy rate for disbursements of 98.4%. The methods used to ensure payments are accurately made include:

- A dedicated quality assurance staff that monitors, reviews and approves employee-generated insurance disbursements
- Using inter-agency data matches to ensure monthly Insurance benefit recipients are still entitled to benefits
- Employing a Statistical Quality Control program to help validate proper payments and assess the ongoing quality and timeliness of our work products
- Conducting an annual post audit review of randomly selected outlays as part of VBA's Payment Recapture and Recovery Audit, in compliance with the Payment Integrity Information Act (PIIA) of 2019 and Office of Management and Budget (OMB) guidance

The Department of the Treasury's Bureau of the Fiscal Service provides an analytics tool called Do Not Pay (DNP) to help agencies detect and prevent improper payments made to vendors, grantees, loan recipients and beneficiaries. Agencies can check multiple data sources to make eligibility decisions, including checking the death notification for the payee. Insurance uses the

DNP application to prevent improper payments by identifying Veterans or beneficiaries who may have died. Early identification results in the need for less development of the claim and paying an alternative beneficiary more quickly.

Fostering a Culture of Collaboration

Insurance focuses its resources to provide benefits and services effectively and efficiently. Partners include the uniformed service branches from the departments of Defense, Commerce, Homeland Security, Health and Human Services, and Treasury, the SGLI Advisory Council, OMB, Congress, Veterans Service Organizations, the public and the private sector including 11 insurance companies that serve as converters or re-insurers for the SGLI Program.

Examples of joint efforts include:

- Insurance is partnering with the Defense Finance and Accounting Service (DFAS) and the non-military uniformed services' finance offices to document SGLI premium payment procedures. A joint workgroup is underway with monthly meetings allowing VA, DFAS and all uniformed services to share procedures. This effort will allow each organization to document processes to find efficiencies and share knowledge.
- Insurance partnered with the uniformed services and the Department of Defense (DoD) Defense Manpower Data Center to form the SGLI Online Enrollment System (SOES) Configuration Control Board (CCB) in 2017. The CCB meets quarterly to identify and prioritize system enhancements. This includes updates to online applications for Service members to manage their SGLI coverage and beneficiary selections. SOES reduces errors inherent to previous paper-based processes and saves time on completing and filing paper forms by including edits to ensure the proper information is entered, saving the program \$2 to \$3 million in claims overpayments per year. SOES further assists Service members by providing them a means to manage their SGLI selections from any location with online access, 24 hours a day.

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Office of Outreach, Transition and Economic Development

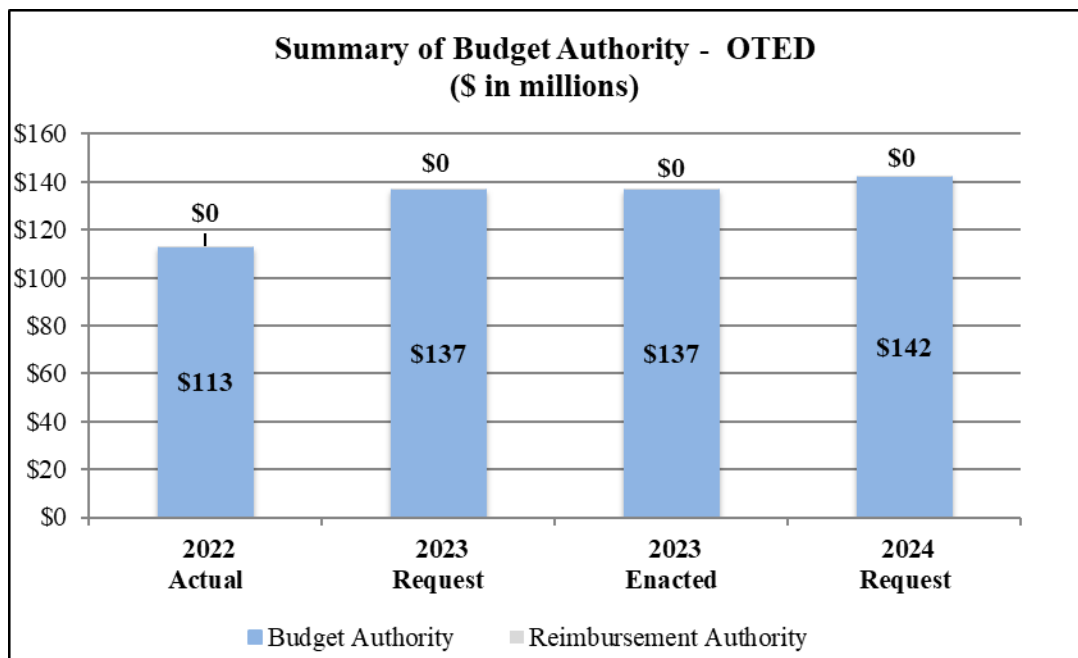
Mission

Collaborate, inform and advocate for Veterans, transitioning Service members, survivors, family members and all eligible beneficiaries by highlighting pathways to VA benefits and services to facilitate sustained successful connections.

Summary of Budget Authority

2024 Budget Authority Request: \$141.9 million

Change over 2023 Enacted: + \$5.3 million / + 3.9%



Summary of Budget Request

VA requests \$141.9 million in budget authority to fund the discretionary portions of Outreach, Transition and Economic Development (OTED), to include administrative expenses for 217 full-time equivalent employees (FTE) to support programs designed for transitioning Service members (TSM), Veterans and their families to achieve their personal goals and sustain economic success and total well-being.

Outreach, Transition and Economic Development Summary of Discretionary Appropriation Highlights (\$ in thousands)					
	2022	2023		2024	2024 - 2023
Discretionary	Actual	Request	Enacted	Request	Increase(+) Decrease(-)
FTE					
Direct	194	226	226	201	-25
Management Direction and Support	18	16	16	16	0
Total FTE	212	242	242	217	-25
Obligations					
Personal Services (without overtime)	\$18,275	\$27,709	\$27,709	\$26,328	-\$1,381
Overtime	\$50	\$50	\$50	\$50	\$0
Travel	\$46	\$47	\$47	\$48	\$1
Interagency Motor Pool	\$6	\$6	\$6	\$6	\$0
Transportation of Things	\$1	\$1	\$1	\$1	\$0
Rent, Communications & Utilities	\$227	\$232	\$232	\$236	\$5
Printing	\$4	\$4	\$4	\$4	\$0
Other Services	\$91,350	\$105,568	\$105,568	\$112,180	\$6,611
Supplies and Materials	\$13	\$13	\$13	\$14	\$0
Equipment	\$3,019	\$3,079	\$3,079	\$3,141	\$62
Insurance Claims	\$0	\$0	\$0	\$0	\$0
Total Administrative Obligations	\$112,991	\$136,709	\$136,709	\$142,007	\$5,297
Reimbursements	-\$136	-\$136	-\$136	-\$139	-\$3
Net Appropriation	\$112,855	\$136,573	\$136,573	\$141,868	\$5,295
Rescission	\$0	\$0	\$0	\$0	\$0
Total Appropriation	\$112,855	\$136,573	\$136,573	\$141,868	\$5,295
Outlays (net)	\$107,260	\$132,476	\$131,093	\$137,320	\$6,227

Dollars may not add due to rounding in this and subsequent charts.

Changes from Original 2023 Request

Total obligations did not change from the original 2023 request.

Changes from 2023 Enacted to 2024 Request

Total administrative obligations increased by \$5.3 million from the 2023 enacted to the 2024 request. This reflects additional resources of \$5 million for the Veterans Transitional Assistance Grant Program (VTAGP), to include three direct FTE, and a shift of 32 FTE from management direction and support (MD&S) from Disability Compensation to OTED for the National Call Center (NCC).

Changes also include a projected increase of 5.2% in pay and 2.0% for non-pay inflation. Additionally, the request reflects a shift in VBA direct FTE and MD&S resources that are now reflected under the funding request for The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act (P.L. 117-168).²⁰ For OTED, this includes 60 direct FTE for military environmental exposure outreach.

²⁰ See the Executive Summary for General Operating Expenses, Veterans Benefits Administration, within Part 2 of Volume III for more information on funding requests that are now addressed under the Cost of War Toxic Exposures Fund per P.L. 117-168.

Program Description

OTED is dedicated to informing Veterans, Service members, survivors and eligible beneficiaries about VA benefits and services; easing a Service member's transition from the military to civilian life; and collaborating with interagency or non-governmental organizations, community partners and Veterans Service Organizations (VSOs) on all levels. In 2021, VBA consolidated all outreach, communications, contact center quality and compliance, and engagement activities, whether they occur before, during or after transition, under OTED to ensure a more holistic approach to Veteran engagement.

Veteran Transitional Assistance Grant Program (VTAGP)

VTAGP makes grants available to eligible organizations to provide resume assistance, interview training, job recruitment training and related services to members of the U.S. Armed Forces who are separated, retired or discharged, to include their spouses. OTED is in the process of establishing a grants office, which will require FTE to implement a successful grant program. The program will involve ongoing coordination of regular inspection; monitoring of grant awardees; and designing of methods to expeditiously review, monitor, manage and process grant applications from various entities. The new team will manage other special projects related to grant initiatives and program implementation. These special projects can include Pre-Application and Inaugural Grantee Conferences; review panels; liaison between Government and recipients; and technical assistance meetings. VBA's 2023 budget request included \$1.3 million in support of VTAGP. This supported the costs for four FTE and \$500,000 for the initial grant awards. For 2024, VBA is requesting an additional \$5.0 million for the program, which includes funding for an increase of three FTE and approximately \$4.5 million in grants awards. The program's duration is five years. At the end of the term, Congress will assess the success of the program to determine whether to authorize VA to continue VTAGP.

Outreach (Traditional and Virtual)

Under 38 U.S.C. § 7703 (5), VBA is designated as the responsible administration within the Department for outreach programs and other Veterans' services programs. This includes the responsibility of informing Service members, Veterans and eligible beneficiaries about the benefits and services for which they may be eligible. The goal of outreach is to develop and deliver a continuum of effective, customer-focused outreach programs, activities and content that engages and empowers diverse stakeholders to understand how to access and apply for VA benefits and services.

Access to VA benefits information, services and claims assistance is critical to ensuring that Service members, Veterans, their families and other eligible beneficiaries are aware of and receive the benefits they have earned. VBA participates in customer-focused outreach events such as conferences, symposiums, townhalls and stakeholder roundtables that engage and empower stakeholders. Also, VBA distributes printed marketing materials, such as brochures, facts sheets, pamphlets and flyers, containing critical information about all available VA benefits and services and how to access them.

Under the leadership of the Assistant Director and the Supervisory Program Analyst, OTED's outreach team includes two Supervisory Program Analysts, two Lead Program Analysts, 11 Program Analysts and two Management Analysts. These 17 dedicated outreach employees are

responsible for coordinating and promoting VA's Special Emphasis Programs; establishing and promoting outreach materials; tracking and reporting national outreach metrics; and collaborating broadly with internal and external stakeholders.

Special emphasis coordination between OTED Outreach Program Managers and the regional office (RO) staff members is inherently fluid and communicative in nature, as many of these programs have coordinators at ROs and counterparts in other parts of VA (i.e., Veterans Health Administration (VHA)). In 2022, VBA participated in events with the VA/Department of Defense (DoD) Survivors Forum; Virtual Benefits Seminar; LGBTQ+ Training Symposium; VA training for embassy and consulate staff around the globe; Military Sexual Trauma (MST) Coordinator Training; and Virtual Tribal Claims Clinics on Reservations, among many others. A list of OTED's special emphasis programs is provided below.

- Elderly Veterans
- Faith-Based Outreach to Veterans
- Former Prisoners of War (FPOW)
- Homeless Veterans
- Justice Involved Veterans
- LGBTQ+ Veterans
- Minority Veterans
- MST
- Rural Veterans
- Suicide Prevention
- Tribal and Native American
- Women Veterans
- Foreign Veterans
- Overseas Military Service Coordinator (OSMC) Program

OTED continues to engage offices to strengthen partnerships across VA, to include the Veterans Experience Office (VEO); Center for Minority Veterans; Center for Women Veterans; Center for Faith and Neighborhood Partnerships; Office of Tribal Government Relations; and others. Notably, OTED collaborated with VEO on missions such as the Women Veterans Journey Map, Native American Journey Map and Virtual Veterans Experience Action Center (V-VEAC) claims clinic events.

Traditional face-to-face outreach operations were affected by COVID-19. As a result, OTED collaborated with the State Departments of Veterans Affairs (SDVAs) and National Association of State Directors of Veterans Affairs to reinforce its outreach operations throughout 2021 and 2022 by providing direct outreach to state partners. These meetings brought together roughly eight to 12 states; VBA District and RO leadership; and VBA Central Office leadership to one virtual round table discussion. The events provided open communication lanes, fostering VBA's ability to broadly share updates on VA benefits and services, as well as to pass along newly created fact sheets on a host of topics.

In response to COVID-19, OTED transitioned to virtual outreach, utilizing a wide array of virtual platforms such as WebEx, Microsoft Teams and Zoom to reach internal and external stakeholders.

ROs were encouraged to use alternative outreach methods such as virtual claims clinics, town halls and informational symposiums.

In 2022, VBA established a national townhall initiative which identified specific ROs to host Virtual Townhall events. VBA created the Outreach Reporting Tool Plus (ORT+) dedicated to tracking national VBA outreach operations. ORT+ has proven to be an effective method for tracking virtual events in real time.

Office of Survivors Assistance (OSA)

OSA was established by the Veterans' Benefits Improvement Act of 2008 (P.L. 110- 389), Title II, Section 222. The OSA Director serves as the principal advisor to the Secretary on all policies, programs, legislative issues and other initiatives affecting surviving family members of deceased Service members and Veterans. OSA serves as a resource regarding all benefits and services furnished by the Department to survivors of deceased Veterans. OSA also handles the casualty portion of VBA's outreach, ensuring all active duty casualties are reported and entered into the Federal Case Management Tool (FCMT), as well as training both Service Assistance Officers and Casualty Officers assigned to the ROs.

Veteran survivors are those survivors who are eligible for benefits from the VA by virtue of the circumstances around the Veteran's death. Direct assistance includes answering emails and phone calls on a daily basis; seminars and group calls to survivor focused groups like Gold Star Mothers and Gold Star Wives; and attendance at events where survivors are gathered.

OSA's activities include:

- Building and maintaining collaborative partnerships with local, state, tribal and Federal agencies, as well as VSOs, faith-based and community organizations and other stakeholder groups to increase awareness of benefits and services available to surviving family members.
- Advocating for the needs of survivors in VA's policy and programmatic decisions.
- Making appropriate referrals to VA administrations and staff offices to ensure survivors receive benefits and services based on their eligibility.
- Providing direct assistance to approximately 6,700 survivors per year, and outreach to another 5,000 survivors annually.
- Communicating with surviving family members on VA benefits and services in a proactive and timely manner.
- Developing innovative outreach opportunities to reach survivors who are eligible but not receiving benefits.
- Updating casualties in the FCMT.

VA Transition Assistance Program (TAP)

TAP supports the seamless transition from military Service member to Veteran for over 200,000 TSMs annually via the delivery of the VA Benefits and Services (VABS) course at over 331 military installations, 109 hubs and 222 itinerant sites. As a result of COVID-19, Service members and their families now have a variety of methods to access the VABS course. In addition to in-person (the preferred method) and web-based training, VBA now facilitates Instructor-Led Virtual (iVLT) briefings providing the same high-level experience as in-person. There are approximately

5,900 full-day, in-person VABS courses conducted per year. Eighteen civilian FTE and more than 280 contracted VA Benefits Advisors are permanently positioned at 109 installations and travel to other locations when needed. During 2022, TAP exceeded 95% on the customer satisfaction measure with a rating of 96.9% for those who attended the VABS course in person. Also, the TAP Satisfaction for iVLT VABS classes exceeded the 90% target with a satisfaction rating of 95.2%.

VBA facilitates a VABS one-day course to assist TSMs in understanding how to navigate VA's websites and provide Service members with skill-building resources and tools needed to achieve emotional and physical health and economic stability. Also, the VABS one-day course provides information about health care, housing, education and training. The TAP staff is also responsible for the development and implementation of policy; all facets of curriculum development; command and control of course delivery quality and logistics; training; and administrative oversight of strategic support resources.

The Veterans Opportunity to Work (VOW) Act is a congressional mandate requiring all Service members attend TAP. Service members can attend VA TAP briefings as early as two years prior to retirement, or within one year for non-retirees. The interactive course covers all VA benefits and services and includes such topics as VA Home Loan Program, Education, disability claims and Life Insurance. The course also affords TSMs an opportunity to register online for VA Healthcare. VA Benefits Advisors support DoD components of the Military Life Cycle Capstone events and provide individual assistance to Service members and dependents on all VA benefits and services.

Congress enacted the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232), which required VA to redesign TAP. The law specifically required Service members who separate, retire or are released from active duty to attend one mandatory full-day training on the benefits and services available from VA. Moreover, P.L. 115-232 required VA to coordinate with DoD and other departments and agencies to carry out TAP. The roles and responsibilities of each respective Department and agency are outlined in a Memorandum of Understanding (MOU). The MOU, updated in 2021, further aligned VA and DoD collaboration across the enterprise to include classifying the TAP Executive Council under the Joint Executive Committee (JEC). The JEC is the coordinating body that oversees joint activities and initiatives that enhance the overall well-being and mental health of Service members, Veterans and their eligible beneficiaries.

OTED's proactive interagency partnerships enable the seamless integration of TAP requirements mandated in legislation to include P.L. 112-56, and the Veterans Employment Initiative (VEI) Task Force recommendation to prepare separating, retiring or demobilizing Service members for their transition to Veteran status. Additional Congressional mandates that influence the administration of TAP include, but are not limited to, the following sections of the COMPACT Act (P.L. 116-315): Section 3005, Continuation of Women's Health Transition Training (WHTT); Section 4305, Independent Assessment of the Effectiveness of TAP; and Section 4306, Longitudinal Study of the Effectiveness of TAP.

Military Life Cycle (MLC) Modules

OTED has developed military life cycle training modules called MLCs. MLC modules include on-line learning capabilities through anytime online access to the following resources:

- Participant Guides: VABS
- Online Resource Guides: MLC Modules
- eLearning Modules and Micro Learning: Self-Paced eLearning (web-based training) modules of VA Benefits and Services and videos
- Online Resources: Repository of resources and references to guides and listings of websites to support the user
- Online VA TAP Course Catalog: Centralized location to access all VA TAP course offerings for TSMs and their families

Women's Health Transition Training (WHTT)

VBA developed and deployed a curriculum within TAP emphasizing women's health care through the WHTT. The training supplements the mandatory TAP course (VABS) and is designed to provide approximately 43,000 women Service members separating annually with in-depth information on gender-specific VA health care services. It is important to note that enrollment in WHTT is not mandatory. Participants learn about a wide range of health care services and eligibility requirements. As of August 2022, 88% of participants who responded to the course evaluation stated that WHTT provided information on how to begin VA health care enrollment, exceeding the 80% target. Moreover, 79% of respondents strongly agreed that the course helped to inform them of VA suicide prevention services and programs.

WHTT is currently being delivered using an e-learning, self-paced modality, providing access for all transitioning Service women and newly separated women Veterans. Future offerings of the WHTT will include virtual instructor-led sessions. This initiative supports the goal of increasing enrollment in VA health care and awareness of specialized care available to women. P.L. 116-315, Section 3005, required VA to carry out the WHTT program for at least one year after the enactment date of January 5, 2022. As a result, VA will continue to offer WHTT via a web-based training modality.

TAP Quality Assurance

OTED conducts independent assessments of VBA's contract support to TAP to ensure quality control of VA Benefits Advisors. In 2022, OTED completed 236 assessments of the 280 VA Benefits Advisors (84.3%), resulting in updates to the instructors guides to facilitate enhanced customer experience. The assessment ensures contracted staff are providing services and support in accordance with established policies and procedures.

The COVID-19 pandemic affected OTED's business operations. Beginning in March 2020, VBA transitioned to a more virtual operating posture to continue delivering benefits and services to Service members and Veterans. VBA suspended all non-essential travel to include OTED's in-person quality site visits. In June 2022, OTED resumed in-person quality site visits in accordance with travel restrictions and COVID protocol guidelines.

Military to Civilian Readiness Pathway (M2C Ready)

The JEC approved the transition period for Service members to begin 365 days prior to separation and extending to 365 days post-separation. M2C Ready leverages Federal agency partnerships, VA benefits and services, VSOs and other existing community resources to provide a holistic approach to ease the stress of transition. M2C Ready conducts a baseline wellness assessment providing information to help target potential stressors. The Service member completes an individual separation assessment to determine the curriculum and MLC modules best suited to the TSM's post-separation needs. Also, M2C Ready identifies opportunities in the transition process and devises the best approach to enhance existing programs or create and develop new programs in support of TSMs and newly separated Veterans.

VBA is developing a new system called the Enhanced Statement of Benefits (ESOB), which completed the discovery phase in 2022. The system will assist recently separated Service members by providing personalized information on potential benefits entitlements based on their individual service record post separation.

Post Separation

OTED's Post Separation division was established in 2021 to oversee emerging OTED programs within the M2C Ready pathway after separation resulting from statutory requirements or enactments through recent public laws. Post Separation is required to establish evidence-based activities that will link directly to the separating population in TAP. Post Separation will evaluate and/or monitor program performance; set or expand program goals; enhance quality within programs; monitor satisfaction; and identify long-term outcomes and program utilization.

Currently, Post Separation is staffed to support two separate programs: Personalized Career Planning and Guidance (PCPG) (38 U.S.C. Section 36) and Veterans Transitional Assistance Grant Program (VTAGP) (P.L. 116-315 Section 4304). Post Separation is in the planning stage of identifying what additional resources are needed to support the additional programs in the new Division's portfolio: Post Separation TAP Assessment (PSTAP) Outcome Study; Veterans Assistance Discharge System (VADS) (38 U.S.C. Section 6303); Network of Support (NoS) (P.L. [116-214, Section 101](#)); Five Year Longitudinal TAP Study (P.L. 116-315, Section 4306); Access for the Secretaries of Labor; and Veterans Affairs to the Federal Directory of New Hires (P.L. 116-315 Section 4301).

Personal Career Planning & Guidance (PCPG)

PCPG services, which offer personalized counseling and support to help guide career paths, ensure the most effective use of benefits and assists Veterans with achieving education and career goals. Eight employees orchestrate public and private partnerships to support the total well-being of Service members. PCPG offers tailored career and educational counseling services that include:

- Resume support
- Education and employment planning
- Detailed skills assessment
- Personalized action plan to achieve education and career goals
- Adjustment counseling to successfully transition to civilian employment
- Connection to VA benefits and services

- Tele-counseling

PCPG processed 8,316 personalized career and educational counseling applications in 2022. The program assists beneficiaries who are career ready in jobs that are meaningful and forward looking. PCPG currently uses Veteran Readiness and Employment's (VR&E's) Corporate, Waco, Indianapolis, Newark, Roanoke and Seattle System (CWINRS) case processing platform. It is scheduled to be retired once a new system is fully operational. OTED has collaborated with VR&E, which is leading the effort to develop a suitable replacement case processing platform. The updated system will provide OTED PCPG with a Case Management Solution Service that enables Program Analyst enhanced contract counselor(s) engagement, data entry and documentation within a FedRamp Certified cloud environment.

Post-Separation TAP Assessment (PSTAP) Outcome Study

OTED instituted the PSTAP study in 2019 to learn what drives Veteran satisfaction, as well as their long-term outcomes across a host of life domains. The PSTAP provides an annual report. The 2021 Report is expected for release later in 2023. The five-year study will:

- Identify what is most important to Veterans in determining their satisfaction with TAP.
- Determine what actions to take to improve the experience.
- Guide training and operational activities to enhance the quality of benefits and services provided to Veterans.

Network of Support (NoS) Pilot Program

The National Defense Authorization Act for Fiscal Year 2020 (P.L. 116-92) included a provision requiring DoD and the Red Cross to collect from new Service members the names of loved ones they consider to be in their NoS. DoD NoS is a two-year program that encourages members of the Armed Forces to designate up to 10 persons to whom information regarding VA assistance and available benefits may be sent to support the Veteran. The COMPACT ACT (P.L. 116-214), Section 101, requires a sister VA pilot program to DoD's. P.L. 116-214 requires VA to also conduct a two-year pilot program, including a survey, that culminates in a Congressional Report in 2024. VA will help prepare and equip TSM or recently separated Veteran is struggling; and ensure they have access to the necessary tools to access assistance or care. OTED is supporting the implementation of this program and is learning new information to better help inform future program decisions. The pilot program launched in December 2021 and will run through December 2023. In December 2022, VA launched the survey as required by the PL 116-214 Section 101 (b)(1)(A) "Not later than one year after the date of the commencement of the pilot program and not less frequently than once each year thereafter for the duration of the pilot program, the Secretary shall administer a survey to persons who ever elected to receive information under the pilot program for the purpose of receiving feedback regarding the quality of information disseminated under this section." The survey will also be conducted in December 2023.

One-Year Independent Assessment of the Effectiveness of TAP

In consultation with the DoD, DOL, the Small Business Administration (SBA) and the Secretaries of all military branches, VA has entered into an agreement to conduct a one-year independent assessment of the effectiveness of TAP. The independent assessment began on September 15,

2021. The assessment was completed on September 1, 2022, and signed by the DOL, SBA and the Secretaries of all military branches.

Currently, the DoD Congressional Affairs committee is reviewing the report for a signature. Once the report is signed, the report will be sent to VA for a final signature before the report is submitted to Congress in March 2023.

Five-Year Longitudinal TAP Study

In consultation with DoD, DOL and SBA, VA is conducting a five-year longitudinal study on three cohorts of participants going through TAP. OTED completed the Study Design Plan in 2022 and is beginning the Section 4306 survey modifications. Survey finalization is pending final delivery and acceptance of the Section 4305 report by the TAP Interagency Partners expected in 2023. The final Section 4306 Congressional report is currently scheduled for 2029 based on the timeline for implementation of the Section 4305 recommendations and subsequent survey execution timelines.

Outreach Plan for Educating Vulnerable Veterans about Potential Financial Exploitation Relating to the Receipt of Pension

As directed in P.L. 116-315, Section 6007, VA is collaborating with VSOs to develop an outreach plan for educating vulnerable individuals about potential financial exploitation. The outreach plan was delivered to Congress in June 2021, and VBA is currently executing the strategies contained in the plan. The outreach strategic plan will focus on conducting quarterly calls with VSOs to ensure all pension poaching updates are conveyed to the field. Pension poaching is a financial scam targeting Veterans, survivors and their families who are potentially eligible for VA benefits. In April 2022, Pension Poaching was included as part of the monthly financial literacy Wellness Wednesday Campaign during financial literacy month.

VA Solid Start (VASS) Program

In December 2019, the VASS program was launched to provide support to Veterans during the most critical time of Veterans post service separation. VA research showed first-year Veterans face increased challenges with homelessness, family reintegration, employment, post-traumatic stress disorder (PTSD) and substance abuse, all of which can increase the risk of suicide.²¹ The program provides early and consistent contact with recently separated Service members at three key stages: around 90-, 180- and 365- days post-separation. VASS addresses transition-related challenges through proactive outreach to connect recently separated Service members with their earned services and benefits, and, when needed, high-quality mental health care. These interactions support, educate and empower these individuals to know and use the benefits they have earned. Recently separated Service members are assigned a designated VASS representative who works closely with them throughout the entire VASS period of eligibility, and interactions not only provide information and support for benefits and services, but also focus on establishing a relationship and trust in VA.

VASS calls are driven by the specific needs of the TSM, and specially trained VASS representatives address issues or challenges the TSM may be experiencing at the time of the call.

²¹ [National Strategy for Preventing Veteran Suicide, 2018-2028](#). Department of Veterans Affairs, Office of Mental Health and Suicide Prevention. June 2018.

VASS provides priority contact to those individuals who had a mental health appointment during the last year of active duty, helping to lower the barrier for entry into VA mental health care treatment and supporting continuity of care. VASS representatives receive special training to identify at-risk individuals, and procedures are in place to facilitate an immediate warm transfer to the Veterans Crisis Line.

VASS utilizes supportive communication options to increase program participation and allow Veterans an opportunity to prepare for their VASS call. Eligible Veterans receive emails notifying them of upcoming calls and a link to the VASS website. After each successful interaction, the assigned VASS representative sends a personalized email with information and resources that were discussed during the call as well as contact information for the appropriate State Veterans Affairs office, to support connection with state and local benefits.

During 2023 and 2024, VASS is planning to automate email and communication activities to drive program understanding and engagement, which is key to connecting with eligible individuals.

Economic Development (ED)

ED was implemented to enhance the Veteran's experience beyond separation. ED is an orchestration of economic development activities and is managed by six FTEs who plan and execute bi-annual ED events and one follow-up event in economically distressed locations with high Veteran populations defined as Internal Revenue Service Qualified Opportunity Zones.

OTED hosts ED events in coordination with VBA ROs, SDVA, DOL, regional organizations, non-governmental organizations and industry leaders. ED events include benefit fairs, town halls, claims clinics, job fairs and workshops. The events offer in-person support to Veterans in need of assistance with filing claims for disability compensation benefits, or in need of assistance with signing up for education benefits, in addition to local business and employment opportunities.

OTED assisted Economic Development Initiatives (EDI) attendees with identifying over 1,000 meaningful job opportunities, assisted Veterans in filing disability compensation claims and received more than \$354,000 in compensation benefits. OTED enrolled over 40 beneficiaries into VA health care and repaired Veteran homes damaged by seasonal hurricanes. In 2022, OTED completed 7,068 outreach events with established partnerships. OTED also conducted virtual EDIs in two locations: Oakland, California, and Buffalo, New York. Follow-up meetings were held virtually for Puget Sound (Wenatchee), Washington, and San Juan, Puerto Rico. Since the program's beginning in April 2021 through September 2022, OTED conducted 49 Financial Literacy classes with 13,033 registrants and a 99.2% customer satisfaction rating. In April 2022, OTED conducted a Financial Literacy Awareness month that offered six additional classes with over 3,000 registrants. In all, 16,033 Veterans, family members and caregivers participated in OTED's Wellness Wednesday Financial series offerings.

Veterans Assistance Discharge System (VADS)

OTED sends out correspondence letters to over 200,000 Veterans between 30 days and six-months after their separation from service. 38 U.S.C § 6303 requires VA to provide individual notices at the time of the Veteran's discharge or release from active military, naval or air service of all benefits and services administered by VA for which the Veteran may be eligible. VADS provides

a necessary connection with Veterans to meet statutory guidelines and complements the military to civilian transition framework by informing Veterans and their family members of VA benefits and resources they can use to connect to VA. VA wants to enhance communication to include multi-channel interaction and digitization of information provided to Veterans.

VA SkillBridge

OTED uses DoD's SkillBridge program to develop training and employment opportunities. DoD's SkillBridge program offers valuable civilian work experience through training, apprenticeships or internships with more than 1,000 organizations to support Service members entering VA careers. VA SkillBridge is the organizing umbrella for programs across VA designed to provide Active Duty TSMs with employment training, internship and apprenticeship opportunities during their last 180 days of service. The program provides TSMs with valuable civilian work experience to better prepare them for post-separation employment.

OTED and DoD entered a MOU in 2020 to create VA SkillBridge transition skills training programs (10 U.S.C. § 1143) to train TSMs for VA jobs in career opportunities such as law enforcement, medical service and claims processing. Through the SkillBridge program, VA gains early access to the extensive experience, skills and leadership qualities that Service members bring to the workforce. VA, in collaboration with the DoD SkillBridge team, provides consultative support to VA organizations developing and implementing VA SkillBridge programs. Under the MOU established in 2020, VA had 19 organizations that either established or were interested in establishing a VA SkillBridge program for TSMs.

Several new training programs are currently in development to create employment opportunities for TSMs in other areas of VA. VHA's Office of Primary Care established a pilot program at the VA Palo Alto Health Care System to train up to four Corpsmen or Medics to become Intermediate Care Technicians (ICTs). The pilot's success will allow program expansion that could help fill over 1,000 ICT opportunities currently open on the SkillBridge site.

VA SkillBridge encountered some challenges during the pandemic, where large cohorts at installation training facilities were shutdown. Both the VA Security Service Training facility in Arkansas and the Warrior Training Advancement Course (WARTAC) classrooms on DoD installations were closed to in-person training. To ensure continuation of the program, VA instituted virtual curriculums. VA continues to support VA SkillBridge programs with developing marketing materials tailored to drive program participation interest via virtual engagements with TSMs, in lieu of the traditional installation-level engagement. OTED requires VA Benefits Advisors to discuss this career readiness opportunity during the "Getting Career Ready" module of the VA TAP Benefits and Services course to highlight VA SkillBridge.

VA SkillBridge continued to expand programs in 2022 in the areas of VHA Spiritual Care, Medical, National Food Service Programs, Business Service-Veterans Transportation Program, Vocational Rehabilitation and Network Contracting Office. VBA is also expanding to include Office of Emergency Management and Resilience for Emergency Management Specialists. The National Cemetery Administration continues to expand in their Field Programs, National Cemetery Scheduling Office. In July 2022, VA graduated its' first SkillBridge training class and expanded the program into two National Training Cohorts for the Intermediate Care Technician

National SkillBridge Pilot Program in Fayetteville, North Carolina. In addition, VA will include two to four SkillBridge candidates to participate a ten-week internship every quarter. In August 2022, The Office of the Senior Security Officer, VA Police in Little Rock, Arkansas, hosted its first SkillBridge training class with two SkillBridge candidates. Currently, VA is planning to offer additional classes in 2023.

Quality and Compliance

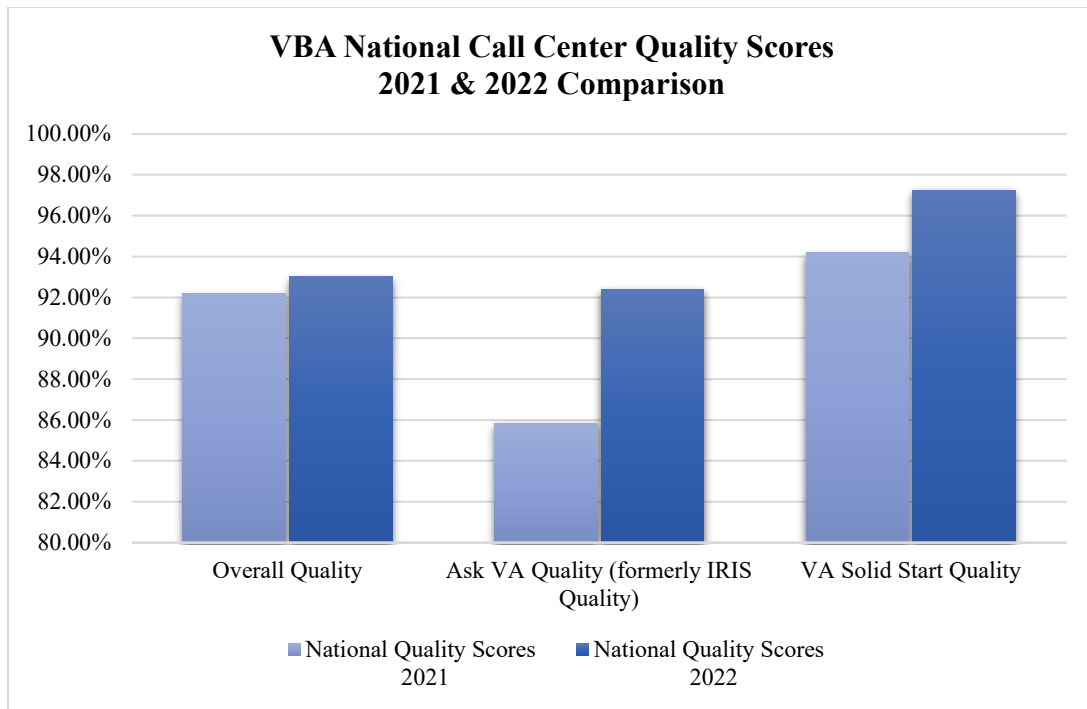
In accordance with 38 U.S.C. § 7731, VA is required to implement a quality assurance program in VBA, or through each VBA principal organizational element, that meets governmental standards for independence and internal controls in carrying out quality reviews on performance and results. The Quality and Compliance Division executes this requirement through the implementation of quality and compliance oversight programs which review VBA programmatic and operational performance at VBA RO public contact and VBA NCC locations. Contact centers provide direct services to Veterans and their family members via telephone, email and in-person interactions. Services include providing benefit information, claims assistance, contact information updates to beneficiary records and proactive outreach engagements with the general public, special emphasis groups and Federal, state and local organizations.

The mission of the Quality and Compliance Division is to drive consistency in the level of access, service and customer experience and to share best practices in service delivery across VBA contact center locations through conducting independent quality reviews and inspections. The division includes 23 FTE comprised of one Assistant Director, two Chiefs, two Lead Program Analysts, 12 Quality Assurance Specialists and six Program Analysts. The majority of its workforce spends 100% of its time performing public contact and NCC quality and compliance reviews and associated activities. These reviews and activities assist contact centers achieve national quality performance targets and compliance with operational requirements and internal controls.

Quality Team

The Quality Team consists of 14 FTE to include one Chief and one Lead Program Analyst. The vast majority of the workload focuses on evaluating customer interactions and electronic correspondence at the VBA NCC. Throughout each month, team members are responsible for reviewing telephone interactions to assess the accuracy, transactions, courtesy and professionalism by VBA call center representatives. The reviews evaluate performance toward meeting established national quality targets in three areas of performance: Overall call quality; VASS quality; and Email response quality on inquiries submitted to the AskVA inquiry system.

VBA NCC exceeded the established baseline quality targets for overall call, AskVA and VASS quality reviews. The targets are set at 91% for overall call, 91% for AskVA and 93% for VASS quality. A comparison of 2021 and 2022 quality is available in the graph below.



FTE also conduct the following activities to further assist the VBA NCC in achieving high-quality interactions with Veterans and other stakeholders:

- Special focused reviews on special missions and areas where improvement is needed.
- Weekly and monthly trend reports on errors and positive findings.
- Training and guidance on areas to improve and share best practices.
- Calibration studies with local quality reviewers at the VBA NCC and evaluating local reviewers' reviews.

Compliance Team

The Compliance Team consists of eight FTE to include one Chief, one Lead Program Analyst and six additional Quality Assurance Analysts. The primary objective of the team is to conduct in-person and virtual contact center inspections (site visits) on the operational performance at VBA RO public contact and NCC locations. This ensures the services to Veterans and stakeholders are consistent and compliant with laws, regulations, program procedures and policies, along with other directives. The inspections review all aspects of the contact center to include the organizational makeup and roles, processes, transactions and technology. The findings from the reviews are briefed to senior leadership and articulated in formal reports that outline actions, recommendations, best practices and commendable items found during the site visit.

The following table highlights the public contact and NCC site visits completed in 2021 and 2022.

Completed Public Contact and National Call Center Site Visits by VBA District	2021	2022
Pacific District	5	6
Continental District	4	4
Northeast District	8	4
Southeast District	4	6
Total	21	20

FTE also conduct the following activities related to site visit reviews and inspections:

- Monitor site visit trends and report findings to the Office of Field Operations and field stations.
- Create and implement operational protocols to ensure program compliance, consistency and efficiency.
- Conduct site specific frontline employee training for accelerated operational improvements.

Workload

Projected OTED Workload and FTE Requirements	2021 Actual	2022 Actual	2023 Estimate	2024 Estimate
Direct Labor FTE	180	194	226	201
Attendance at TAP Events**	326,914	380,042	425,000	450,000
Women's Health Transition Training	556	609	700	1,400
Personal Career Planned Guidance (Chapter 36) Cases	7,825	8,316	9,923	10,300
VA Solid Start Successful Contacts	149,498	175,369	170,000	170,000
Contact Center Site Visit Operational/Quality Reviews*	2,884	4,012	4,800	5,944
Economic Development Initiatives**	345	1,169	1,000	2,000

* Contact Center site visit reviews in 2021, 2022 and 2023 include a second level review for certain transactions.

** TAP and ED Event attendance was impacted by COVID-19 in 2020, and installations/sites reopened in phases in 2021.

Performance Measures

The 2024 budget request supports the following performance measures:

- TAP Customer Satisfaction: The TAP target is 95% for 2022, 2023 and 2024. For 2022, the TAP Satisfaction rate for in-person VABS was 96.9%.
- VASS Contact Success Rate: The 2022 target was 50%. In 2022, the Contact Success rate was 64.3%, exceeding its baseline target. The target estimate for 2023 is 55%.

- PCPG: In 2022, VBA received 8,316, processed 5,867 applications and counseled more than 2,300 Veterans. VBA estimates PCPG will receive 12,000 applications in 2023 and will counsel approximately 7,500 Veterans in 2023.
- National Call Center Quality: The 2022 baseline and projected 2023 targets for overall quality is 91%; AskVA quality is 91%; and VA Solid Start quality is 93%. In 2022, VBA's National Call Center exceeded all three targets with 93.0% (overall quality); 92.4% (AskVA quality); and 97.3% (VASS quality).

Highlights and Achievements

OTED's 2024 budget request is aligned with the following VA Secretary priorities.

Providing Veterans with Earned Benefits

PSTAP

The 2021 PSTAP Report is expected for release later in 2023. The 2020 PSTAP report contains the second iteration of the Cross-Sectional Survey and the first iteration of the Longitudinal Survey. Report highlights and notable findings include:

- Improved response rate over the 2019 study
 - Cross sectional response rate improved to approximately 14% from 3%
 - Longitudinal response rate improved of approximately 62.5%
- VA briefings are still the most useful module (response rate of approximately 76%)
- In-person TAP continues to increase satisfaction with program
- Experienced increased benefit utilization in 2020 cohorts, especially for Health Care (increase of about 20%)

PSTAP data and feedback will be used to improve curriculum and materials, as well as inform changes to programs that target mental health in VASS. As a result of the study, specialized curricula for certain groups, for example African American Veterans, are being developed.

Women's Health Transition Training (WHTT)

Participants learn about a wide range of health care services and eligibility requirements. Course participant feedback showed 83.5% of participants stated WHTT provided information on how to begin VA health care enrollment in 2022, exceeding the 80% target and 86% strongly agreed the course helped inform them of VA suicide prevention services and programs.

VASS

In 2022, VASS successfully connected with 175,369 eligible individuals achieving a successful contact rate of 64.3%. VASS also successfully connected with 29,042 priority Veterans, representing a 77.7% successful contact rate. VASS representatives provided warm transfers to the Veterans Crisis Line for 14 Veterans who were in crisis or at-risk at the time of the call.

VASS implemented the following program improvements and enhancements in 2022:

- Implemented enhanced tracking and scripting to support Veterans experiencing food insecurity.

- Implemented enhanced tracking and scripting to support Veterans who are homeless or in danger of becoming homeless.
- Launched an enhanced, recurring monthly report that provides key data and metrics that can be used by VBA offices to help inform their stakeholders on the program and the achievements and milestones.
- Delivered the second annual VASS report to Congress. The report outlines program achievements, demographic information and conclusions for the program.
- Implemented outreach to non-citizen Veterans, providing information on the benefits of obtaining citizenship and available resources to aid in the process.

Planned improvements and actions for 2023:

- Develop and implement additional outcome measures for VASS that will better track program success and impact.
- Complete a comprehensive update of VASS scripts to refine conversations and improve interactions.
- Develop a mandatory refresher training program for growth and development of the VASS representatives.

Public Contact Team and NCC Quality and Compliance

In 2022, VA completed 6,376 first level comprehensive quality reviews on customer interactions (telephone and email), special missions and local reviewer evaluations at the VBA NCC to ensure accuracy and customer service expectations. Additionally, VBA expects to complete 10,620 first level quality reviews in 2023 on the same performance areas, as well as newly implemented reviews on correspondence completed by public contact teams at 56 ROs. This will contribute to a 78.7% increase in the workload. Reviews on customer interactions and local reviewer evaluations are not considered complete until a second level review is conducted to guaranty consistency and accuracy. This twofold increase was 12,752 reviews in 2022 and is anticipated to be 19,180 in 2023.

Notable program achievements in 2022 include the following:

- Over 4,800 quality reviews on inbound VBA NCC calls were completed. During this time, team members provided ongoing assistance with mentoring and furnished weekly trend reports based on national reviews for proactive and accelerated quality improvements. The NCC achieved 93.0%, exceeding the VA annual performance national quality target of 91%.
- The NCC AskVA quality evaluation scorecard was centralized onto a single platform for ease of use by local and national call center quality reviewers. Additionally, the NCC Quality Review Specialist (QRS) evaluation scorecard was also centralized onto a single platform for use by local NCC management to conduct required quality reviews on their QRSs. Both enhancements follow the consolidation and launch of the NCC quality scorecard onto a single platform in 2021. These centralizations gained efficiency in national and field station employee time by providing a seamless maintenance process at the national level and eliminating scorecards maintained in disparate NCC locations.

Twenty VBA contact center site visits were conducted at RO public contact and NCC locations to inspect compliance with programmatic requirements and operational performance. During these visits, 193 interviews and 1,893 quality/operational reviews identified 61 actionable items for improvements, 10 recommendations, 19 best practices and six commendable items. These reviews allowed OTED to closely examine operations and identify areas for immediate improvement.

Ensuring Fiscal Stewardship

The ED supports financial literacy efforts for Veterans. In 2020, VA and Prudential Financial entered into an agreement that produced two programs at no cost to the Veteran: Wellness Wednesday Financial Education and the Financial Portal.

Wellness Wednesday Financial Education is a series of one-hour courses offered on the third Wednesday of each month. The course covers a wide variety of financial topics important to the financial wellness of the Veteran such as “Budgeting & Building an Emergency Fund,” “Steps to Buying & Selling a Home” and “Managing Employment Change.” Since 2021, more than 13,033 Veterans, TSMs and spouses have attended the courses with an overall satisfaction rate of 99.2%. Of the 4,456 participants who responded to the survey in 2022, 90% were Veterans, 5% were spouses and 3.5% were TSMs.

The Financial Portal, found at www.prudential.com/veteran, has been established for virtual on-demand learning. This portal allows the Veteran access to multiple financial articles and calculators, as well as online assessment tools that allow the Veteran the ability to measure their own financial wellness. Additional Memorandum of Agreements are being pursued to enhance the availability of financial literacy opportunities for Veterans.

OTED is seeking new and innovative tools, such as an enhanced dashboard to provide leadership with robust capabilities and improved data management. By leveraging the data management improvements, OTED can continue refining its business practices using a more integrated approach, such as evidence-based decision making and budgeting.

Fostering a Culture of Collaboration

Outreach Events

In 2022, OTED participated in more than 9,903 outreach events reaching over 720,000 Veterans. VBA also conducted more than 29,699 hours of outreach, reaching nearly 381,932 participants. This included over 7,200 homeless and at-risk Veterans, 4,256 elderly Veterans, 118 FPOWs, 7,000 minorities, 1,300 Native Americans, 6,300 rural Veterans and 14,000 women Veterans. Targeted outreach efforts included conducting Stand Downs and claims clinics, participating in minority conferences and advisory committees and visiting nursing homes and homeless shelters.

Network of Support Pilot (NoS) Program

OTED collaborated with a Federally Funded Research and Development Center to accomplish the legislative requirements of the NoS in P.L.116–214, Section 101, to collect the names of loved ones in their network of support. In 2021, OTED worked very closely with DoD and included VA centric articles in each edition of their eNewsletter for their NoS pilot program with the intent of

familiarizing Service members with VA. Additionally, the inclusion of VA information will enhance their connection to VA and start building a lifelong relationship. In December 2021, OTED began the VA pilot program execution. In 2022, OTED completed the development of a required NoS survey to be enacted in 2023. The final NoS Congressional Report will be developed and delivered to Congress in 2024.

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Benefits

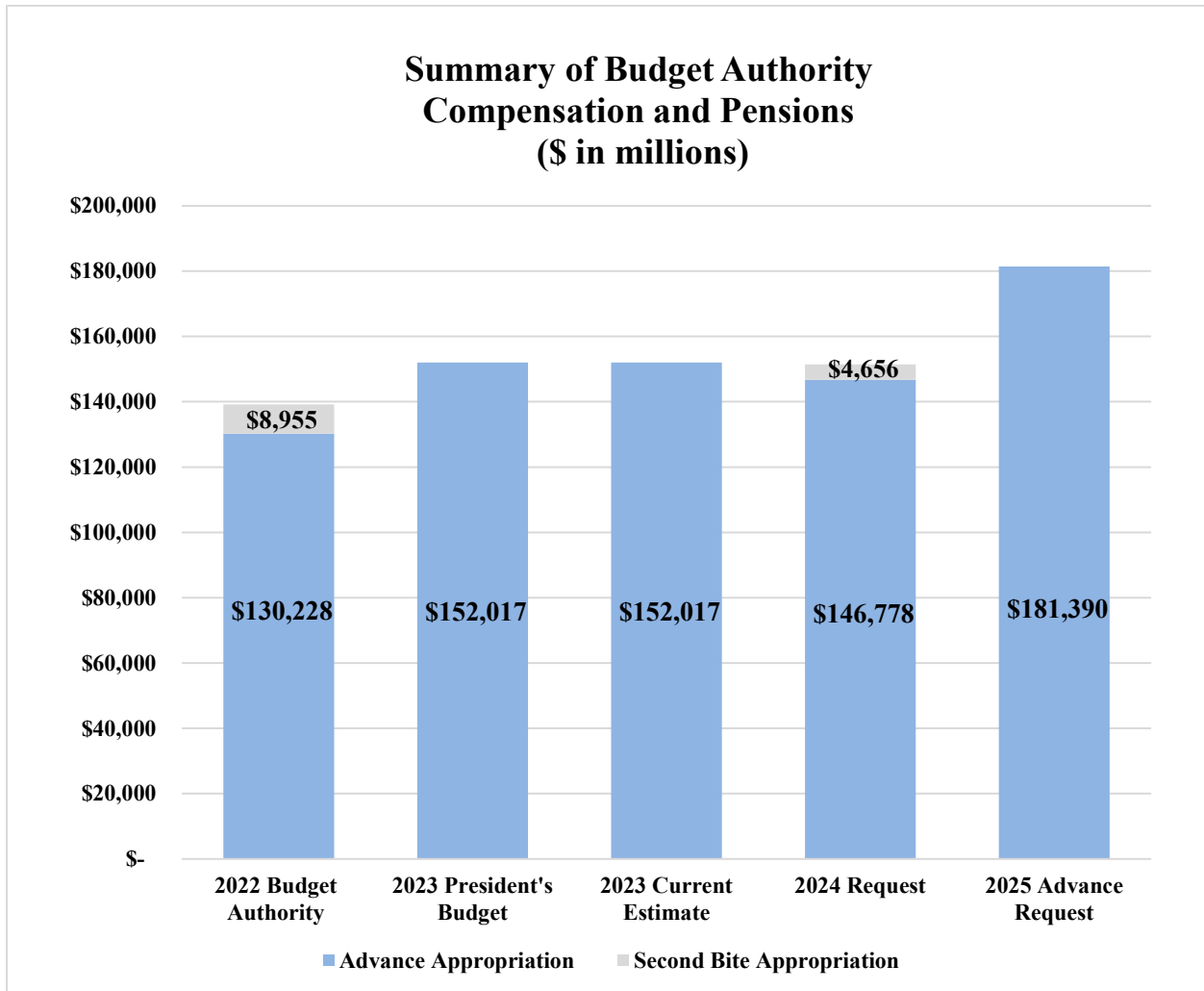
Part 3

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Compensation & Pensions



Note. -- Carryover balances from previous years are not included in totals. VA estimates \$18.0 billion will be carried over into 2024.

Appropriation Language

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by section 107 and chapters 11, 13, 18, 51, 53, 55, and 61 of title 38, United States Code; pension benefits to or on behalf of veterans as authorized by chapters 15, 51, 53, 55, and 61 of title 38, United States Code; and burial benefits, the Reinstated Entitlement Program for Survivors, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of title IV of the Servicemembers Civil Relief Act (50 U.S.C. App. 541 et seq.) and for other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code, [\$146,778,136,000] \$4,655,879,000, *which shall be in addition to funds previously appropriated under this heading that became available on October 1, 2023, to remain available until expended; and, in addition, \$181,390,281,000, which shall become available on October 1, [2023] 2024, to remain available until expended: Provided, That not to exceed [\$21,423,000] \$22,109,000 of the amount made available for fiscal year [2024] 2025 under this heading shall be reimbursed to "General Operating Expenses, Veterans Benefits Administration", and "Information Technology Systems" for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the "Compensation and Pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical Care Collections Fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized. (Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023.)*

Summary of Appropriation Highlights

(\$ in thousands)

	2022	2023		2024	2025	2024-2023	2025-2024
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
Compensation Obligations							
Veterans	\$115,533,478	\$128,751,350	\$131,699,390	\$148,136,427	\$160,772,617	+\$16,437,037	+\$12,636,190
Survivors	8,767,706	8,939,341	12,093,203	13,294,701	13,058,898	+\$1,201,498	-\$235,803
Special Benefits for Children	22,726	23,656	24,184	24,517	24,531	+\$333	+\$14
Clothing Allowance	119,508	140,349	133,939	142,810	150,116	+\$8,871	+\$7,306
Other (REPS, SAFD, EAJA)	44,120	52,604	47,946	49,672	50,814	+\$1,726	+\$1,142
Contract Exam Pilot Program - VBA	2,341,208	3,488,677	3,394,967	3,987,892	3,655,589	+\$592,925	-\$332,303
Contract Exam Pilot Program - IT	13,466	16,816	18,350	18,717	19,091	+\$367	+\$374
OBRA Payments to VBA GOE	3,705	7,897	7,897	8,411	8,680	+\$514	+\$269
Total Compensation Obligations:	\$126,845,917	\$141,420,690	\$147,419,876	\$165,663,147	\$177,740,336	+\$18,243,271	+\$12,077,189
Pensions Obligations							
Veterans	\$2,401,744	\$2,301,373	\$2,258,205	\$2,118,960	\$1,988,318	-\$139,245	-\$130,642
Survivors	1,350,354	1,234,526	1,299,874	1,251,219	1,204,388	-\$48,655	-\$46,831
Contract Exam Pilot Program - VBA	155	435	472	554	508	+\$82	-\$46
OBRA Payments to VBA GOE	14,820	12,218	12,218	13,012	13,429	+\$794	+\$417
Total Pension Obligations:	\$3,767,073	\$3,548,552	\$3,570,768	\$3,383,745	\$3,206,643	-\$187,023	-\$177,102
Burial Obligations							
Burial Allowance	\$16,466	\$59,508	\$66,497	\$78,959	\$82,385	+\$12,462	+\$3,426
Burial Plot	41,455	48,871	49,211	52,943	55,280	+\$3,732	+\$2,337
Service-Connected Deaths	119,988	148,555	154,702	162,416	169,354	+\$7,714	+\$6,938
Burial Flags	24,641	23,897	28,025	27,523	28,481	-\$502	+\$958
Headstones/Markers/Allowances	94,352	93,059	90,147	81,973	82,981	-\$8,174	+\$1,008
Graveliners/Outer Burial Receptacles	25,618	37,419	20,758	22,038	24,251	+\$1,280	+\$2,213
Caskets/Urns	445	307	355	344	348	-\$11	+\$4
Urns/Plaques	-	166	166	224	222	+\$58	-\$2
Total Burial Obligations:	\$322,964	\$411,781	\$409,861	\$426,420	\$443,302	+\$16,559	+\$16,882
Total C&P Obligations	\$130,935,953	\$145,381,024	\$151,400,505	\$169,473,311	\$181,390,281	+\$18,072,806	+\$11,916,970
Funding:							
Unobligated Balances (SOY)	\$8,798,519	\$5,431,783	\$17,423,260	\$18,039,297	-	+\$616,037	-\$18,039,297
Prior Year Recoveries	377,681	-	-	-	-	-	-
Unobligated Balances (EOY)	17,423,260	12,067,302	18,039,297	-	-	-\$18,039,297	-
Advance Appropriation	\$130,227,650	\$152,016,542	\$152,016,542	\$146,778,136	\$181,390,281	-\$5,238,406	+\$34,612,145
Second Bite Appropriation	8,955,364	-	-	4,655,879	-	+\$4,655,879	-\$4,655,879
Total Appropriated	\$139,183,014	\$152,016,542	\$152,016,542	\$151,434,015	\$181,390,281	-\$582,527	+29,956,266
Outlays (Net)	\$139,732,491	\$144,047,294	\$150,129,069	\$155,768,343	\$179,866,594	+\$5,639,274	+\$24,098,251
Distribution of Budget Authority (Net):							
Compensation	\$135,092,977	\$148,056,209	\$148,035,913	\$147,623,850	\$177,740,336	-\$412,063	+\$30,116,486
Pension	\$3,767,073	\$3,548,552	\$3,570,768	\$3,383,745	\$3,206,643	-\$187,023	-\$177,102
Burial	\$322,964	\$411,781	\$409,861	\$426,420	\$443,302	+\$16,559	+\$16,882
Distribution of Outlays (Net):							
Compensation	\$135,296,014	\$140,119,608	\$146,178,508	\$152,232,505	\$176,243,651	+\$6,053,997	+\$24,011,146
Pension	\$4,113,513	\$3,515,905	\$3,540,700	\$3,109,418	\$3,179,641	-\$431,282	+\$70,223
Burial	\$322,964	\$411,781	\$409,861	\$426,420	\$443,302	+\$16,559	+\$16,882

Note: Dollars may not add due to rounding in this and subsequent charts.

Caseload Summary							
(In Whole Dollars)							
	2022	2023		2024	2025	2024-2023	2025-2024
	Actual	Budget Estimate	Current Estimate	Estimate	Estimate	Increase(+) Decrease(-)	Increase(+) Decrease(-)
Compensation							
Veterans:							
Cases	5,320,259	5,538,958	5,707,840	6,094,446	6,380,274	+386,606	+285,828
Average Payment	\$21,716	\$23,245	\$23,073	\$24,307	\$25,198	+\$1,234	+\$891
Survivors:							
Cases	468,760	482,949	518,546	562,448	592,083	+43,902	+29,635
Average Payment	\$18,704	\$18,510	\$23,321	\$23,637	\$22,056	+\$316	-\$1,581
Other Caseload:							
Special Benefits for Children	1,095	1,098	1,072	1,049	1,049	-23	-
Clothing Allowance	135,128	151,258	138,292	142,328	142,328	+4,036	-
REPS	1	1	-	-	-	-	-
Special Allowance for Dependents	12	14	12	12	12	-	-
Equal Access to Justice Act	6,410	8,007	6,410	6,410	6,410	-	-
Pensions							
Veterans:							
Cases	183,022	162,377	166,115	150,678	136,678	-15,437	-14,000
Average Payment	\$13,123	\$14,173	\$13,594	\$14,063	\$14,547	+\$469	+\$484
Survivors:							
Cases	130,830	114,250	121,151	112,179	103,873	-8,972	-8,306
Average Payment	\$10,321	\$10,805	\$10,729	\$11,154	\$11,595	+\$425	+\$441
Burial Caseload							
Burial Allowance	43,602	46,549	44,831	45,196	45,890	+365	+694
Burial Plot	53,586	55,503	55,097	55,545	56,398	+448	+853
Service-Connected Deaths	53,982	53,974	56,319	57,936	59,952	+1,617	+2,016
Burial Flags	445,633	450,848	475,000	450,848	450,848	-24,152	-
Headstones/Markers/Allowances	344,422	337,312	339,168	334,080	329,069	-5,088	-5,011
Graveliners/Outer Burial Receptacles	35,905	77,858	41,824	43,222	46,279	+1,398	+3,057
Caskets/Urns	336	277	331	326	321	-5	-5
Urns/Plaques	-	1,247	1,247	1,684	1,673	+437	-11

Funding Highlights

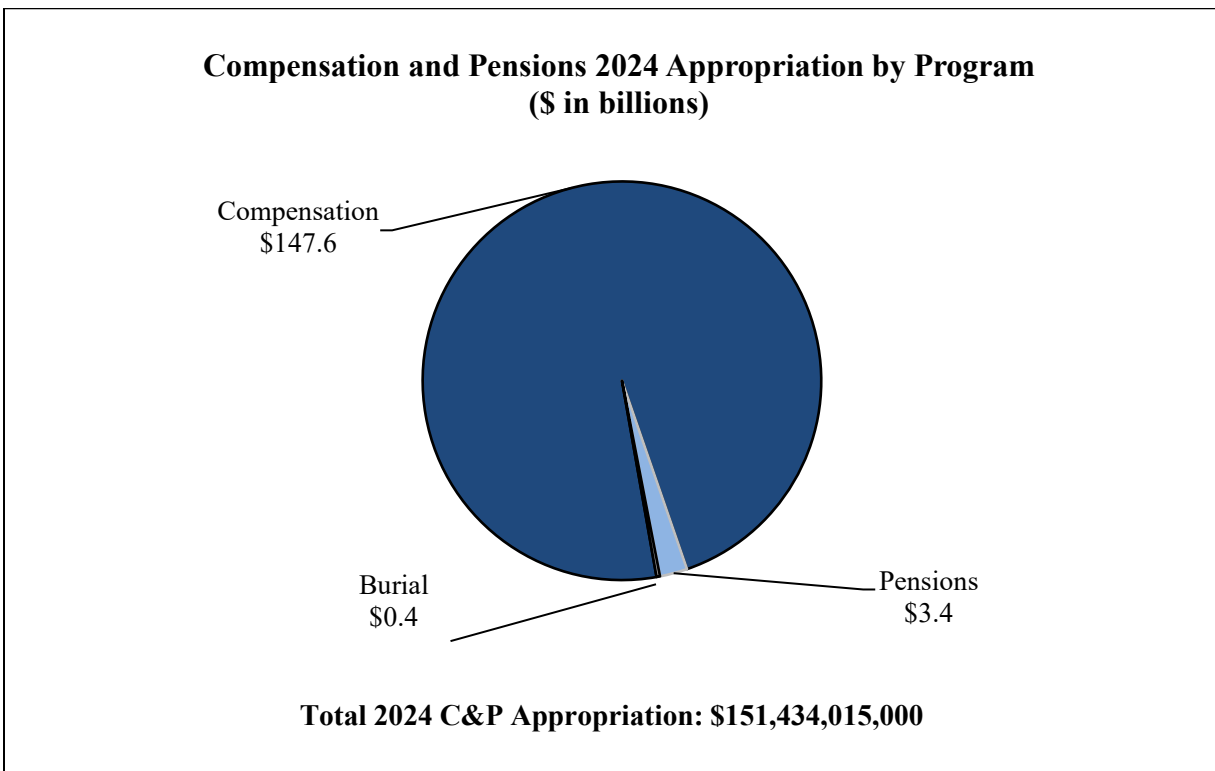
In 2024, the Budget requests \$151.4 billion for the Compensation and Pensions (C&P) account, Additionally, this budget includes a \$181.4 billion advance appropriation request for 2025. This appropriation will fund disability compensation and pension payments to or on behalf of Veterans, burial benefits, the contract medical examination pilot program, and other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code.

Summary of 2024 Budget

Budget authority of \$151.4 billion combined with an anticipated unobligated balance of \$18.0 billion carried forward will support \$169.5 billion in 2024 obligations for benefit programs that are funded by the Compensation and Pensions appropriation account.

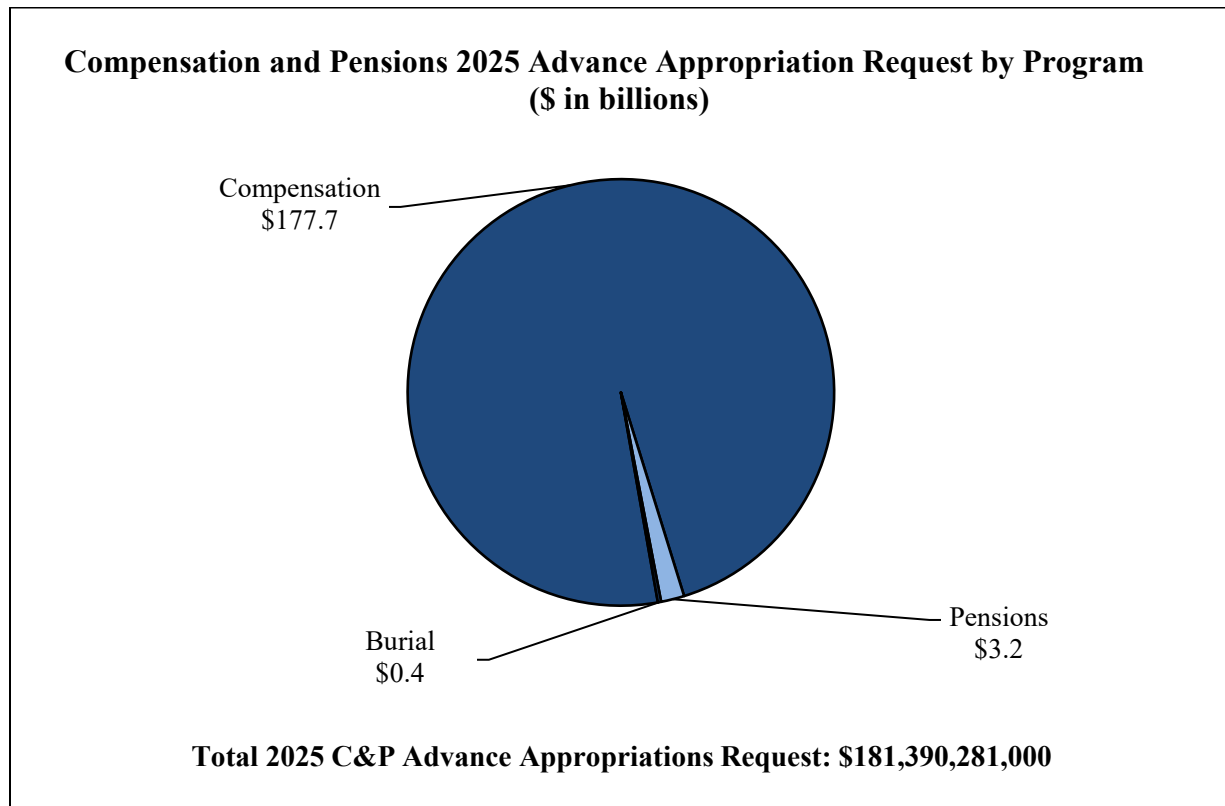
VBA has completed over one million claims annually for thirteen consecutive years, including a record 1.7 million disability compensation and pension claims in 2022. Notably, the number of Veterans receiving disability compensation benefits has increased by 62% over this time period, from 3.3 million in 2011 to 5.3 million in 2022. VBA expects claims production levels to remain over a million claims through 2024 (see VBA GOE's Disability Compensation Chapter for more information on claims processing and production). VBA also anticipates more Veterans will access the compensation rolls with increased obligations to Veterans.

Total compensation obligations are estimated at \$165.7 billion for payments to 6,094,446 Veterans, 562,448 survivors, and 1,049 children receiving special benefits. Pensions will be provided to an estimated 150,678 Veterans and 112,179 survivors totaling \$3.4 billion. An additional \$426.4 million will support burial benefits on behalf of eligible deceased Veterans in 2024.



Summary of 2025 Advance Appropriation Request

Budget authority of \$181.4 billion will support the benefit programs funded by the Compensation and Pensions account. Compensation payments will be provided to an estimated 6,380,274 Veterans, 592,083 survivors, and 1,049 children receiving special benefits, totaling \$177.7 billion. Pensions will be provided to an estimated 136,678 Veterans and 103,873 survivors totaling \$3.2 billion. The Budget requests \$443.3 million for 2025 to provide burial benefits on behalf of eligible deceased Veterans.



VA will have an opportunity to request additional mandatory resources, if necessary, during the 2025 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will be able to reduce its 2025 Advance Appropriation request should the 2024 estimate prove too high.

Changes from Original 2023 Budget Estimate

Current estimated obligations for the Compensation and Pensions account are \$151.4 billion, an increase of \$6.0 billion from the original 2023 President's Budget estimate. The 2023 budget authority of \$152.0 billion combined with the unobligated balance of \$17.4 billion carried forward into 2023 will fund the current estimated obligations. An estimated unobligated balance of \$18.0 billion at the end of 2023 will be carried forward into 2024.

PACT ACT: Public Law 117-168

The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (Public law 117-168) expands and extends eligibility for VA benefits

and health care for Veterans with toxic exposures and Veterans of the Vietnam, Gulf War, and Post-9/11 eras. The PACT Act is the most significant expansion of benefits and services for Veterans who were impacted by environmental hazards in more than 30 years. Provisions of the PACT Act that directly impact the C&P account include adding over 20 presumptive conditions for burn pits and other toxic exposures and adding more presumptive-exposure locations for Agent Orange and radiation. VA sped up the timeline for many Veterans to receive their PACT Act benefits by several years by deciding not to phase in PACT Act benefits through 2026, as written into the legislation, and instead made all new PACT Act presumptions of exposure and service connection applicable August 10, 2022. VBA began processing PACT Act claims on January 1, 2023. Estimated compensation and pension costs associated with the PACT Act are \$5.7 billion in 2023, \$9.8 billion in 2024, and \$10.1 billion in 2025 and have been incorporated into this budget request.

Compensation

The current overall estimated obligations for the compensation program increased \$6.0 billion from the original 2023 estimate. This is the cumulative impact of changes to Veteran compensation, survivor compensation, and other miscellaneous compensation obligations.

The current estimated obligations for Veteran compensation increased by \$2.9 billion from the original estimate. An increase of 168,882 to the Veteran compensation caseload (5,707,840 vs. 5,538,958) increases obligations by \$3.9 billion, while a decrease in Veteran compensation average annual benefit payment (\$23,073 vs. \$23,245) results in a decrease in obligations of \$981.7 million in 2023. The increased caseload is a result of the PACT Act estimates combined with additional adjustments to workload projections. While the PACT Act will add a significant number of Veterans to the compensation rolls, many are expected to have a disability rating for PACT conditions that is lower than the current average degree of disability. As a result, average payments to Veterans are expected to decrease compared to the original 2023 estimate.

The current estimate for survivor compensation obligations has increased by \$3.2 billion from the original 2023 estimate. Section 204 of the PACT Act requires VA to identify and pay retroactive Dependency and Indemnity Compensation (DIC) benefits, as appropriate, to previously adjudicated claims for DIC that were submitted to VA that might have been decided differently had the presumption been in effect at the time of the application. As a result, VA estimates \$1.8 billion in DIC retroactive payments to nearly 15,000 survivors in 2023. These retroactive payments, along with the Cost of Living Adjustment (COLA) result in a significant increase to DIC average payments (\$23,321 vs \$18,510) compared to the original 2023 estimate. This increase in average payment increases DIC obligations for all survivors by \$2.5 billion compared to the original 2023 estimate. An increase to estimated Survivor caseload (518,546 vs. 482,949), based on the PACT Act and actual 2022 experience, increases obligations by an additional \$658.9 million.

Compensation benefits also include the contract exams pilot program, Reinstated Entitlement Program for survivors (REPS), Special Allowance for Dependents (SAFD), Equal Access to Justice Act (EAJA) payments, clothing allowance, special benefits for children, and the VBA Omnibus Budget Reconciliation Act (OBRA) payments. A net decrease of \$102.7 million is a result of changes in these programs, and these changes are primarily due to historical trends.

Payments for the VBA contract medical exams program decreased by \$93.7 million from the original estimate. Clothing allowance decreased \$6.4 million, and REPS, SAFD, and EAJA decreased by a combined \$4.7 million. Payments to OIT to support contract exams increased by \$1.5 million, and special benefits for children also increased by \$528,143 from the original estimate. OBRA did not change from the original estimate.

Pensions

The current estimated obligations for the pension programs increased \$22.2 million from the original estimate. Reflecting 2022 actual experience, current estimates decreased for Veteran average payment (\$13,594 vs. \$14,173) and increased slightly for caseload (166,115 vs. 162,377) compared with the original estimate. The combined net effect of these changes reduced total Veteran pension obligations by \$43.2 million in the current estimate. An increase to survivor caseload (121,151 vs. 114,250) combined with a slight decrease to survivor pension average payment (\$10,729 vs. \$10,805), based on 2022 experience, resulted in an increase to survivor pension obligations of \$65.3 million. Payments for the VBA contract medical exams program decreased by \$36,471, and the VBA OBRA reimbursement did not change from the original estimate.

Burial

The current 2023 burial benefits budget estimate of \$409.9 million is \$1.9 million less than the original budget estimate of \$411.8 million. Decreases are associated with graveliners and outer burial receptacles (\$16.7 million) and headstones and markers (\$2.9 million). These decreases are offset by increased costs associated with basic burial allowances (\$7.0 million), service-connected burial allowances (\$6.1 million), burial flags (\$4.1 million), burial plots (\$340,228), and casket and urns (\$48,401).

Analysis of Increases and Decreases			
(\$ in thousands)			
	2023	2024	2025
	Estimate	Estimate	Estimate
Prior Year Obligations	\$130,935,954	\$151,400,505	\$169,473,312
Compensation			
Veterans Caseload and average payment changes (net)	+\$7,908,713	+\$10,183,254	+\$9,055,717
Survivor Caseload and average payment changes (net)	+\$2,526,776	+\$1,164,597	-\$587,809
COLA 8.7%, effective 12/01/2022	+\$9,055,920	+\$1,936,422	-
Proposed COLA 3.6%, effective 12/01/2023	-	+\$4,354,262	+\$912,194
Proposed COLA 2.3%, effective 12/01/2024	-	-	+\$3,020,285
Other Benefits			
Special Benefits for Children	+\$1,458	+\$333	+\$14
Clothing Allowance	+\$14,431	+\$8,871	+\$7,306
Other (REPS, SAFD, EAJA)	+\$3,826	+\$1,726	+\$1,142
Contract Exams Pilot Program -VBA	+\$1,053,759	+\$592,925	-\$332,303
Contract Exams Pilot Program -IT	+\$4,883	+\$367	+\$374
Payments for VBA GOE OBRA	+\$4,192	+\$514	+\$269
Total Compensation Net Change	\$20,573,959	\$18,243,271	\$12,077,189
Pensions			
Caseload and average payment changes (net)	-\$476,774	-\$332,781	-\$255,089
COLAs	+\$282,754	+\$144,881	+\$77,616
Contract Exams Pilot Program	+\$317	+\$82	-\$46
Payments for VBA GOE OBRA	-\$2,602	+\$795	+\$416
Total Pensions Net Change	-\$196,305	-\$187,023	-\$177,102
Burial	+\$86,897	+\$16,559	+\$16,882
Total Net Change	+\$20,464,551	+\$18,072,807	+\$11,916,969
Estimated Obligations	\$151,400,505	\$169,473,312	\$181,390,281

Analysis of Increases and Decreases from 2024 to 2025

Compensation

In 2025, compensation obligations are estimated to surpass the 2024 level by \$12.1 billion, which is primarily due to increases in Veteran caseload and average payments. Caseload and average payments continue to increase as more Veterans become eligible and apply for compensation benefits, and the average degree of disability increases. VBA anticipates that claims production levels will continue to increase through 2024 and beyond due to operational efficiencies achieved from National Work Queue (NWQ), Veterans Claims Intake Process/Centralized Mail and technological advances in the Veterans Benefits Management System (VBMS). Increased claims workload associated with the PACT Act, high claims production levels and more timely appeals decisions result in an increasing Veteran caseload, and a rising average degree of disability per claim leads to higher average payments to Veterans in 2025. The combined impact of increasing Veteran caseload and average payments is an estimated increase of \$9.1 billion in obligations for 2025. The 2025 COLA is expected to add \$3.0 billion to the cost of the program in 2025. The 2024 COLA is expected to add \$912.2 million in obligations. COLAs provide a rate increase to all disability compensation beneficiaries, including DIC spouses and children. Rates are matched with

the Consumer Price Index and are tied to that afforded to Social Security beneficiaries. Changes to survivor compensation caseload and average payment will decrease obligations by \$587.8 million in 2025. This decrease is due to an anticipated decrease in survivor retroactive payments associated with the PACT Act in 2025. VA anticipates that the majority of PACT Act survivor retroactive payments will be paid in 2023 and 2024.

Under the category of other benefits, costs are projected to decrease by \$323.2 million from 2024 to 2025. The estimated obligations for the contract examination reimbursements to VBA GOE decreased by \$332.3 million over the prior year. Slightly offsetting this decrease, estimated clothing allowance obligations are expected to increase by \$7.3 million, and the combined obligations of REPS, SAFD, and EAJA are expected to increase by \$1.1 million in 2025. Contract examination reimbursements to OIT are expected to increase by \$374,337, while VBA GOE OBRA obligations are expected to increase by \$269,151, and special benefits for children are expected to increase by \$13,976 compared with 2024 levels.

Pensions

In 2025, pension obligations are expected to decrease \$177.1 million from the 2024 level, which is primarily due to decreases in caseload. The combined impact of changes to caseload and average payment results in a net decrease in obligations of \$255.1 million. This is partially offset by the COLA, which is expected to add \$77.6 million to the cost of the program in 2025. VBA GOE OBRA obligations are expected to increase by \$416,391, and contract medical exams are expected to decrease by \$46,259.

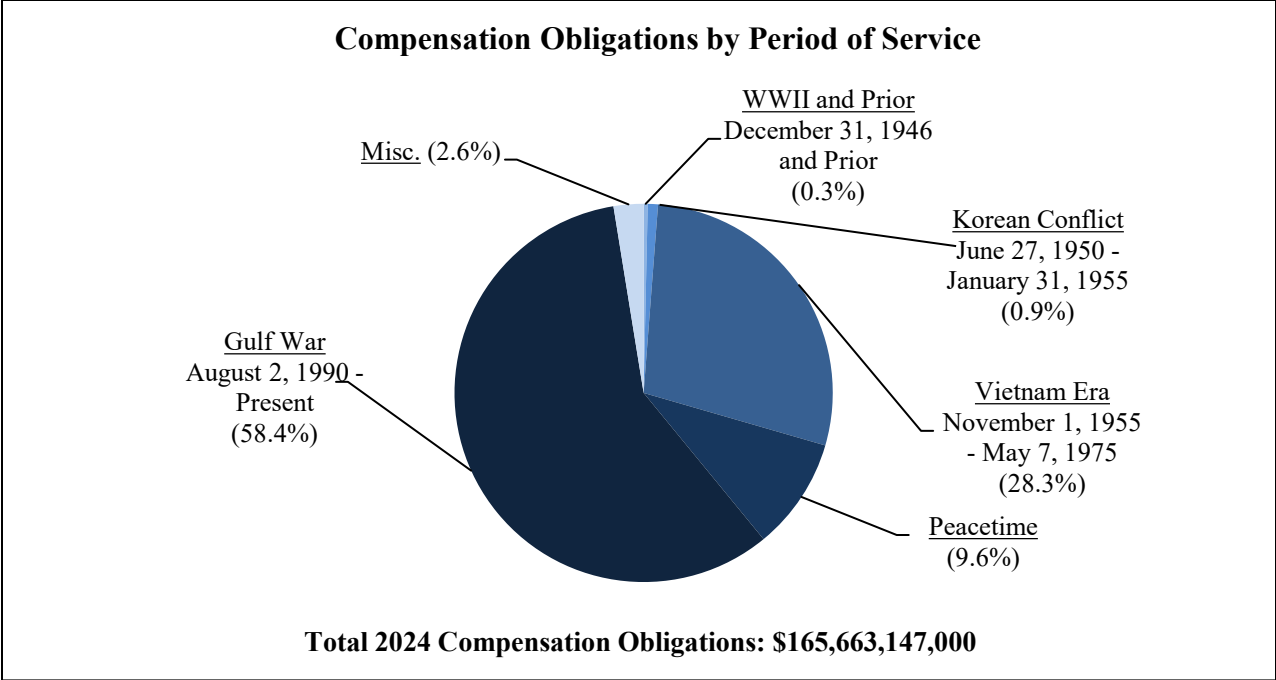
Burial

In 2025, burial benefit obligations are projected to increase overall by \$16.9 million. Increases are associated with service-connected burial allowances (\$6.9 million), basic burial allowances (\$3.4 million), burial plots (\$2.3 million), graveliners and OBRs (\$2.2 million), headstones and markers (\$1.0 million), burial flags (\$957,719), and caskets and urns (\$4,404). These increases are slightly offset by decreased costs associated with urns and plaques (\$1,462).²²

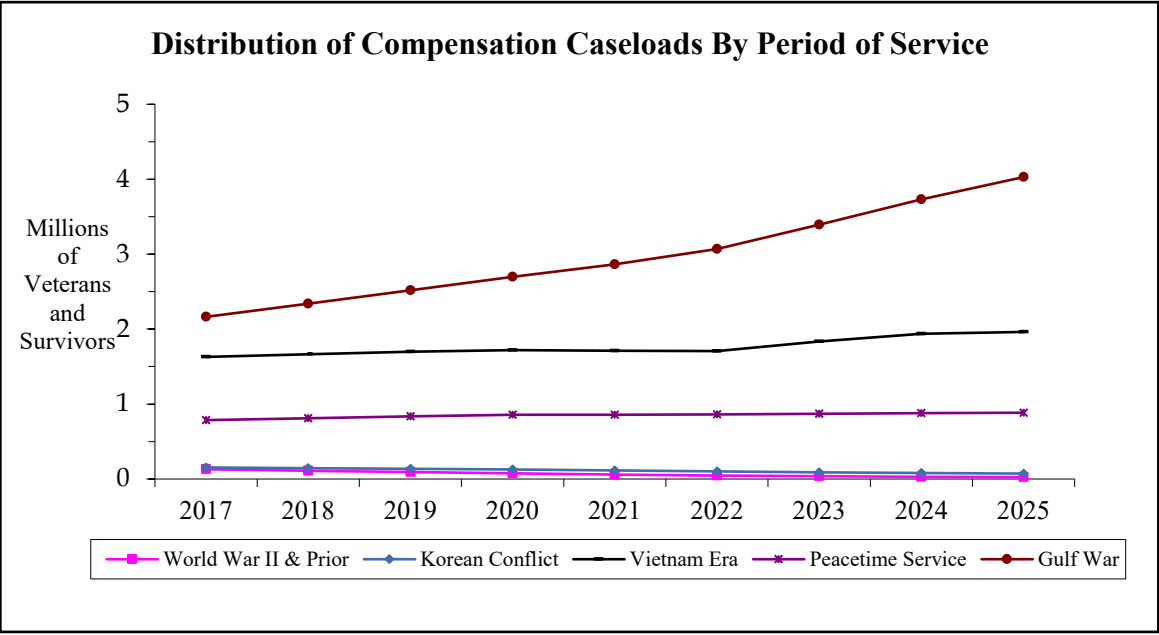
Compensation Program Highlights

In 2024, compensation benefit obligations are expected to total \$165.7 billion with benefit payments made to 6,656,895 beneficiaries. In 2025, obligations are projected to increase to \$177.7 billion with payments to 6,972,357 beneficiaries. Approximately 97.5% of total compensation obligations in 2024 are direct benefit payments to Veterans and their survivors. The Gulf War Era, which began on August 2, 1990, now spans over 30 years, compared with approximately 20 years for the Vietnam Era (November 1, 1955 – May 7, 1975). As a result, an increasing number of Gulf War Era Veterans are separating from service and accessing the compensation rolls. As shown in the graphic below, compensation benefit payments to Veterans and survivors of Veterans from the Gulf War Era (58.4% of total compensation obligations in 2024) will significantly exceed benefits to Veterans and survivors from the Vietnam Era (28.3% of 2024 compensation obligations). The increasing percentage of benefits paid to Gulf War Era Veterans is driven by a number of factors including VA's successful outreach efforts, improved access to benefits through joint VA and DoD pre-discharge programs, and increased demand due to the longevity of the Gulf War Era.

²² Section 2207 of P.L. 116-315, which provides an urn or commemorative plaque upon request in lieu of a headstone or marker, went into effect January 5, 2023.



Benefits in the compensation program are estimated to be dispersed to 6,094,446 Veterans and 562,448 survivors in 2024, and 6,380,274 Veterans and 592,083 survivors in 2025. The 2024 Veteran and survivor caseload estimate is distributed among World War II and Prior (31,116), Korean Conflict (80,519), Vietnam Era (1,938,634) Gulf War (3,729,308), and Peacetime (877,317) periods of service. Caseload for the older periods of service is steadily declining. The number of Veterans and survivors of Veterans from the Gulf War Era who are receiving compensation benefits will continue to rapidly increase through the budget year. Vietnam Era Caseload will increase beginning in 2023 due to the inclusion of hypertension as an Agent Orange presumptive condition under the PACT Act. Changes to the compensation caseload by period of service from 2017 and projected through 2025 can be seen in the following chart.

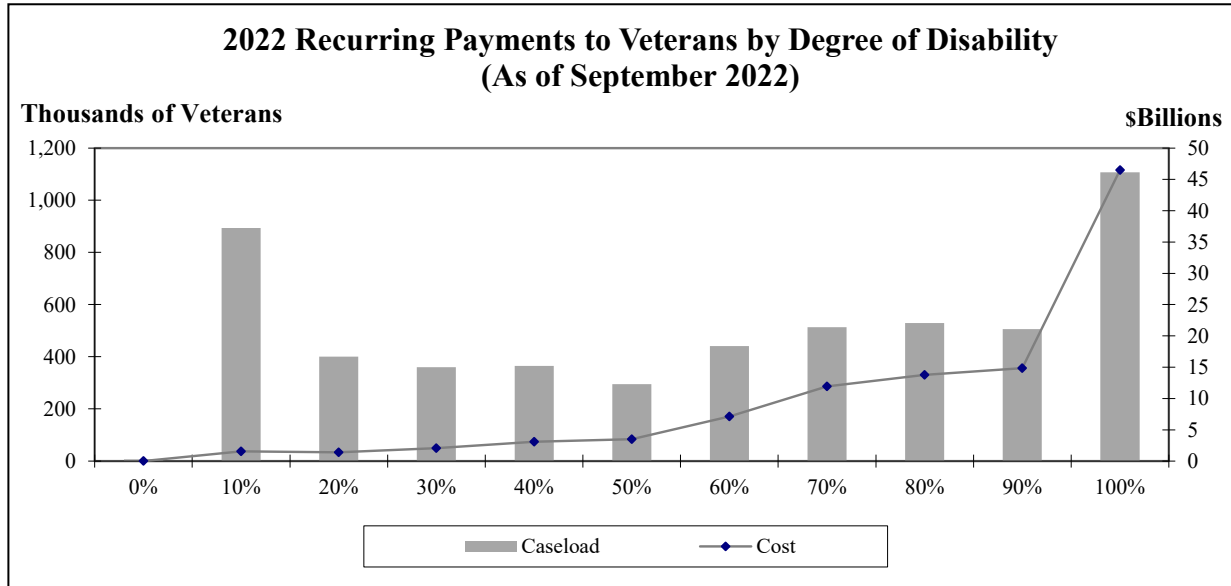


Numerous factors contribute to the total cost of the benefits the compensation program provides, including average degree of disability, additional benefits from enacted legislation or regulations, variations in the number of dependents, the number of individual unemployability (IU) cases, rising special monthly compensation cases, the number of retroactive payments, and variable numbers of accessions and terminations. Deviations in these factors alter average payments, historically increasing program obligations.

Based on historical data, the average degree of disability is forecasted to increase through 2025. The average degree of disability for Veterans increased from 57.1% in 2021 to 58.7% in 2022, which is consistent with annual increases in degree of disability since 2015. Additional regulations, legislation, the increasing number of completed claims, and the increasing number of issues per claim have contributed to rising disability ratings. The budget request considers the increasing average degree of disability in conjunction with estimated VA workload projections. Increases in average degree of disability cause significant increases in average payments.

Veteran Compensation												
Average Monthly Caseloads by Degree of Disability												
Year	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Avg. Degree
2016	9,852	840,032	442,739	396,857	373,154	279,153	383,227	390,216	356,066	266,896	531,330	50.1%
2017	9,363	851,969	437,795	394,274	376,040	286,364	398,810	414,909	386,497	303,319	596,322	51.5%
2018	8,848	866,837	433,067	390,732	377,486	292,120	413,134	438,829	418,378	341,706	671,837	52.8%
2019	8,286	883,890	427,255	385,271	376,596	295,202	423,669	460,850	446,750	380,644	763,663	54.2%
2020	7,980	888,981	421,281	380,055	375,183	298,351	432,528	481,741	474,247	419,027	854,723	55.5%
2021	7,373	882,075	405,949	365,120	365,414	293,023	431,420	491,705	494,481	454,766	958,897	57.1%
2022	6,835	877,677	392,858	353,190	358,432	289,460	432,884	504,288	519,830	497,147	1,087,660	58.7%

Monthly payments to Veterans vary by average degree of disability. While Veterans who are rated 10% disabled are the second largest group of compensation recipients, they do not account for the majority of program cost. The largest compensation payments, as shown in the chart below, are paid to those with higher degrees of disability. In addition to variations of degree of disability, only Veterans at or above the 30% disability rating may be entitled to additional compensation for dependents, resulting in higher average payments. Additionally, payment rates are not proportional to the degree of disability.



Reopened workload projections aid in forecasting changes to a Veteran’s degree of disability rating. These claims result when Veterans file amended claims because their disabilities worsen, new evidence of service-connection becomes available, and/or new legislation or regulation allows for additional compensation. In 2022, 405,939 Veterans, or 7.6% of Veterans on the compensation rolls, received an increase to their disability benefits, as shown on the following chart. The average increased rating level in 2022 was to 78.8%. More Veterans received an increase to their disability rating in 2022 than in 2021, when 380,258 Veterans (7.4% of Veterans on the rolls) received an increased rating and the average increased rating level was 78.8%. The high increased rating level is consistent with recent trends, and has contributed to the increases to the overall average degree of disability.

Veterans Compensation 2022 Increased Disability Rating Levels											
	Disability Level Increase										
Current	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Total
0%	88	49	36	29	29	28	33	12	12	77	393
10%	-	9,605	5,683	7,857	3,021	7,936	6,264	3,574	2,122	4,553	50,615
20%	-	-	6,137	6,183	3,035	4,986	2,823	4,290	1,784	2,885	32,123
30%	-	-	-	7,236	5,362	5,109	5,419	5,184	2,560	3,760	34,630
40%	-	-	-	-	6,156	9,505	8,208	8,102	4,387	5,316	41,674
50%	-	-	-	-	-	8,336	8,116	7,191	5,214	5,207	34,064
60%	-	-	-	-	-	-	14,272	15,692	10,722	10,158	50,844
70%	-	-	-	-	-	-	-	20,586	16,842	14,452	51,880
80%	-	-	-	-	-	-	-	-	33,512	22,816	56,328
90%	-	-	-	-	-	-	-	-	-	53,388	53,388
Total	88	9,654	11,856	21,305	17,603	35,900	45,135	64,631	77,155	122,612	405,939

As of September 2022, 3.0 million out of 5.4 million Veteran cases received additional compensation for dependents. The number of dependents totaled 4.7 million, or 1.57 dependents per case, which is unchanged from the 2021 average.

In addition to monetary benefits for dependents, Veterans who are rated 60% and above are eligible for individual unemployability (IU). The eligibility criteria for the IU program are as follows:

- At least one service-connected disability rating of at least 60% two or more service-connected disabilities with at least one disability ratable at 40% or more with a combined rating of 70% or more; and
- The Veteran must be unable to maintain substantially gainful employment as a result of the service-connected disabilities.

As a result, Veterans receiving IU payments receive compensation at the 100% disability rating even if their assigned rating is lower. Increases in the IU benefit affect the average payment, resulting in increased program costs. In September 2022, 376,175 Veterans received IU, an increase of 1,513 cases over September 2021. While IU caseload continues to increase at a gradual rate, the percentage of Veterans on the compensation rolls receiving IU compared to total Veteran caseload has been decreasing slightly, from 7.9% in September 2016 to 7.1% in September 2022.

Veterans Compensation							
Individual Unemployability							
	2016	2017	2018	2019	2020	2021	2022
Without Dependents	101,534	105,403	109,350	113,613	119,079	122,313	125,200
With Dependents	237,328	243,109	247,318	251,763	254,126	252,349	250,975
Total	338,862	348,512	356,668	365,376	373,205	374,662	376,175

Special monthly compensation (SMC) is a monetary benefit paid in addition to or in place of 0% to 100% combined degree of disability. To qualify, a Veteran must be disabled due to special circumstances (e.g., loss of use of one hand). Also, certain Veterans may be entitled to aid and attendance, which provides for needed caregiver assistance due to their disabilities. The increasing number and percentage of Veterans receiving SMC payments partially contributes to an increasing trend in average payments.

Veterans Compensation							
Special Monthly Compensation							
	2016	2017	2018	2019	2020	2021	2022
Without Dependents	188,571	198,090	209,129	219,702	231,900	245,674	263,589
With Dependents	417,002	450,221	482,579	518,671	547,604	577,243	617,042
Total	605,573	648,311	691,708	738,373	779,504	822,917	880,631

The majority of retroactive payments are one-time payments disbursed as original or amended claims. These payments typically are paid back to the date of claim unless legislation allows for payment to begin at the date of enactment of a regulation establishing the service-connected

condition. During 2022, retroactive payments were 7.8% of compensation payments to Veterans and survivors, an increase from 7.6% in 2021.

Compensation Retroactive Payments (\$ in millions)							
	2016	2017	2018	2019	2020	2021	2022
Retro Payments	\$6,473	\$6,542	\$6,203	\$7,257	\$8,620	\$8,327	\$9,743
Compensation Payments	\$73,925	\$79,051	\$85,787	\$94,930	\$104,828	\$109,879	\$124,301
% of Retro to Total	8.8%	8.3%	7.2%	7.6%	8.2%	7.6%	7.8%

While 7.8% of total compensation payments were retroactive payments in 2022, the majority of compensation obligations were from monthly recurring payments. In 2022, compensation recurring payment obligations were \$114.6 billion (\$105.8 billion for Veterans and \$8.8 billion for survivors), or 92.2% of the total compensation payments. The following chart shows recurring payment obligations for Veterans, as well as caseload, average age, and average payment by degree of disability.

Veterans Compensation Summary by Degree of Disability (obligations in thousands)				
	2022			
Degree of Disability	September Caseload	Average Age	Average September Payment	Recurring Payment Obligations
0 Percent	6,959	72.9	\$109	\$8,613
10 Percent	893,638	62.7	\$154	\$1,554,336
20 Percent	400,002	60.9	\$306	\$1,386,815
30 Percent	359,613	58.6	\$514	\$2,093,468
40 Percent	364,950	57.0	\$743	\$3,072,395
50 Percent	294,724	56.0	\$1,052	\$3,508,892
60 Percent	440,756	55.7	\$1,428	\$7,132,693
70 Percent	513,459	55.1	\$2,048	\$11,920,720
80 Percent	529,283	53.6	\$2,297	\$13,782,142
90 Percent	506,188	52.8	\$2,585	\$14,835,266
100 Percent	1,107,440	56.8	\$3,708	\$46,494,890
Veterans Compensation	5,417,012	57.3	\$1,724	\$105,790,230

The compensation program estimates take into consideration the effects of accessions (new claims per year) and terminations (removal from rolls, e.g., death). The net effect (accessions minus terminations) remains high, contributing to a rapid increase in the disability compensation recurring payments, commonly referred to as beneficiaries on the rolls. The chart below shows the historical trends of accessions, terminations and the net change for Veterans. These trends have been considered in future projections.

Veterans Compensation Accessions and Terminations							
	2016	2017	2018	2019	2020	2021	2022
Accessions	284,549	296,715	274,525	309,089	258,635	280,696	322,904
Terminations	102,608	106,679	105,809	117,228	129,512	128,503	126,421
Net Change	181,941	190,036	168,716	191,861	129,123	152,193	196,483

The following chart shows Veteran accessions to the compensation rolls by degree of disability. The average degree of disability for Veterans accessing the rolls is 50.1%, which is slightly lower than the average degree of disability of 58.7% for all Veterans receiving compensation. Accession projections for the out-years are derived from the claims completed projections. These projections consider recently enacted legislation, regulatory changes, historical trends of applications of Veterans, as well as VA initiatives. Estimates of Veteran accessions are distributed among the disability ratings using historical trends.

Veterans Compensation							
Accession Trends							
Combined Degree of Disability	2016	2017	2018	2019	2020	2021	2022
0%	490	517	352	341	442	291	340
10%	72,638	79,841	76,104	93,818	72,117	82,974	87,195
20%	26,222	26,904	23,706	26,106	20,174	21,035	23,203
30%	27,193	26,614	22,697	24,811	19,983	20,644	22,752
40%	23,871	23,728	20,563	22,169	17,377	19,826	21,662
50%	21,712	21,561	19,191	20,845	18,172	19,231	20,395
60%	24,571	24,338	21,129	22,426	18,398	20,824	23,361
70%	24,974	25,330	23,252	25,801	23,363	25,557	28,287
80%	20,204	19,875	18,631	19,022	16,519	18,097	22,639
90%	17,247	18,683	17,982	18,788	17,465	18,525	24,224
100%	25,427	29,324	30,918	34,962	34,625	33,692	48,846
Total	284,549	296,715	274,525	309,089	258,635	280,696	322,904
Avg. Degree	45.8%	45.8%	46.6%	45.3%	48.0%	46.8%	50.1%

Based on an analysis of Veteran trends, there is a relationship between Veterans terminating from the compensation rolls and survivors acceding to the compensation rolls. The relationship is substantially more pronounced as the Veteran's degree of disability increases. The survivor's DIC program is available to surviving spouses who have not remarried (or those remarried after the age of 55), unmarried children under 18 years of age, helpless children, and low-income parents of deceased Veterans. The chart below shows the historical trends of accessions, terminations and the net change for survivors. These trends have been considered in future projections.

Survivor Compensation							
Accessions and Terminations							
	2016	2017	2018	2019	2020	2021	2022
Accessions	27,988	30,964	30,479	31,066	33,090	37,753	37,036
Terminations	20,723	20,643	19,057	21,592	23,102	23,519	20,688
Net Change	7,265	10,321	11,422	9,474	9,988	14,234	16,348

For surviving spouses of Veterans who were not rated totally disabled to become eligible, they must meet at least one of three requirements. The Veteran must have died from:

- A service-connected disease or injury incurred or aggravated while on active duty;
- An injury was incurred or aggravated in the line of duty while on inactive duty training; or
- A disability compensable by the VA.

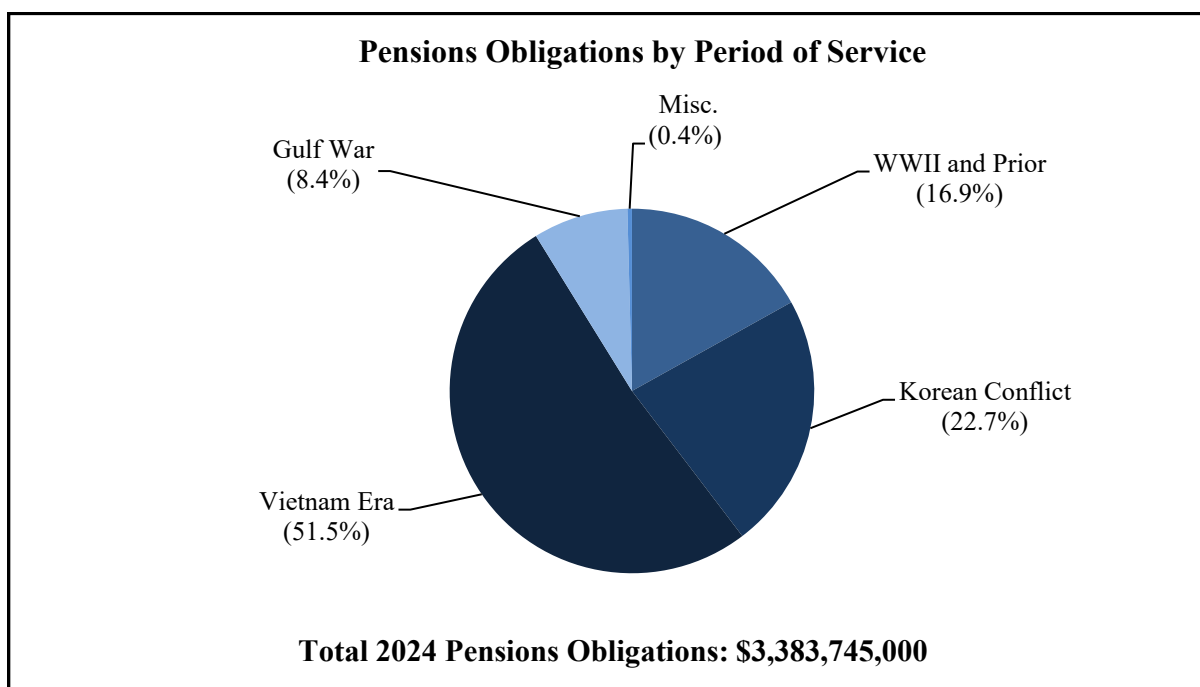
Survivors of Veterans who were rated permanently and totally disabled, but died of a non-service-connected cause, may be eligible if:

- The Veteran was continuously rated totally disabled over a period of ten years;
- The Veteran was rated for a period of at least five years from the military discharge; or
- The Veteran was a former prisoner of war who died after September 30, 1999, and who was rated totally disabled for a period of not less than one year immediately preceding death.

Veteran termination data has demonstrated that survivors typically access the compensation rolls within three years. In 2022, of the 37,036 survivor accessions, 28,625 were associated with Veteran terminations within the previous three years.

Pensions Program Highlights

In 2024, pension obligations are expected to total \$3.4 billion with payments made to 262,858 pension beneficiaries. In 2025, obligations are projected to decrease to \$3.2 billion with payments to 240,550 beneficiaries. In 2024 and 2025, Veteran caseloads across all periods of service are expected to decrease. For survivor pension, Vietnam and Gulf War caseloads will increase slightly, but prior caseloads are expected to decrease through 2025. Approximately 98.3% of the estimated cases in 2024 will receive benefits under the Improved Law program, accounting for 99.9% of the program’s cost. As shown in the following chart, the largest pension request comes from Vietnam Era Veterans and survivors with 51.5% of program obligations in 2024. Korean War Veterans and survivors represent the second largest group of pension recipients, accounting for 22.7% of obligations, and this is largely associated with survivor benefit payments. The percentages for Vietnam Era and Gulf War Veterans will continue to increase as these populations are becoming eligible for the automatic permanent and totally disabling rating at age 65.



The OBRA provision for data matching was extended by P.L. 116-315 through September 30, 2030. The OBRA provision authorizes VA to perform data matches with the Internal Revenue Service and Social Security Administration to ensure proper payments are made to eligible beneficiaries in its needs-based programs and Veterans receiving compensation based on individual unemployability. Access to these records is the most efficient and effective means VA has of verifying certain types of income.

Currently, VA administers three pensions programs (Improved Law Pensions, Prior Law Pensions, and Old Law Pensions). New beneficiaries can only receive the Improved Law Pensions benefits under the Veterans' and Survivors' Pension Improvement Act of 1978 (P.L. 95-588); the other two programs are closed. Since the Prior Law and Old Law programs have been closed since 1979 and 1960, respectively, the caseload in these programs is from earlier periods of service and will continue to decline.

Pensions Summary by Law												
	2022			2023			2024			2025		
	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)	Avg. Cases	Avg. Benefit (\$'s)	Total Obligations (000's)
Total												
Improved Law	307,298	\$12,189	\$3,745,746	281,801	\$12,607	\$3,552,601	258,300	\$13,029	\$3,365,455	236,748	\$13,469	\$3,188,677
Prior Law	6,530	\$970	\$6,332	5,447	\$1,003	\$5,462	4,544	\$1,037	\$4,712	3,791	\$1,061	\$4,021
Old Law	24	\$823	\$20	18	\$836	\$15	14	\$858	\$12	11	\$872	\$10
Veterans												
Improved Law	182,644	\$13,145	\$2,400,941	165,811	\$13,615	\$2,257,516	150,434	\$14,082	\$2,118,369	136,482	\$14,565	\$1,987,811
Prior Law	378	\$2,126	\$803	303	\$2,272	\$689	243	\$2,431	\$591	195	\$2,598	\$507
Old Law	1	\$875	\$1	1	\$875	\$1	1	\$875	\$1	1	\$875	\$1
Survivors												
Improved Law	124,654	\$10,788	\$1,344,805	115,990	\$11,166	\$1,295,086	107,865	\$11,561	\$1,247,086	100,267	\$11,977	\$1,200,866
Prior Law	6,152	\$899	\$5,529	5,144	\$928	\$4,774	4,301	\$958	\$4,122	3,596	\$977	\$3,514
Old Law	23	\$820	\$19	17	\$833	\$14	13	\$856	\$11	10	\$872	\$9

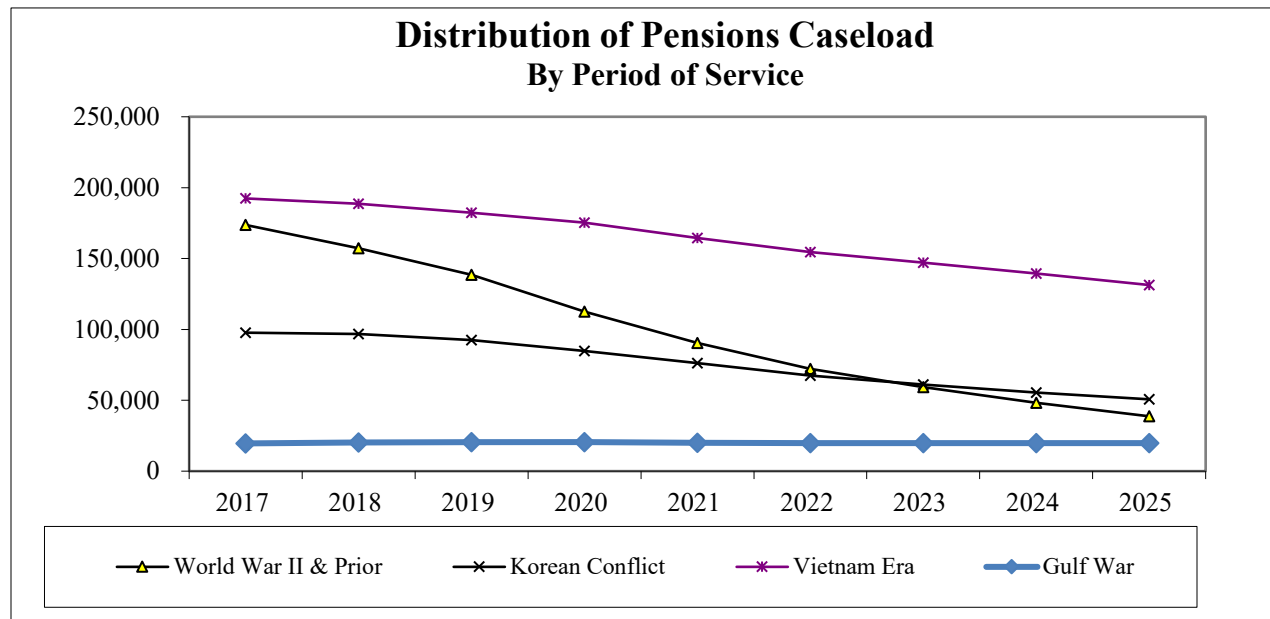
A major factor of the cost of the pensions program is the impact of the automatic cost-of-living adjustment. The COLA for Improved Law beneficiaries, which is automatically tied to that afforded to Social Security beneficiaries, is estimated to be 3.6% in 2024. Since rates for pensioners covered by earlier programs are fixed, variations in average benefit payments for these beneficiaries are attributed to changes in dependency, qualifying income, health, or other eligibility criteria.

Pensions			
Improved Law Income Limitations			
(As of December 2022)			
Veterans		Survivors	
Without dependents	\$16,037	Spouses without dependents	\$10,757
With one dependent	\$21,001	Spouses with one dependent	\$14,078
Each additional dependent	\$2,743	Each additional dependent	\$2,743

The amount of Improved Law Pensions payable is reduced for each dollar of countable family income by the annual income limitations. These limitations can affect the average pension payment, which in turn, impacts the majority of total cost of the pensions program.

Total pension caseload is expected to decrease in 2024 (262,858 vs. 287,266) and 2025 (240,550). Vietnam and Korean Conflict beneficiaries account for the largest pension caseloads with 139,345 and 55,548 beneficiaries, respectively, in 2024. Beneficiaries associated with these periods of service account for 74.1% of all pension beneficiaries. Of the 55,548 Korean Conflict beneficiaries, only 18,947 are Veterans, with the remaining caseload being survivors. The opposite is true of the Vietnam Era, with 111,122 of the total 139,345 recipients being Veterans.

Caseloads for the earlier periods of service are declining; however, the caseload from the ongoing Gulf War is expected to continue its gradual increasing trend. All Vietnam Era Veterans have turned 65, allowing for an automatic permanent and totally disabling rating under current law. The number of Veterans of the Gulf War is also increasing but has not yet reached the level of other periods of service.



As of September 30, 2022, 36.0% of Veterans and 72.9% of survivors who received a pension were over age 75. VA continues to experience growth in the number of Gulf War claims, and as more Veterans from recent periods of service continue to access the rolls, the average age of pension recipients is expected to decrease.

Pensions								
Age of Pensions Recipients								
(As of September 2022)								
Age	Veterans Improved Law	Veterans Prior Law	Veterans Old Law	Total Veterans	Survivors Improved Law	Survivors Prior Law	Survivors Old Law	Total Survivors
Under 25	-	-	-	0	221	-	-	221
25 – 35	387	-	-	387	171	1	-	172
36 - 45	2,341	-	-	2,341	621	3	-	624
46 – 55	8,029	-	-	8,029	2,873	173	-	3,046
56 -65	8,715	1	-	8,716	11,433	1,307	1	12,741
66 – 75	91,791	107	-	91,898	15,076	2,112	2	17,190
Over 75	62,373	224	1	62,598	89,511	2,135	17	91,663
Unknown	1	-	-	1	84	1	-	85
Total	173,637	332	1	173,970	119,990	5,732	20	125,742

The pensions program forecast considers the effects of accessions (new beneficiaries per year) and terminations (removal from rolls due to factors such as death, increased income, etc.). Deviations in accessions and terminations cause the caseload to fluctuate.

Veteran Pensions							
Accessions and Terminations							
	2016	2017	2018	2019	2020	2021	2022
Accessions	39,484	34,662	32,419	22,755	22,303	14,810	10,739
Terminations	44,417	45,965	40,354	39,254	39,456	35,372	27,963
Net Change	-4,933	-11,303	-7,935	-16,499	-17,153	-20,562	-17,224

Although caseloads in Prior Law and Old Law are decreasing, they still have an impact on the total cost of the program. Evaluating the trends in dependency is also considered in the budget forecast as it affects average payment. For each program category, pensioners with dependents receive additional benefits.

**Pensions Program Trends
(As of September 2022)**

“Old Law” Pensions Cases (closed program)

“Old Law” refers to the pensions program in existence prior to July 1, 1960, in which the benefit rate is fixed for all eligible, regardless of specific countable income.

Veterans					Survivors				
Year	Number	%	Veterans Alone	Veterans w/ Dependents	Number	%	Spouses Alone	Spouses w/ Dependents	Children Alone
2016	14	<0.1	8	6	78	<0.1	24	-	54
2017	9	<0.1	5	4	68	<0.1	18	-	50
2018	7	<0.1	3	4	52	<0.1	10	-	42
2019	6	<0.1	3	3	44	<0.1	7	-	37
2020	4	<0.1	2	2	37	<0.1	6	-	31
2021	2	<0.1	1	1	37	<0.1	6	-	31
2022	1	<0.1	1	-	20	<0.1	2	-	18

“Prior Law” Pensions Cases (closed program)

“Prior Law” refers to the pensions program in existence between July 1, 1960 and January 1, 1979. Benefit rates were established by formula, and reduced for each dollar of countable income.

Veterans					Survivors				
Year	Number	%	Veterans Alone	Veterans w/ Dependents	Number	%	Spouses Alone	Spouses w/ Dependents	Children Alone
2016	1,319	0.5	668	651	13,211	6.5	6,900	373	5,938
2017	1,052	0.4	526	526	11,932	5.9	6,303	362	5,267
2018	855	0.3	431	424	10,767	5.6	5,967	306	4,494
2019	698	0.3	359	339	9,601	5.7	3,788	257	5,556
2020	562	0.3	304	258	8,596	5.4	3,182	209	5,205
2021	468	0.2	257	211	7,800	5.6	2,775	173	4,852
2022	332	0.2	183	149	5,732	4.6	1,611	116	4,005

“Improved Law” Pensions Cases

“Improved Law” refers to the pensions program in existence since January 1, 1979. Payments for the Improved Law program beneficiaries are computed by reducing dollar-for-dollar, the benefit levels specified under Public Law 95-588 by the income of the beneficiary.

Veterans					Survivors				
Year	Number	%	Veteran Alone	Veterans w/ Dependents	Number	%	Spouse Alone	Spouse w/ Children	Children Alone
2016	287,382	99.5	227,458	59,924	189,697	93.5	185,328	1,177	3,192
2017	275,513	99.6	219,054	56,459	189,435	94	185,390	1,139	2,906
2018	259,229	99.7	207,496	51,733	182,005	94.4	178,358	1,078	2,569
2019	238,414	99.7	192,103	46,311	160,394	94.3	157,018	984	2,392
2020	219,022	99.7	179,203	39,819	150,453	94.6	147,381	894	2,178
2021	194,244	99.8	162,024	32,220	132,027	94.4	129,222	829	1,976
2022	173,637	99.8	146,177	27,460	119,990	95.4	117,425	785	1,780

Compensation and Pensions
Summary of Obligations
(obligations in thousands)

	2022			2023		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
Compensation Total ^{1/}	5,789,019	\$21,472	\$124,301,184	6,226,385	\$23,094	\$143,792,593
Veterans Compensation	5,320,259	\$21,716	\$115,533,478	5,707,840	\$23,073	\$131,699,390
World War II	19,122	\$15,525	\$296,864	13,699	\$16,594	\$227,327
Korean Conflict	72,932	\$14,690	\$1,071,370	63,424	\$15,684	\$994,750
Vietnam Era	1,385,646	\$23,269	\$32,242,654	1,464,628	\$23,537	\$34,472,381
Peacetime Service	817,856	\$15,867	\$12,977,072	823,268	\$16,991	\$13,988,169
Gulf War	3,024,704	\$22,794	\$68,945,518	3,342,820	\$24,535	\$82,016,763
Survivors Compensation	468,760	\$18,704	\$8,767,706	518,546	\$23,321	\$12,093,203
World War I & Prior	88	\$9,745	\$859	73	\$9,986	\$725
World War II	28,488	\$17,874	\$509,208	24,599	\$18,452	\$453,899
Korean Conflict	27,967	\$18,985	\$530,945	26,633	\$19,916	\$530,423
Vietnam Era	321,333	\$18,986	\$6,100,914	369,562	\$24,802	\$9,165,864
Peacetime Service	45,165	\$18,553	\$837,940	46,852	\$19,569	\$916,823
Gulf War	45,718	\$17,232	\$787,840	50,827	\$20,176	\$1,025,470
Other Compensation			\$2,544,732			\$3,627,282
Spec. Ben. For Children	1,095	\$20,754	\$22,726	1,072	\$22,559	\$24,184
Clothing Allowance	135,128	\$884	\$119,508	138,292	\$969	\$133,939
Other (REPS, SAFD, EAJA)	6,423	\$6,869	\$44,120	6,422	\$7,466	\$47,946
OBRA Payment to VBA GOE	-	-	\$3,705	-	-	\$7,897
Contract Exams - VBA GOE	-	-	\$2,341,208	-	-	\$3,394,967
Contract Exams - IT	-	-	\$13,466	-	-	\$18,350
Pensions Total ^{1/}	313,852	\$11,955	\$3,752,098	287,266	\$12,386	\$3,558,079
Veterans Pensions	183,022	\$13,123	\$2,401,744	166,115	\$13,594	\$2,258,205
World War II	10,622	\$19,569	\$207,858	7,186	\$19,621	\$140,991
Korean Conflict	27,839	\$17,562	\$488,902	23,087	\$17,701	\$408,674
Vietnam Era	127,905	\$11,556	\$1,478,069	119,568	\$12,336	\$1,474,979
Gulf War	16,657	\$13,623	\$226,916	16,273	\$14,353	\$233,562
Survivors Pensions	130,830	\$10,321	\$1,350,354	121,151	\$10,729	\$1,299,874
World War I & Prior	1,022	\$3,604	\$3,684	747	\$3,772	\$2,819
World War II	60,533	\$10,400	\$629,557	51,287	\$10,714	\$549,473
Korean Conflict	39,615	\$11,051	\$437,786	38,078	\$11,416	\$434,700
Vietnam Era	26,556	\$9,277	\$246,362	27,522	\$9,910	\$272,746
Gulf War	3,104	\$10,620	\$32,965	3,517	\$11,413	\$40,136
Other Pensions			\$14,975			\$12,689
OBRA Payment to VBA GOE	-	-	\$14,820	-	-	\$12,218
Contract Exams - VBA GOE	-	-	\$155	-	-	\$472

^{1/} Does not include "other" caseload or obligations.

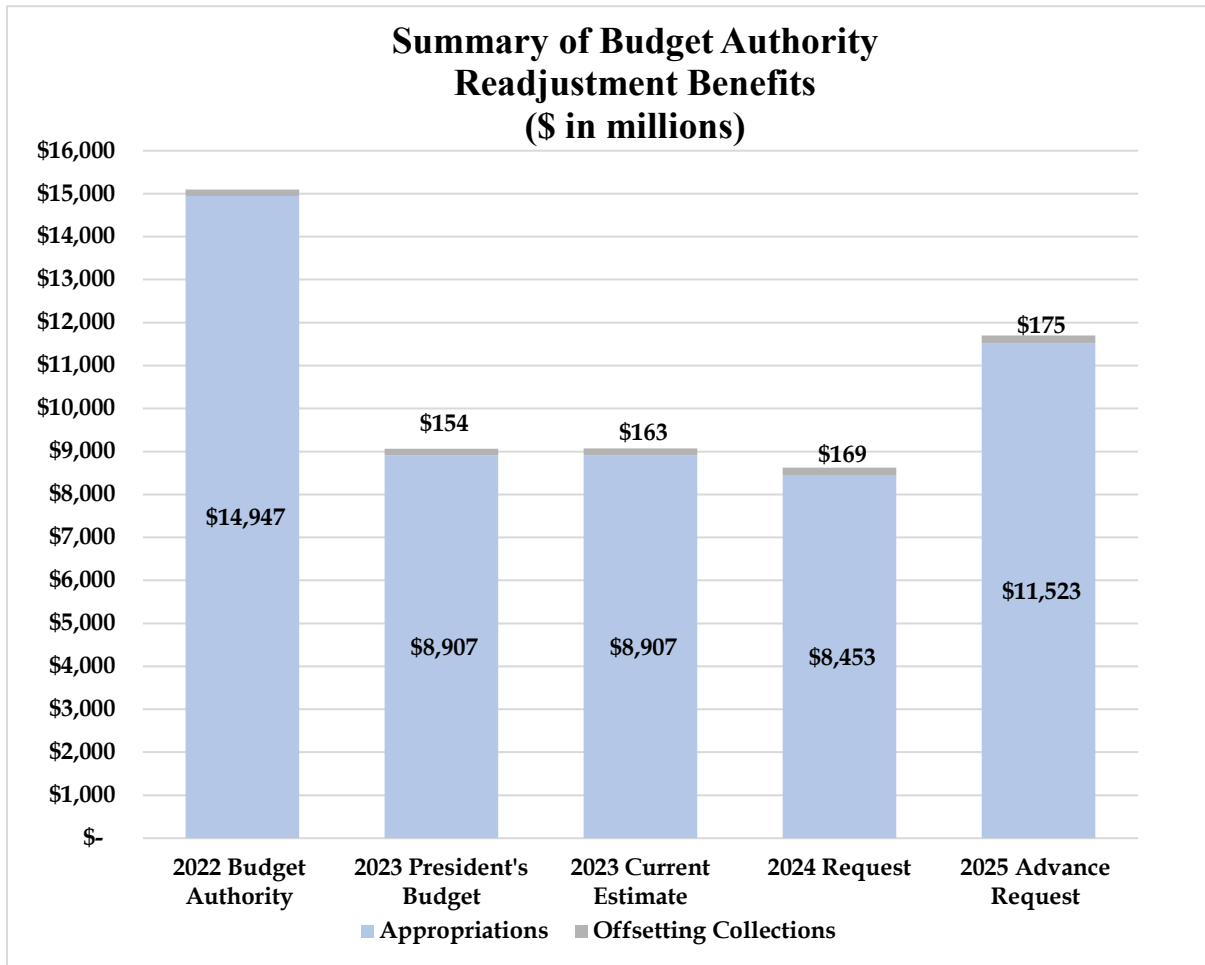
Compensation and Pensions
Summary of Obligations (cont'd)
(obligations in thousands)

	2024			2025		
	Average Cases	Average Benefit	Total Obligations	Average Cases	Average Benefit	Total Obligations
Compensation Total ^{1/}	6,656,895	\$24,250	\$161,431,129	6,972,357	\$24,932	\$173,831,515
Veterans Compensation	6,094,446	\$24,307	\$148,136,427	6,380,274	\$25,198	\$160,772,617
World War II	9,814	\$17,482	\$171,579	7,031	\$18,063	\$127,002
Korean Conflict	55,156	\$16,564	\$913,609	47,965	\$17,118	\$821,087
Vietnam Era	1,527,240	\$23,969	\$36,607,035	1,523,334	\$24,647	\$37,546,044
Peacetime Service	828,716	\$17,953	\$14,878,045	834,200	\$18,490	\$15,424,531
Gulf War	3,673,520	\$26,015	\$95,566,159	3,967,743	\$26,931	\$106,853,953
Survivors Compensation	562,448	\$23,637	\$13,294,701	592,083	\$22,056	\$13,058,898
World War I & Prior	60	\$10,262	\$616	50	\$10,575	\$530
World War II	21,241	\$19,048	\$404,597	18,342	\$19,663	\$360,651
Korean Conflict	25,363	\$20,893	\$529,902	24,154	\$21,917	\$529,381
Vietnam Era	411,395	\$24,816	\$10,209,145	438,892	\$22,480	\$9,866,347
Peacetime Service	48,601	\$20,640	\$1,003,131	50,416	\$21,770	\$1,097,565
Gulf War	55,788	\$20,566	\$1,147,309	60,230	\$19,997	\$1,204,425
Other Compensation			\$4,232,018			\$3,908,821
Spec. Ben. For Children	1,049	\$23,372	\$24,517	1,049	\$23,385	\$24,531
Clothing Allowance	142,328	\$1,003	\$142,810	142,328	\$1,055	\$150,116
Other (REPS, SAFD, EAJA)	6,422	\$7,735	\$49,672	6,422	\$7,912	\$50,814
OBRA Payment to VBA GOE	-	-	\$8,411	-	-	\$8,680
Contract Medical Exams - VBA GOE	-	-	\$3,987,892	-	-	\$3,655,589
Contract Medical Exams - IT	-	-	\$18,717	-	-	\$19,091
Pensions Total ^{1/}	262,858	\$12,821	\$3,370,179	240,550	\$13,273	\$3,192,707
Veterans Pensions	150,678	\$14,063	\$2,118,960	136,678	\$14,547	\$1,988,318
World War II	4,811	\$19,668	\$94,623	3,171	\$19,710	\$62,505
Korean Conflict	18,947	\$17,810	\$337,447	15,500	\$17,886	\$277,219
Vietnam Era	111,122	\$13,037	\$1,448,682	102,671	\$13,706	\$1,407,239
Gulf War	15,798	\$15,079	\$238,209	15,336	\$15,737	\$241,356
Survivors Pensions	112,179	\$11,154	\$1,251,219	103,873	\$11,595	\$1,204,388
World War I & Prior	547	\$3,857	\$2,108	400	\$3,945	\$1,579
World War II	42,824	\$11,107	\$475,652	35,135	\$11,542	\$405,517
Korean Conflict	36,601	\$11,793	\$431,635	35,181	\$12,182	\$428,593
Vietnam Era	28,223	\$10,451	\$294,956	28,642	\$10,962	\$313,974
Gulf War	3,984	\$11,764	\$46,866	4,514	\$12,125	\$54,726
Other Pensions			\$13,566			\$13,936
OBRA Payment to VBA GOE	-	-	\$13,012	-	-	\$13,429
Contract Medical Exams - VBA GOE	-	-	\$554	-	-	\$508

^{1/} Does not include "other" caseload or obligations.



Readjustment Benefits



Note: Unobligated balances from prior years are not included in totals. VA estimates \$6.0 billion will be carried over into 2024.

Appropriation Language

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by chapters 21, 30, 31, 33, 34, 35, 36, 39, 41, 51, 53, 55, and 61 of title 38, United States Code, [\$8,452,500,000] *\$11,523,134,000*, which shall become available on October 1, [2023] *2024*, to remain available until expended: *Provided*, That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under subsection (a) of section 3104 of title 38, United States Code, other than under paragraphs (1), (2), (5), and (11) of that subsection, shall be charged to this account. (*Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023.*)

Summary of Appropriation Highlights (\$ in thousands)							
	2023					2024 to 2023	2025 to 2024
	2022 Actual	Budget Estimate	Current Estimate	2024 Estimate	2025 Estimate	Increase (+) Decrease (-)	Increase (+) Decrease (-)
Obligations:							
<i>Education:</i>							
Post 9-11 GI Bill (33)	\$8,134,273	\$8,774,930	\$7,826,937	\$8,181,953	\$8,611,623	+\$355,016	+\$429,670
Dependents' Education and Training (35)	\$1,255,511	\$1,354,534	\$1,505,373	\$1,910,477	\$2,096,693	+\$405,103	+\$186,217
Veterans/Service Members (30) ^{1/}	\$148,165	\$159,276	\$159,740	\$144,861	\$146,102	-\$14,880	+\$1,242
Reservists (1606)	\$104,851	\$96,209	\$115,380	\$122,175	\$127,930	+\$6,795	+\$5,755
VET TEC Program	\$92,532	\$45,000	\$86,537	\$45,000	-	-\$41,537	-\$45,000
Veterans Rapid Retraining Asst. Program	\$170,560	\$35,358	\$127,088	\$49,641	\$50	-\$77,447	-\$49,591
Work-Study ^{2/}	\$21,419	\$26,061	\$25,651	\$29,320	\$33,140	+\$3,669	+\$3,820
Tuition Assistance	\$2,111	\$2,180	\$1,519	\$1,506	\$1,639	-\$13	+\$133
Licensing & Certification	\$2,247	\$3,366	\$4,488	\$5,102	\$5,703	+\$613	+\$602
National Exams ^{3/}	\$58	\$36	\$71	\$97	\$129	+\$26	+\$32
<i>Subtotal:</i>	<i>\$9,931,728</i>	<i>\$10,496,950</i>	<i>\$9,852,786</i>	<i>\$10,490,130</i>	<i>\$11,023,010</i>	<i>+\$637,345</i>	<i>+\$532,880</i>
<i>VR&E (31):</i>							
VR&E Subsistence Allowance	\$594,181	\$721,730	\$754,124	\$863,067	\$947,295	+\$108,944	+\$84,228
VR&E Books, Tuition, Supplies, Fees	\$869,002	\$996,263	\$1,020,299	\$1,103,743	\$1,170,445	+\$83,444	+\$66,701
VR&E Work-Study	\$7,918	\$8,706	\$8,459	\$9,526	\$11,635	+\$1,068	+\$2,109
<i>Subtotal:</i>	<i>\$1,471,101</i>	<i>\$1,726,699</i>	<i>\$1,782,882</i>	<i>\$1,976,337</i>	<i>\$2,129,375</i>	<i>+\$193,455</i>	<i>+\$153,038</i>
<i>Special Assistance:</i>							
Specially Adapted Housing Grants	\$122,135	\$172,640	\$172,052	\$164,755	\$179,115	-\$7,297	+\$14,360
Automobile Grants	\$23,753	\$27,074	\$23,146	\$23,741	\$24,351	+\$595	+\$610
Adaptive Equipment	\$86,297	\$87,208	\$93,114	\$99,353	\$102,164	+\$6,239	+\$2,812
<i>Subtotal:</i>	<i>\$232,185</i>	<i>\$286,922</i>	<i>\$288,312</i>	<i>\$287,848</i>	<i>\$305,630</i>	<i>-\$464</i>	<i>+\$17,781</i>
<i>Indirect Benefits:</i>							
Chapter 36	\$5,994	\$6,000	\$6,000	\$6,000	\$6,000	-	-
State Approving Agencies (SAA)	\$23,705	\$26,878	\$28,012	\$29,021	\$29,688	+\$1,008	+\$667
Reporting Fees	\$13,586	\$14,043	\$13,985	\$14,242	\$14,405	+\$258	+\$163
Specially Adapted Housing Tech Grants	\$200	-	\$1,000	\$1,000	-	-	-\$1,000
Reimbursement to GOE	\$150	\$141	\$152	\$155	\$158	+\$3	+\$3
<i>Subtotal:</i>	<i>\$43,635</i>	<i>\$47,062</i>	<i>\$49,149</i>	<i>\$50,418</i>	<i>\$50,252</i>	<i>+\$1,269</i>	<i>-\$167</i>
Total Obligations	\$11,678,649	\$12,557,633	\$11,973,129	\$12,804,734	\$13,508,267	+\$831,606	+\$703,532
Funding:							
Advance Appropriation	\$14,946,618	\$8,906,851	\$8,906,851	\$8,452,500	\$11,523,134	-\$454,351	+\$3,070,634
Appropriation	-	-	-	-	-	-	-
Offsetting Collections	\$150,853	\$154,227	\$162,669	\$169,269	\$175,459	+\$6,600	+\$6,190
Unobligated balance (SOY)	\$5,394,698	\$8,314,043	\$8,896,247	\$5,992,638	\$1,809,673	-\$2,903,609	-\$4,182,965
Prior Year Recoveries	\$82,727	-	-	-	-	-	-
Unobligated balance (EOY)	\$8,896,247	\$4,817,488	\$5,992,638	\$1,809,673	-	-\$4,182,965	-\$1,809,673
Outlays (Net)	\$11,861,923	\$12,302,648	\$11,723,436	\$11,717,257	\$13,168,300	-\$6,179	+\$1,451,043

Note: Dollars may not add due to rounding in this and subsequent charts.

1/ Includes obligations for equitable relief authorized by the Secretary for the Veterans Retraining Assistance Program

2/ Includes chapter 1606 work-study reimbursement from DoD 3/ National Exams includes chapters 30, 33, and 35

Summary of Appropriation Highlights (cont'd)							
(\$ in thousands)							
	2023					2024 to 2023	2025 to 2024
	2022 Actual	Budget Estimate	Current Estimate	2024 Estimate	2025 Estimate	Increase (+) Decrease (-)	Increase (+) Decrease (-)
Workload Data and Other Items							
Workload:							
Post 9-11 GI Bill (33)	564,501	564,972	536,517	519,224	511,045	-17,293	-8,179
Dependents' Education and Training (35)	183,944	191,393	213,733	245,368	260,993	+31,635	+15,626
Veterans/Service Members (30)	20,970	19,542	19,282	17,115	16,828	-2,167	-287
Reservists (1606) ^{1/}	36,374	34,210	35,711	35,044	34,377	-667	-667
VET TEC	6,963	2,938	6,335	3,204	-	-3,130	-3,204
Veterans Rapid Retraining Asst. Program	8,538	6,661	6,661	-	-	-6,661	-
VR&E Receiving Subsistence Allowance	89,242	97,693	100,735	104,496	107,359	+3,762	+2,863
VR&E Not Receiving Subsistence Allowance	2,849	4,057	3,766	3,945	4,101	+179	+156
VR&E Evaluation, Planning and Service ^{2/}	32,346	36,208	35,449	36,022	36,629	+572	+607
Specially Adapted Housing Grants	2,322	3,755	3,194	3,011	3,125	-183	+114
Automobile Grants	1,105	1,239	1,050	1,050	1,050	-	-
Adaptive Equipment	3,251	3,535	3,251	3,251	3,251	-	-
Chapter 36	7,091	3,223	7,091	7,091	7,091	-	-
Specially Adapted Housing Technology Grants	1	-	5	5	-	-	-5
Average cost: (Whole \$)							
Post 9-11 GI Bill (33)	\$14,410	\$15,532	\$14,588	\$15,758	\$16,851	+\$1,170	+\$1,093
Dependents' Education and Training (35)	\$6,826	\$7,077	\$7,043	\$7,786	\$8,034	+\$743	+\$247
Veterans/Service Members (30)	\$7,066	\$8,151	\$8,284	\$8,464	\$8,682	+\$180	+\$218
Reservists (1606)	\$2,883	\$2,812	\$3,231	\$3,486	\$3,721	+\$255	+\$235
VET TEC	\$13,289	\$15,319	\$13,661	\$14,044	-	+\$383	-\$14,044
Veterans Rapid Retraining Asst. Program	\$19,977	\$5,308	\$19,079	-	-	-\$19,079	-
VR&E Subsistence Allowance	\$6,658	\$7,388	\$7,486	\$8,259	\$8,824	+\$773	+\$564
VR&E Books, Tuition, Supplies, Fees, etc.	\$9,436	\$9,791	\$9,764	\$10,178	\$10,501	+\$415	+\$323
Specially Adapted Housing Grants	\$52,599	\$45,972	\$53,861	\$54,719	\$57,314	+\$858	+\$2,596
Automobile Grants	\$21,496	\$21,852	\$22,049	\$22,615	\$23,197	+\$567	+\$581
Adaptive Equipment	\$26,545	\$24,670	\$28,642	\$30,561	\$31,426	+\$1,919	+\$865
Chapter 36	\$845	\$1,862	\$846	\$846	\$846	-	-
Specially Adapted Housing Technology Grants	\$200,000	-	\$200,000	\$200,000	-	--	-\$200,000
Total Cost:							
Post 9-11 GI Bill (33)	\$8,134,273	\$8,774,930	\$7,826,937	\$8,181,953	\$8,611,623	+\$355,016	+\$429,670
Dependents' Education and Training (35)	\$1,255,511	\$1,354,534	\$1,505,373	\$1,910,477	\$2,096,693	+\$405,103	+\$186,217
Veterans/Service Members (30)	\$148,165	\$159,276	\$159,740	\$144,861	\$146,102	-\$14,880	+\$1,242
Reservists (1606) ^{1/}	\$104,851	\$96,209	\$115,380	\$122,175	\$127,930	+\$6,795	+\$5,755
VET TEC	\$92,532	\$45,000	\$86,537	\$45,000	-	-\$41,537	-\$45,000
Veterans Rapid Retraining Asst. Program	\$170,560	\$35,358	\$127,088	\$49,641	\$50	-\$77,447	-\$49,591
VR&E Subsistence Allowance	\$594,181	\$721,730	\$754,124	\$863,067	\$947,295	+\$108,944	+\$84,228
VR&E Books, Tuition, Supplies, Fees, etc.	\$869,002	\$996,263	\$1,020,299	\$1,103,743	\$1,170,445	+\$83,444	+\$66,701
Specially Adapted Housing Grants	\$122,135	\$172,640	\$172,052	\$164,755	\$179,115	-\$7,297	+\$14,360
Automobile Grants	\$23,753	\$27,074	\$23,146	\$23,741	\$24,351	+\$595	+\$610
Adaptive Equipment	\$86,297	\$87,208	\$93,114	\$99,353	\$102,164	+\$6,239	+\$2,812

1/ Work-study cost not included

2/ No monetary benefit payment associated with these cases

Summary of Budget Request

In 2024, the enacted advance appropriation of \$8.5 billion, when combined with \$169.3 million in offsetting collections from the Department of Defense (DoD), and an estimated unobligated balance of \$6.0 billion carried over from 2023, will provide sufficient funding for Readjustment Benefits obligations. Obligations are estimated to be \$12.8 billion in 2024. This will primarily fund education benefits, including the Post 9-11 GI Bill (chapter 33) and will also pay for subsistence allowance and the cost of books, supplies, tuition, and fees under the Veteran Readiness and Employment (VR&E) program.

Included in the 2024 budget submission is the advance appropriation request of \$11.5 billion for 2025. In conjunction with \$175.5 million in anticipated offsetting collections from DoD and an estimated unobligated balance of \$1.8 billion carried over from 2023, total budgetary resources will fund an estimated \$13.5 billion in Readjustment Benefits obligations in 2025. VA will have an opportunity to request additional mandatory resources, if necessary, during the 2025 annual budget process based upon updated performance data and enacted legislation; alternatively, VA will be able to reduce its 2025 advance appropriation request should the 2024 estimate prove too high.

The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022, Public law 117-168, expands and extends eligibility for VA benefits and health care for Veterans with toxic exposures and Veterans of the Vietnam, Gulf War, and Post-9/11 eras. Expanded eligibility to disability compensation benefits results in more Veterans utilizing benefits funded by the Readjustment Benefits account, including VR&E, dependents education and training, and specially adapted housing grants. VBA has included cost estimates associated with the PACT Act into this budget request. PACT Act obligations for the Readjustment Benefits account are estimated to be \$243.8 million in 2024 and \$321.4 million in 2025.

Changes from Original 2023 Budget Estimate

Current estimated obligations of \$12.0 billion for the Readjustment Benefits account in 2023 decrease \$584.5 million from the original budget estimate of \$12.6 billion. The unobligated balance carried over from 2022 is \$8.9 billion, \$582.2 million greater than the previous estimate of \$8.3 billion. The current estimated 2023 unobligated balance carried into 2024 increased \$1.2 billion from the previous estimate.

Education Programs

Changes in estimated obligations for 2023 are primarily based on actual experience in 2022. Chapter 33 obligations decrease by \$948 million due to a decrease in the average payment of \$943 and a decrease of 28,455 trainees. An increase of 22,340 chapter 35 trainees results in an increase of \$150.8 million in chapter 35 obligations. The Veterans Rapid Retraining Assistance Program (VRRAP) obligations increase by \$91.7 million in 2023 because more funding than previously anticipated was carried over from 2022 and available for benefit payments in 2023. Similarly, Veteran Employment Through Technology Education Courses (VET TEC) obligations increase by \$41.5 million because more funding than previously anticipated was carried over from 2022. VA's successful outreach efforts contributed to the increases in VRRAP and VET TEC obligations. For example, in 2022, VA and IBM announced a collaboration to connect Veterans to

training and networking programs that lead to gainful employment in technology fields starting with over 12,000 VET TEC and VRRAP Veterans. The chapter 1606 average payment increases by \$419, and the total trainees increase by 1,501, which results in a net increase of \$19.2 million in chapter 1606 obligations.

Veteran Readiness and Employment (VR&E) Program

The average payment for subsistence allowance increases by \$98, and the number of trainees receiving subsistence allowance increases by 3,042, which increases obligations by \$32.4 million. Obligations for books, tuition, supplies, and fees increase by \$24.0 million. VR&E work-study obligations decrease by \$247,000. This results in an overall decrease of \$56.2 million in VR&E obligations.

Special Assistance

An increase of \$3,972 in the average payment for adaptive equipment grants and a decrease of 284 in the number of grants results in a net increase of \$5.9 million. Obligations for automobile grants decrease by \$3.9 million due to a decrease of 189 grants. A decrease of 561 housing grants decreases housing grant obligations by \$588,000. This results in an overall increase of \$1.4 million in special assistance obligations.

Indirect Benefits

Obligations for state approving agencies increase by \$1.1 million, while special adapted housing technology grants increase by \$1.0 million. GOE reimbursements increase by \$11,000, and obligations for reporting fees decrease by \$58,000.

Descriptions of Individual Programs

Post 9-11 GI Bill (Chapter 33)

Chapter 33 was enacted in the Post-9/11 Veterans Educational Assistance Act of 2008 (P.L. 110-252) and greatly expanded education benefits on August 1, 2009. The Veterans Educational Assistance Improvement Act of 2010 (P.L. 111-377), signed into law on January 4, 2011, amended the Post 9-11 GI Bill by expanding eligibility for certain individuals, and modifying the amount of assistance and the types of approved programs. The Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146) extended the Fry Scholarship to spouses and allowed VA to disapprove courses of education in which the state charges Veterans or Service members higher rates than that of in-state residents. The Forever GI Bill (P.L. 115-48) further changed the program, primarily enhancing and expanding benefits.

Eligibility under chapter 33 is based on active-duty service, and students generally have up to 36 months of entitlement. Based on length of active-duty service and training rate, students are entitled to a percentage of the following:

- Full cost of tuition and fees at the public school in-state rates, or up to \$26,381.37 (as of August 1, 2022) for those attending out-of-state, private, or foreign schools (paid to school);
- Monthly housing allowance (paid to the student);
- Yearly books and supplies stipend of up to \$1,000 per year (paid to student);

- A one-time payment of \$500 to certain individuals relocating from highly rural areas (paid to student);
- Payments for those pursuing a non-institute of higher learning program such as a non-college degree, on the job training, apprenticeship training, flight programs, or a correspondence program;
- Other benefits to certain students such as the Yellow Ribbon program, kickers (DoD-funded payments in addition to VA-funded benefit payments to encourage enlistment or retention in the Armed Forces), and refund of chapter 30 payroll deductions.

The Yellow Ribbon Program was enacted to assist eligible individuals with payment of their tuition and fees in instances where costs exceed the maximum benefit rate. The school of attendance must accept VA's invitation to participate in the program, state how much tuition will be waived (up to 50%), and state how many participants will be accepted into the program during the academic year. VA will match the school's percentage (up to 50%) to reduce or eliminate out-of-pocket costs for participants.

The Fry Scholarship entitles children and spouses of those who die in the line of duty or members of the Selected Reserve who die from a service-connected disability on or after September 11, 2001, to use Post-9/11 GI Bill benefits. Eligible children and spouses are entitled to 36 months of benefits at the 100% level. In addition to the Fry Scholarship, certain members of the Armed Forces still on active duty may be eligible to transfer benefits to a spouse or dependent children based on DoD policy.

Survivors' and Dependents' Educational Assistance (Chapter 35)

Chapter 35 provides education and training opportunities to eligible dependents of certain Veterans. This benefit may be used for degree and certificate programs, apprenticeships, and on-the-job training. A spouse may take a correspondence course. Remedial, deficiency, and refresher courses may be approved under certain circumstances.

To be eligible, one must be the spouse or dependent child of:

- A Veteran who died or is permanently and totally disabled as the result of a service-connected disability incurred due to active service in the Armed Forces;
- A Veteran who died from any cause while such permanent and total service-connected disability was in existence;
- A Service member missing in action or captured in line of duty by a hostile force;
- A Service member forcibly detained or interned in line of duty by a foreign government or power; or
- A Service member who is hospitalized or receiving outpatient treatment for a service-connected permanent and total disability and is likely to be discharged for that disability.

Generally, dependent children who become eligible prior to August 1, 2023, must be between the ages of 18 and 26 to receive benefits for attending school or job training. Based on the Consolidated Appropriations Act, 2023 (P.L. 117-328), Division U, Title II, section 234, these age limitations do not apply for dependent children who become eligible, turn 18 years of age, or complete secondary school on or after August 1, 2023. For spouses who become eligible prior to August 1, 2023, benefits generally end 10 years from the date VA determines eligibility or from the date of

the Veteran's death. For spouses of Service members who died on active duty prior to August 1, 2023, benefits end 20 years from the date of death. For spouses of service members who become eligible for benefits on or after August 1, 2023, and for spouses of Service members who die on active duty on or after August 1, 2023, these date limitations do not apply. Members of the Armed Forces may not receive this benefit while on active duty.

Montgomery GI Bill – Active Duty (MGIB-AD) (Chapter 30)

The predecessor of the chapter 33 program is the Montgomery GI Bill, or chapter 30. Chapter 30 VA educational benefits may be used while a Service member is on active duty or after separation from active duty with a fully honorable discharge. Eligibility generally expires 10 years after the Service member's separation. However, there are exceptions for disability, re-entering active duty, and upgraded discharges.

Effective October 1, 2022, the rate for full-time training in college, technical, or vocational school was \$2,210 a month for those who served three years or more or two years plus four years in the Selected Reserve. For those who served less than three years, the monthly rate is \$1,793. Benefits are reduced for part-time training. Payments for other types of training follow different rules. VA will pay an additional amount, called a "kicker" or "college fund," if directed by DoD. The maximum number of months Veterans can receive payments is 36 months at the full-time rate or the part-time equivalent.

The following types of education and training are available under chapter 30:

- College degree and certificate programs,
- Technical or vocational courses,
- Flight training,
- Apprenticeships or on-the-job training,
- High-technology training,
- Licensing and certification tests,
- Entrepreneurship training,
- Certain entrance examinations, and
- Correspondence courses.

Remedial, deficiency, and refresher courses may be approved under certain circumstances.

Section 1004 of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315) phases out chapter 30 beginning in 2030. Individuals who buy-into chapter 30 eligibility prior to September 30, 2030, retain eligibility until ten years after they leave service.

Montgomery GI Bill – Selected Reserve (MGIB-SR) (Chapter 1606)

Chapter 1606 may be available to a member of the Selected Reserve if they meet the eligibility requirements established by their respective components. The Selected Reserve includes the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, Army National Guard, and Air National Guard. The program may be used for degree programs, certificate or correspondence courses, cooperative training, independent study programs,

apprenticeship or on-the-job training, and vocational flight training programs. Remedial, refresher and deficiency training are available under certain circumstances. Up to 36 months of education benefits may be available. Specific eligibility requirements include:

- Have a six-year obligation to serve in the Selected Reserve signed after June 30, 1985. For some types of training, it is necessary to have a six-year commitment that begins after September 30, 1990;
- Complete initial active duty for training (IADT);
- Meet the requirement to receive a high school diploma or equivalency certificate before completing IADT; and
- Remain in good standing while serving in an active Selected Reserve unit.

In addition, a discharge from Selected Reserve service due to a disability or being ordered to active duty may extend program eligibility beyond service in a Selected Reserve unit.

Veteran Employment Through Technology Education Courses Program (VET TEC)

The Forever GI Bill established a high technology pilot program, also known as the Veteran Employment Through Technology Education Courses (VET TEC), to provide eligible Veterans who are entitled to educational assistance under chapter 30, 32, 33, 34, or 35 of title 38, United States Code, or chapter 1606 or 1607 of title 10, United States Code, with the opportunity to enroll in high technology programs of education that VA determines provide training and skills sought by employers in a relevant field or industry. VET TEC is a 5-year pilot program, and VA began making payments for the VET TEC Program in June of 2019.

Veterans Rapid Retraining Assistance Program (VRRAP)

The Veteran Rapid Retraining Assistance Program (VRRAP) was established through the American Rescue Plan Act of 2021 (Public Law 117-2), and \$386.0 million was appropriated to the Readjustment Benefits account for this purpose under the Training in High-demand Roles to Improve Veteran Employment Act, or the THRIVE Act (P. L. 117-16).

VRRAP provides an eligible Veteran with up to 12 months of tuition and fees and a monthly housing allowance based on Post-9/11 GI Bill rates, to be used towards training in a covered program of education that leads to a high-demand job. These include associate degrees, non-college degrees, and certificate programs. The Department of Labor determines what's considered a high-demand job for VRRAP. To be eligible for this program, individuals must be:

- At least 22 years of age and less than 67 years of age,
- Unemployed due to the COVID-19 pandemic,
- Not eligible for GI Bill or VR&E benefits,
- Not enrolled in a Federal or State jobs program,
- Not receiving VA disability compensation because a Veteran is unable to work, and
- Not receiving unemployment compensation including enhanced benefits under the CARES Act.

This program stopped accepting new enrollments after December 10, 2022. As of February 17, 2023, VA allocated 97%, or \$374.9 million of the \$386.0 million; allocations include anticipated benefit payments as Veterans enrolled on or before December 10, 2022, complete their programs in the future.

VR&E (Chapter 31)

The VR&E program assists Service members and Veterans with service-connected disabilities in obtaining and maintaining suitable employment. Independent living services are also available for Veterans who are not currently able to work due to their service-connected disabilities and are in need of independence in daily living.

To be eligible, a Veteran must have a VA service-connected disability rated at least 20% with an employment barrier, or rated 10% with a serious employment barrier, and be discharged or released from military service under other than dishonorable conditions. Service members separating from active duty may also apply if their disabilities are reasonably expected to be rated at least 20% following discharge. A VA counselor must decide if the individual has an employment barrier based upon the results of a comprehensive evaluation, except in cases where a Service member is awaiting discharge due to a medical condition resulting from a serious injury that occurred in the line of duty, as these individuals are determined automatically entitled to Chapter 31 benefits. After an entitlement decision is made, the individual and counselor work together to develop a plan to specify the services to be provided. Most participants enter education or training programs. All program costs, including tuition, books, and fees, if appropriate, are borne by VA, and Veterans participating in training are provided a monthly subsistence allowance.

Services provided to VR&E participants fall under one of five tracks:

- Reemployment with Previous Employer: For individuals who are separating from active duty or in the National Guard or Reserves and are returning to work for their previous employer.
- Rapid Access to Employment: For individuals who either wish to obtain employment soon after separation or who already have the necessary skills to be competitive in the job market in an appropriate occupation.
- Self-Employment: For individuals who have limited access to traditional employment, need flexible work schedules, or who require more accommodation in the work environment due to their disabling conditions or other life circumstances.
- Employment Through Long-Term Services: For individuals who need specialized training and/or education to obtain and maintain suitable employment.
- Independent Living Services: For individuals who are not currently able to work and need services to live more independently.

Veterans who separated from military service prior to January 1, 2013, must complete a program within 12 years from their separation from military service or within 12 years from the date VA notifies them that they have a compensable service-connected disability. P.L. 116-315 removed the 12-year window for Veterans who separated from military service after January 1, 2013. Depending on the length of program needed, Veterans may be provided up to 48 months of full-

time services or their part-time equivalent. These limitations may be extended in certain circumstances.

In some cases, a Veteran may receive a subsistence allowance while they pursue an educational or training program in preparation for a future career. A subsistence allowance is paid each month during training and is based on the rate of attendance (full- or part-time), the type of education or training, and the number of dependents. The example below demonstrates the many rate structures possible.

2023 Monthly Subsistence Allowance for Training in an Institution for Higher Learning				
Training Time	Veterans with No Dependents	Veterans with One Dependent	Veterans with Two Dependents	Additional Dependent
Full-time	\$723.56	\$897.51	\$1,057.65	\$77.07
3/4-time	\$543.68	\$674.11	\$790.75	\$59.30
1/2-time	\$363.77	\$450.71	\$529.79	\$39.55
1/4 -time	\$181.86	\$225.39	\$264.90	\$19.73

Special Assistance for Disabled Veterans

Special assistance provides housing, automotive, and adaptive equipment grants for severely disabled Veterans and Service members as well as a grant for individuals and entities developing assistive technology for housing grants:

- **Specially Adapted Housing (SAH) Grants:** VA may approve a grant of not more than 50% of the cost of building, buying, or adapting existing homes or paying to reduce indebtedness on a currently owned home that is being adapted, up to a maximum of \$109,986 in 2023. In certain instances, the full grant amount may be applied toward remodeling costs.
- **Special Housing Adaptation (SHA) Grants:** VA may approve a grant for the cost, up to a maximum of \$22,036 in 2023, for necessary adaptations to a Veteran’s or Service member’s residence, or to help them acquire a residence already adapted with special features for their disability, to purchase and adapt a home, or for adaptations to a family member’s home in which they will reside. To be eligible for this grant, Veterans and Service members must be entitled to compensation for a permanent and total service-connected disability due to certain specific conditions.
- **Temporary Residence Adaptation (TRA) Grants:** Eligible Veterans and Service members who are temporarily residing in a home owned by a family member may also receive a TRA grant to help the Veteran or Service member adapt the family member’s home to meet his or her special needs. Those eligible for a SAH grant (\$109,986) would be permitted to use up to \$44,299 in 2023, and those eligible for a SHA grant (\$22,036) would be permitted

to use up to \$7,910 in 2023. Grant amounts are adjusted annually based on a cost-of-construction index.

- Automobile Allowance and Adaptive Equipment: Veterans and Service members may be eligible for a one-time payment of not more than \$24,115.12 (as of October 1, 2022) toward the purchase of an automobile or other conveyance if they have service-connected loss or permanent loss of use of one or both hands or feet, permanent impairment of vision of both eyes to a certain degree, severe burn injuries, or Amyotrophic Lateral Sclerosis. Certain Service members and Veterans may also be eligible for adaptive equipment. Adaptive equipment includes, but is not limited to, power steering, power brakes, power windows, power seats, and special equipment necessary to assist the eligible person into and out of the vehicle.
- Specially Adapted Housing Assistive Technology Grant Program: The Specially Adapted Housing Assistive Technology Grant program authorizes VA to provide grants of up to \$200,000 per year to individuals or entities for the development of specially adapted housing assistive technologies. VA is authorized \$1.0 million in the aggregate amount of such grants in any year. P. L. 117-180 extended this program through the end of 2024.

Indirect Benefits

The Readjustment Benefits account is authorized by law to fund certain activities that indirectly benefit individuals participating in education and VR&E programs and transitioning Service members:

- Contract Counseling (Chapter 36): Up to \$6.0 million annually can be paid from the Readjustment Benefits account for contracts providing educational or vocational counseling services to individuals applying for or receiving education benefits and transitioning Service members six months prior or 12 months post-separation.
- State Approving Agencies (SAA): VA provides funding to SAAs, which are generally responsible for the approval of education and training programs in their respective states. Funding from the Readjustment Benefits account is limited each year by a rate set by Congress and increases annually by percentage applied to Social Security benefits. In 2023, total SAA funding is \$28.0 million.
- Reporting Fees: Schools are provided a reporting fee to certify enrollment information to VA based on the number of students who are receiving most VA education or VR&E benefits.
- Reimbursements to General Operating Expenses (GOE): Funding is provided to reimburse VBA's GOE account for certain printing and outreach expenses authorized by P.L. 101-237 and P.L. 105-368.

Readjustment Benefits
Analysis of Increases and Decreases
(\$ in thousands)

	2023 Estimate	2024 Estimate	2025 Estimate
Prior Year Obligations	\$11,678,649	\$11,973,129	\$12,804,734
Chapter 33 (Post 9/11 GI Bill)			
Economic Assumptions (COLA and Tuition Index)	+\$148,056	+\$574,990	+\$553,500
Caseload	-408,249	-272,503	-137,822
Average Payment	-47,143	+52,528	+13,992
Net Changes	-\$307,336	+\$355,016	+\$429,670
Chapter 35 (Dependent Education)			
Economic Assumption (CPI-W)	+\$109,309	+\$110,115	+\$51,939
Caseload	+210,159	+246,906	+125,881
Average Payment	-69,606	+48,082	+8,397
Net Changes	+\$249,862	+\$405,103	+\$186,217
Chapter 30 (Montgomery GI Bill)			
Economic Assumptions (Tuition Index)	+4,379	+3,975	+4,009
Caseload	-13,984	-18,341	-2,492
Average Payment	+21,180	-513	-275
Net Changes	+\$11,576	-\$14,880	+\$1,242
Chapter 1606 (Reservists)			
Economic Assumption (CPI-W)	+\$6,458	+\$8,985	+\$8,067
Caseload	-2,141	-2,294	-2,449
Average Payment	+6,213	+104	+137
Net Changes	+\$10,529	+\$6,795	+\$5,755
VET TEC	-5,995	-41,537	-45,000
VRRAP	-\$43,472	-\$77,447	-\$49,591
Miscellaneous Education			
Work-Study	+\$4,231	+\$3,669	+\$3,820
Tuition Assistance	-592	-13	+133
Licensing and Certification	+2,241	+613	+602
National Exams	+14	+26	+32
Net Changes	+\$5,894	+\$4,295	+\$4,587
Chapter 31 (Veteran Readiness and Employment)			
Economic Assumptions (COLA and Tuition Index)	+\$58,518	+\$94,205	+\$82,012
Caseload	+210,719	+71,470	+57,363
Average Payment	+42,002	+26,714	+11,554
Work-Study	+541	+1,068	+2,109
Net Changes	+\$311,780	+\$193,455	+\$153,038
Special Assistance for Disabled Veterans			
Housing Grants	+\$49,918	-\$7,297	+\$14,360
Automobile Grants	-608	+595	+610
Adaptive Equipment	+6,817	+6,239	+2,812
Net Changes	+\$56,127	-\$464	+\$17,781
Indirect Benefits			
Contract Counseling	+6	-	-
State Approving Agencies	+4,307	+1,008	+667
Reporting Fees	+398	+258	+163
Housing Technology Grants	+800	-	-1,000
Reimbursement to GOE	+2	+3	+3
Net Changes	+\$5,514	+\$1,269	-\$167
Total Net Change	\$294,480	\$831,606	\$703,532

Estimated Obligations	\$11,973,129	\$12,804,734	\$13,508,267
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Analysis of Increases and Decreases from 2024 to 2025

Post 9-11 GI Bill (Chapter 33)

Chapter 33 obligations are expected to increase \$429.7 million in 2025. Economic assumptions, including the VA education cost-of-living-adjustment (COLA) and tuition index, are expected to increase obligations by \$553.5 million. An estimated decrease of 8,179 trainees will decrease obligations by \$137.8 million. An estimated change in average payment unrelated to economic assumptions will result in an increase of \$14.0 million. Average payments vary based on numerous factors including training time, length of service, legislative changes, the nature of the education institution (two year versus four year or online educational programs), and the types of training or education the beneficiary receives.

Survivors' and Dependents' Educational Assistance (Chapter 35)

Chapter 35 obligations are projected to increase by \$186.2 million in 2025. Caseload is expected to increase by 15,626 children and spouses, resulting in an increase to obligations of \$125.9 million. The CPI-W is estimated to increase obligations by \$51.9 million, and changes in average benefit payments unrelated to economic assumptions are expected to decrease obligations by \$8.4 million.

All-Volunteer Force Educational Assistance Program (Chapter 30)

Chapter 30 obligations are projected to increase by \$1.2 million in 2025. Changes to the tuition index are expected to increase obligations by \$4.0 million. However, this increase is offset by a decrease of \$2.5 million due to a decrease in caseload of 287 trainees. A decrease in the average payment unrelated to the tuition index which will decrease obligations by \$275,047.

Educational Assistance for Members of the Selected Reserve (Chapter 1606)

Chapter 1606 obligations are expected to increase by \$5.8 million in 2025. The CPI-W is estimated to increase obligations by \$8.1 million. This is offset by a decrease in the caseload of 667 trainees, which decreases the obligations by \$2.4 million. An increase to the average payment unrelated to economic assumptions is estimated to increase obligations by \$137,000.

VET TEC

VET TEC obligations are expected to decrease by \$45 million in 2025, as the authority for this program expires at the end of 2024.

Miscellaneous Education

Total changes in miscellaneous education programs are expected to increase obligations by \$4.6 million in 2025. Work-study obligations are estimated to increase by \$3.8 million; licensing and certification obligations increase by \$601,531; tuition assistance obligations increase by \$133,242; and national exams obligations increase by \$32,419.

VR&E (Chapter 31)

Chapter 31 obligations are projected to increase by \$153.0 million in 2025. The tuition index and COLA are anticipated to increase obligations by \$82.0 million. An increase of 3,019 individuals receiving monetary benefits will increase obligations by \$57.4 million. Changes to the average

payment unrelated to economic assumptions are estimated to increase obligations by \$11.6 million. Work-study obligations are estimated to increase by \$2.1 million.

Special Assistance for Disabled Veterans

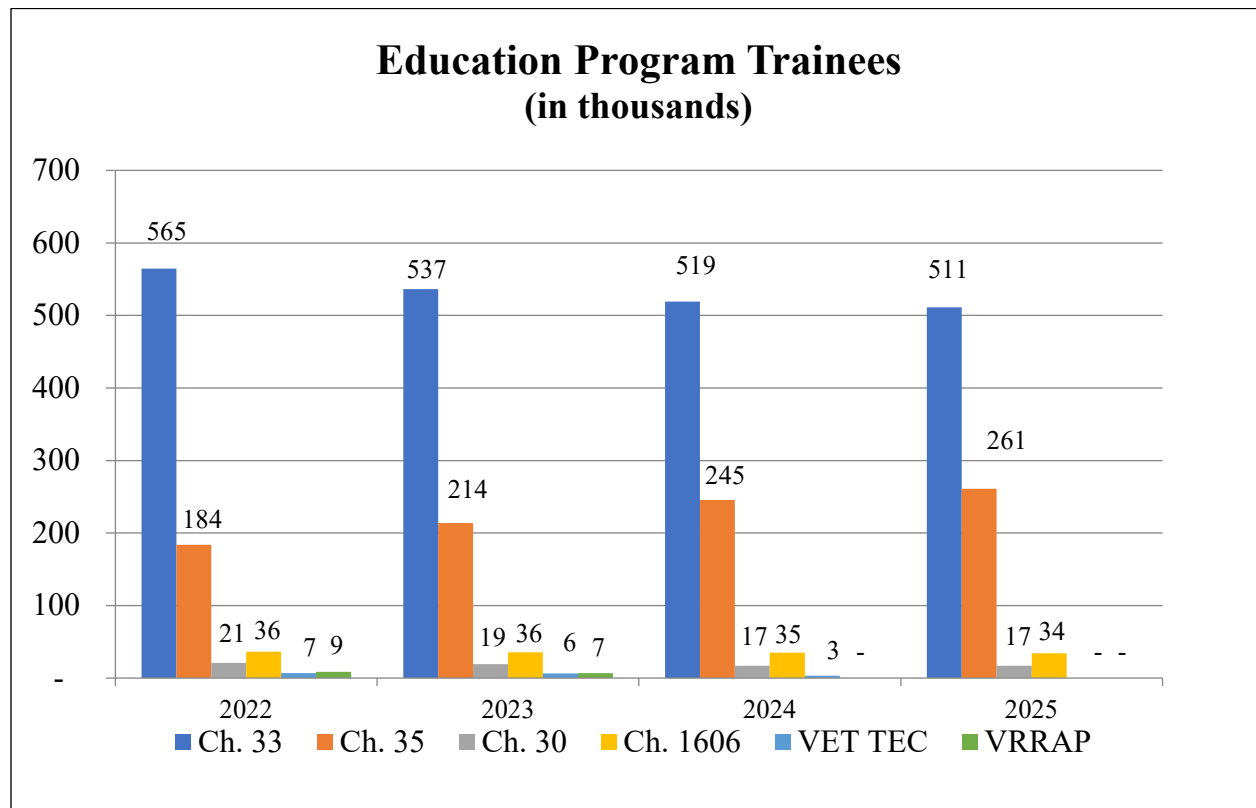
Total special assistance is expected to increase by \$17.8 million in 2025. Housing grants are estimated to increase \$14.4 million, adaptive equipment grants are estimated to increase by \$2.8 million, and automobile grants are expected to increase by \$610,136.

Indirect Benefits

Total changes in indirect benefits are expected to decrease obligations by \$166,559 in 2025. Housing technology grants are expected to decrease obligations by \$1.0 million. Payments to SAAs are expected to increase by \$667,478, while reporting fees will increase by \$162,861, and reimbursements to GOE are expected to increase by \$3,101.

Education Program Highlights

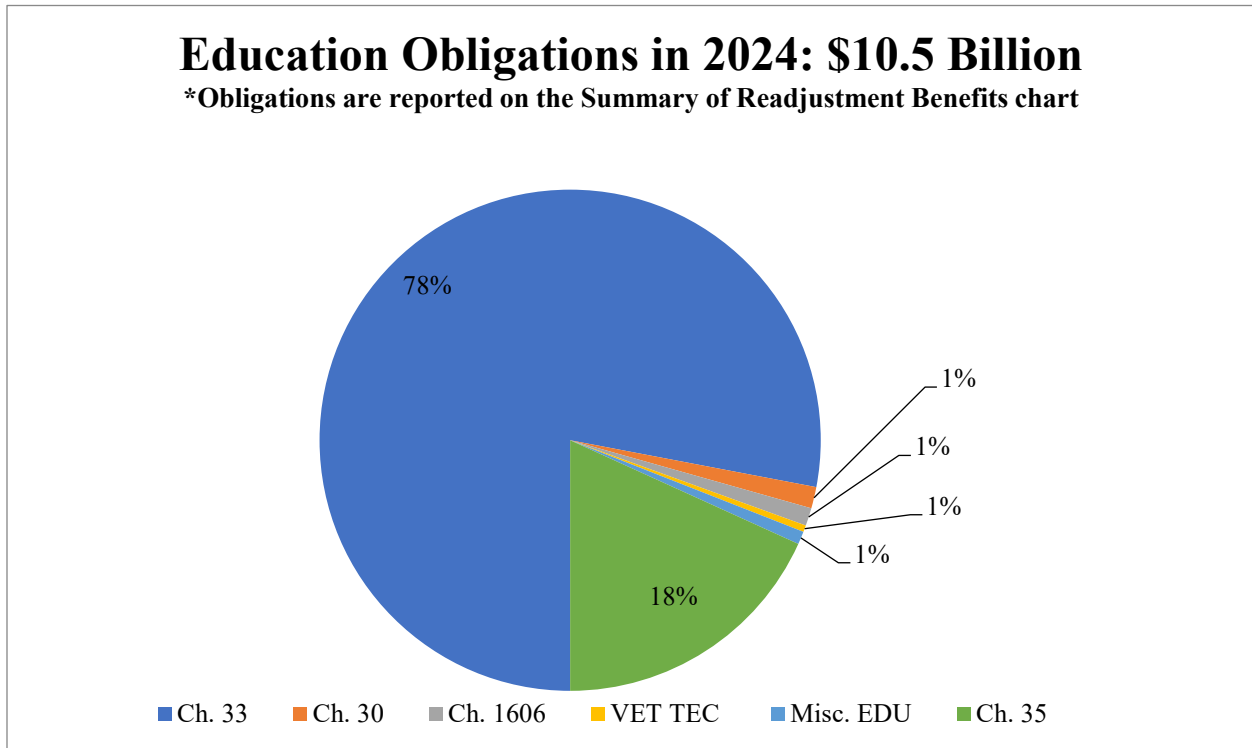
In 2023, education benefits will be provided to an estimated 818,238 beneficiaries. Total beneficiaries are projected to be 819,955 in 2024 and 823,243 in 2025.



The average cost per beneficiary is highest for chapter 33, reaching \$14,588 in 2023. The other education programs have significantly lower average payments, incentivizing most beneficiaries to elect chapter 33 benefits when eligible. In 2023, the estimated average cost per beneficiary will be \$8,284 for chapter 30, \$7,043 for chapter 35, and \$3,231 for chapter 1606. These average

payments generally increase at rates consistent with economic assumptions and historical program trends.

Since 2010, chapter 33 has been the largest education program and is expected to provide benefits for 519,224 trainees in 2024, accounting for 78% of education obligations. Chapter 35 represents 18% of education obligations, while chapters 30 accounts for 1%, and 1606 accounts for 1% of obligations. VET TEC, and miscellaneous education benefits, such as work-study, account for 1% of obligations.

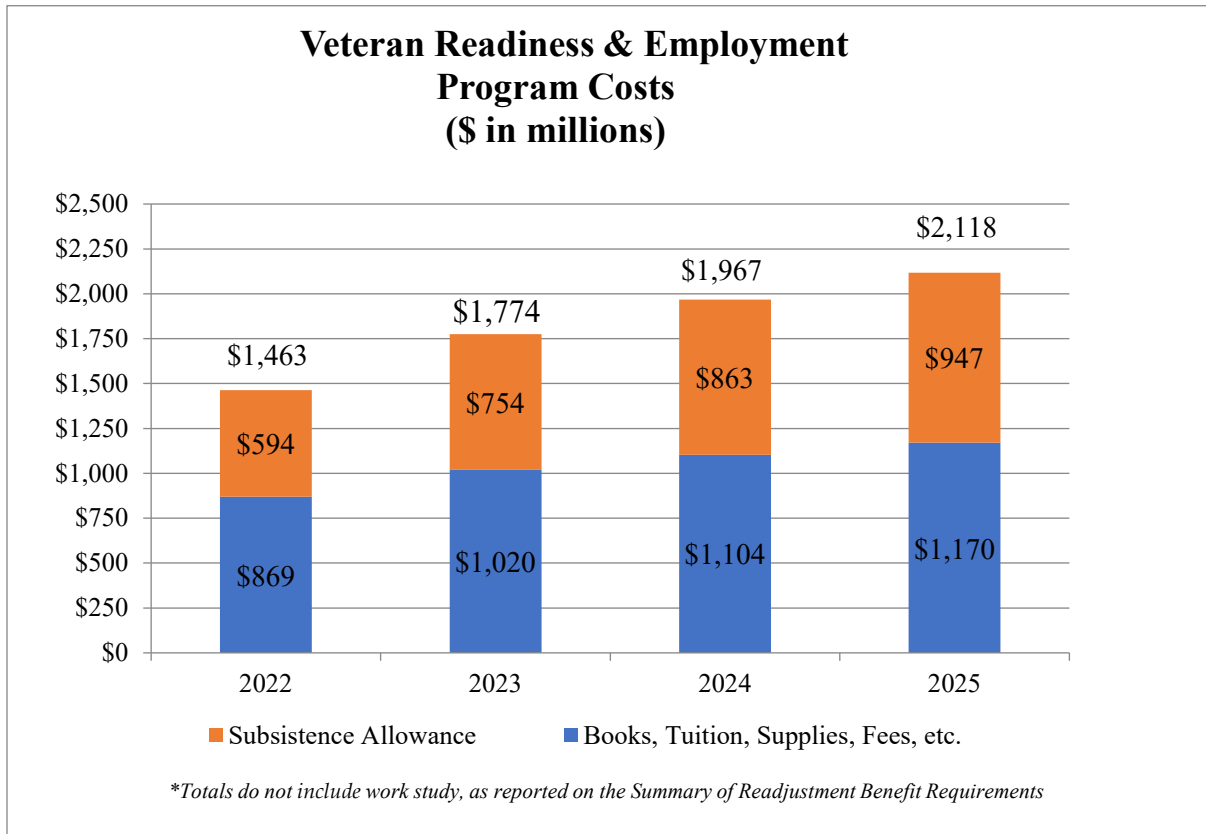


VR&E Program Highlights

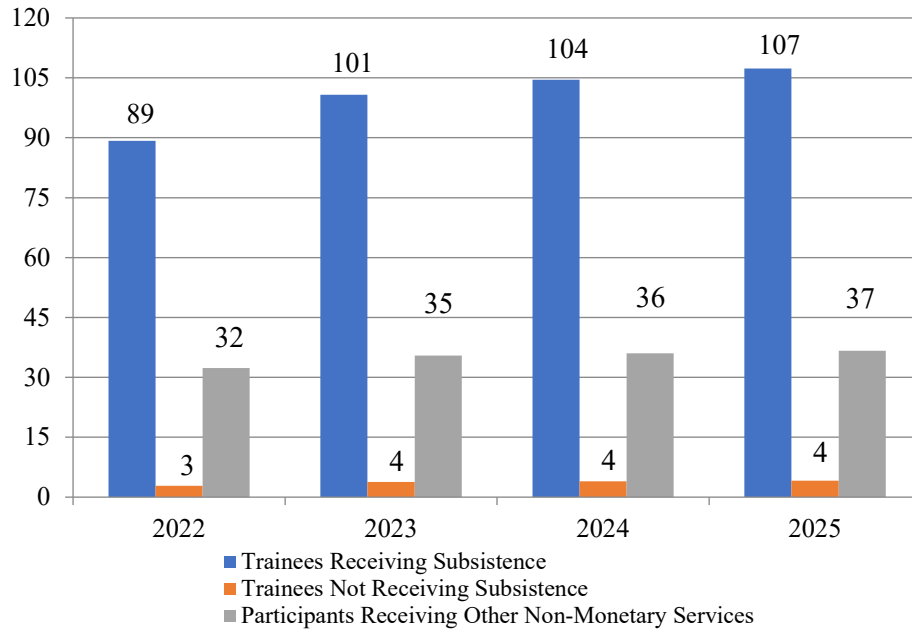
In 2022, 124,437 Veterans and Service members received benefits and services under the VR&E program. Of these, 92,091 received monetary benefits totaling \$1.5 billion. The number of participants receiving monetary benefits is anticipated to increase to 104,501 for a total of \$1.8 billion in 2023, 108,441 for a total of \$2.0 billion in 2024, and 111,461 for a total of \$2.1 billion in 2025.

Most VR&E program participants enter educational or training programs. All program costs, including tuition, books, and fees, if appropriate, are borne by VA. In addition, Veterans are provided with a monthly subsistence allowance, which accounts for 42% of program costs in 2023. Beneficiaries with service on or after September 11, 2001, receive subsistence allowance at the chapter 33 monthly housing allowance rate. Beneficiaries who receive evaluation, planning, and delivery services do not receive any payments. This specific element of the program provides non-

monetary assistance such as resumé preparation, job hunting strategies, interview preparation, and other assistance designed to help Veterans and Service members find suitable employment.



Veteran Readiness & Employment Program Number of Trainees by Type (000s)



Summary of Readjustment Benefit Requirements						
(obligations in thousands)						
	2022			2023		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
Education Total ^{1/}	821,290	\$12,093	\$9,931,728	818,238	\$12,041	\$9,852,786
Chapter 33	564,501	\$14,410	\$8,134,273	536,517	\$14,588	\$7,826,937
Chapter 35	183,944	\$6,826	\$1,255,511	213,733	\$7,043	\$1,505,373
Sons and Daughters	145,671	\$7,098	\$1,034,011	169,561	\$7,323	\$1,241,692
College	142,327	\$7,108	\$1,011,613	165,893	\$7,325	\$1,215,148
Bellow College Level	3,187	\$6,810	\$21,705	3,510	\$7,348	\$25,795
On-the-Job-Training	157	\$4,419	\$694	157	\$4,769	\$749
Spouses and Widows(ers)	38,273	\$5,787	\$221,500	44,172	\$5,969	\$263,681
College ^{2/}	37,119	\$5,789	\$214,881	42,718	\$5,961	\$254,657
Bellow College Level	1,102	\$5,808	\$6,400	1,402	\$6,267	\$8,788
On-the-Job-Training	52	\$4,211	\$219	52	\$4,543	\$236
Chapter 30	20,970	\$7,066	\$148,165	19,282	\$8,284	\$159,740
Veterans	16,725	\$7,917	\$132,408	15,353	\$9,419	\$144,602
Servicepersons	4,245	\$3,712	\$15,757	3,929	\$3,853	\$15,139
Reservists (1606)	36,374	\$2,883	\$104,851	35,711	\$3,231	\$115,380
VET TEC	6,963	\$13,289	\$92,532	6,335	\$13,661	\$86,537
VRRAP	8,538	\$19,977	\$170,560	6,661	\$19,079	\$127,088
Work-Study	6,160	\$3,477	\$21,419	6,609	\$3,881	\$25,651
Tuition Assistance	849	\$2,486	\$2,111	849	\$1,789	\$1,519
Licensing and Certification Tests	2,795	\$804	\$2,247	5,431	\$826	\$4,488
National Exams	166	\$349	\$58	199	\$359	\$71
VR&E Total (Chapter 31) ^{3/}	92,091	\$15,974	\$1,471,101	104,501	\$17,061	\$1,782,882
Subsistence Allowance	89,242	\$6,658	\$594,181	100,735	\$7,486	\$754,124
Books, Tuition, Supplies, Fees, etc.	2,849	\$9,436	\$869,002	3,766	\$9,764	\$1,020,299
Work-Study	1,962	\$4,036	\$7,918	2,249	\$3,762	\$8,459
Special Assistance Total			\$232,185			\$288,312
Specially Adapted Housing Grants	2,322	\$52,599	\$122,135	3,194	\$53,861	\$172,052
Automobile Grants	1,105	\$21,496	\$23,753	1,050	\$22,049	\$23,146
Adaptive Equipment	3,251	\$26,545	\$86,297	3,251	\$28,642	\$93,114
Indirect Benefits Total			\$43,635			\$49,149
Chapter 36	7,091	\$845	\$5,994	7,091	\$846	\$6,000
State Approving Agencies	-	-	\$23,705	-	-	\$28,012
Reporting Fees	-	-	\$13,586	-	-	\$13,985
Specially Adapted Housing Tech Grants	1	\$200,000	\$200	5	\$200,000	\$1,000
Reimbursement to GOE	-	-	\$150	-	-	\$152

1/ Education workload is not a count of unique individuals; trainees switching education programs are counted in each program they trained in during the year. Workload is the sum of chapters, not miscellaneous education benefits such as work-study.

2/ Chapter 35 training at the college level includes caseload and obligations for correspondence training.

3/ Chapter 31 trainees total does not include chapter 31 work-study caseload.

Summary of Readjustment Benefit Requirements (cont.)						
(obligations in thousands)						
	2024			2025		
	Workload	Average Benefits	Obligations	Workload	Average Benefits	Obligations
Education Total ^{1/}	819,955	\$12,794	\$10,490,130	823,243	\$13,390	\$11,023,010
Chapter 33	519,224	\$15,758	\$8,181,953	511,045	\$16,851	\$8,611,623
Chapter 35	245,368	\$7,786	\$1,910,477	260,993	\$8,034	\$2,096,693
Sons and Daughters	195,113	\$8,092	\$1,578,924	207,781	\$8,348	\$1,734,593
College	191,156	\$8,100	\$1,548,335	203,824	\$8,356	\$1,703,138
Bellow College Level	3,799	\$7,841	\$29,790	3,799	\$8,063	\$30,633
On-the-Job-Training	157	\$5,088	\$799	157	\$5,232	\$821
Spouses and Widows(ers)	50,255	\$6,597	\$331,553	53,212	\$6,805	\$362,101
College ^{2/}	48,672	\$6,596	\$321,064	51,629	\$6,805	\$351,315
Bellow College Level	1,531	\$6,686	\$10,237	1,531	\$6,876	\$10,526
On-the-Job-Training	52	\$4,848	\$252	52	\$4,985	\$259
Chapter 30	17,115	\$8,464	\$144,861	16,828	\$8,682	\$146,102
Veterans	13,478	\$9,679	\$130,456	13,191	\$9,954	\$131,296
Servicepersons	3,637	\$3,960	\$14,405	3,637	\$4,071	\$14,806
Reservists (1606)	35,044	\$3,486	\$122,175	34,377	\$3,721	\$127,930
VET TEC	3,204	\$14,044	\$45,000	-	-	-
VRRAP	-	-	\$49,641	-	-	\$50
Work-Study	6,689	\$4,383	\$29,320	6,809	\$4,867	\$33,140
Tuition Assistance	744	\$2,024	\$1,506	728	\$2,250	\$1,639
Licensing and Certification Tests	5,458	\$935	\$5,102	5,487	\$1,039	\$5,703
National Exams	239	\$406	\$97	287	\$451	\$129
VR&E Total (Chapter 31) ^{3/}	108,441	\$18,225	\$1,976,337	111,461	\$19,104	\$2,129,375
Subsistence Allowance	104,496	\$8,259	\$863,067	107,359	\$8,824	\$947,295
Books, Tuition, Supplies, Fees, etc.	3,945	\$10,178	\$1,103,743	4,101	\$10,501	\$1,170,445
Work-Study	2,241	\$4,251	\$9,526	2,398	\$4,851	\$11,635
Special Assistance Total			\$287,848			\$305,630
Specially Adapted Housing Grants	3,011	\$54,719	\$164,755	3,125	\$57,314	\$179,115
Automobile Grants	1,050	\$22,615	\$23,741	1,050	\$23,197	\$24,351
Adaptive Equipment	3,251	\$30,561	\$99,353	3,251	\$31,426	\$102,164
Indirect Benefits Total			\$50,418			\$50,252
Chapter 36	7,091	\$846	\$6,000	7,091	\$846	\$6,000
State Approving Agencies	-	-	\$29,021	-	-	\$29,688
Reporting Fees	-	-	\$14,242	-	-	\$14,405
Specially Adapted Housing Tech Grants	5	\$200,000	\$1,000	-	-	-
Reimbursement to GOE	-	-	\$155	-	-	\$158

1/ Education workload is not a count of unique individuals; trainees switching education programs are counted in each program they trained in during the year. Workload is the sum of chapters, not miscellaneous education benefits such as work-study.

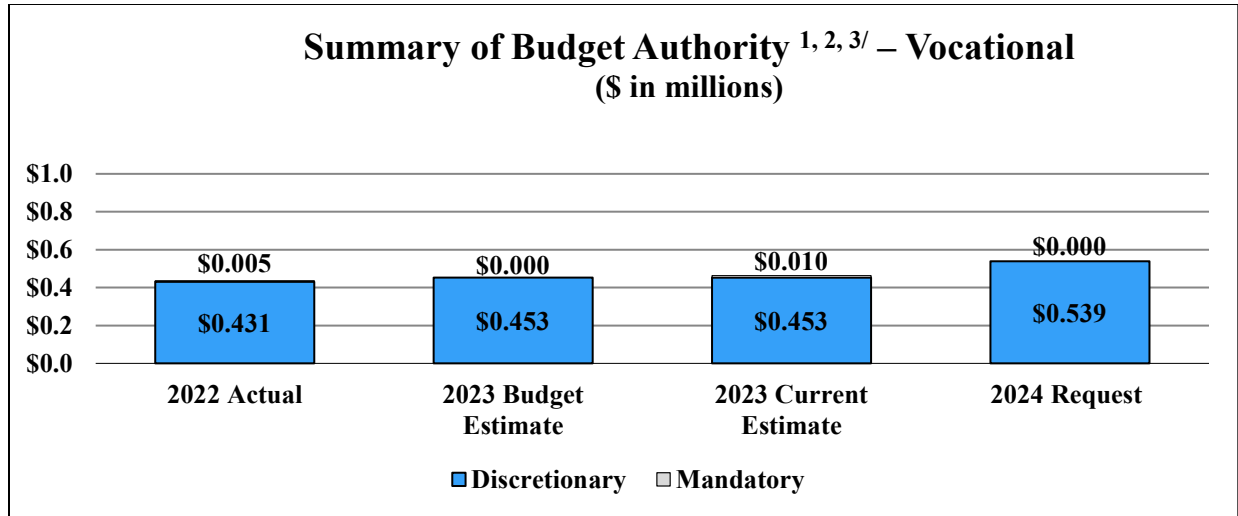
2/ Chapter 35 training at the college level includes caseload and obligations for correspondence training.

3/ Chapter 31 trainees total does not include chapter 31 work-study caseload.

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Vocational Rehabilitation Loan Program



Notes:

1/ Discretionary budget authority supports loan administrative and subsidy costs.

2/ Mandatory budget authority for upward reestimates and interest is excluded in the 2023 President’s Budget and 2024 Request per Office of Management and Budget Circular No. A-11, Section 185.6.

3/ Mandatory budget authority of 2022 actual and 2023 current is reflective of upward reestimates before offsetting downward reestimates of \$91.2 million (2022) and \$16.3 million (2023).

Appropriation Language

For the costs of direct loans, [\$7,171] \$78,337 as authorized by chapter 31 of title 38, United States Code: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974; *Provided further*, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed [\$942,330] \$2,026,000.

In addition, for administrative expenses necessary to carry out the direct loan program, [\$445,698] \$460,698, which may be paid to the appropriation for “General Operating Expenses, Veterans Benefits Administration”. (*Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023.*)

Summary of Net 2023 and 2024 Estimates			
(\$ in thousands)			
	2023 Estimate	2024 Request	Increase (+) Decrease (-)
Program Account:			
Budget Authority, Discretionary	\$453	\$539	\$86
Budget Authority, Mandatory	\$10	\$0	-\$10
Outlays	\$463	\$539	\$76
Direct Loan Financing Account:			
Financing Authority	\$38	\$336	\$298
Financing Disbursements	\$38	\$336	\$298

Summary of the 2024 President’s Budget Request

The discretionary appropriation request of \$539,035 includes \$78,337 for subsidy costs and \$460,698 for reimbursement to VBA’s General Operating Expenses (GOE) appropriation fund to support an estimated \$2.0 million in direct loan obligations in 2024.

Program Description

Under chapter 31 of title 38 United States Code (U.S.C.) 3112(b)(1), up to \$1,447 in no-interest direct loans are available to Veterans with service-connected disabilities who participate in the Veteran Readiness and Employment Program (VR&E)²³. The loan maximum is twice the amount of indexed full-time subsistence allowance for a Veteran without dependents²⁴. Upon approval by VR&E counselors, the loan provides Veteran participants with the resources necessary for them to start, continue, or reenter Vocational Rehabilitation training if an unforeseen hardship occurs.

These loans help ensure the success of the Departments investment in Veterans participating in Vocational Rehabilitation training, which averaged approximately \$1,222 per participant in 2022. Repayment of the loans are made in monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, or educational assistance allowance, ensuring that loans are fully repaid. The rate of repayment may not be less than 10% of the amount advanced unless the monthly benefit being used for repayment is less than 10% of the loan amount. That ensures most of the loans disbursed are repaid within ten months. In the rare instance the monthly benefits payment is less than 10% of the advanced amount, the repayment period may be extended. As a result, minimal loan defaults are expected. However, should a loan default, it will be referred to the Debt Management Center for collection.

Federal Credit Reform

The Federal Credit Reform Act of 1990 (P.L. 101-508) changed the accounting for Federal direct and loan guarantees programs to measure their costs and make them consistent with comparable

²³ [87 FR 8740](#), effective February 16, 2022, amended the program name from “Vocational Rehabilitation and Employment”.

²⁴ Subsistence Rates are as of October 1, 2022: [VR&E Fiscal Year 2023 Subsistence Rates - Veteran Readiness and Employment \(VR&E\) \(va.gov\)](#)

non-credit programs. To accomplish this objective, the program is managed using the Credit Program Account, which outlays appropriations to pay for the administrative and subsidy costs and the non-budgetary Direct Loan Financing Account, which handles the operational outlays of the program.

Credit Program Account – On-Budget

VA requests appropriations for loan subsidy payments and administrative expenses through the Credit Program Account. The program administrative expenses are reimbursed to the VBA GOE appropriation account.

Summary of Appropriations Highlights – Program Account					
(\$ in thousands)					
	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations					
Direct loan subsidy	\$1	\$7	\$7	\$78	\$71
Upward Reestimates	\$0	\$0	\$10	\$0	-\$10
Interest on Reestimates	\$5	\$0	\$0	\$0	\$0
Administrative expenses	\$429	\$446	\$446	\$461	\$15
Total obligations	\$436	\$453	\$463	\$539	\$76
Unobligated Balance:					
Start of year	\$5	\$0	\$5	\$5	\$0
End of year	\$5	\$0	\$5	\$5	\$0
Budget authority (net)	\$436	\$453	\$463	\$539	\$76
Obligated Balance:					
Start of year	\$424	\$0	\$0	\$0	\$0
End of year	\$0	\$0	\$0	\$0	\$0
Outlays (net)	\$861	\$453	\$463	\$539	\$76
Workload:					
Number of loans established	576	870	870	1,559	\$689
Average loan amount (dollars)	\$1,222	\$1,083	\$1,083	\$1,300	\$216
Total Loan Amount	\$704	\$942	\$942	\$2,026	\$1,084
Loan subsidy rate	0.17%	0.76%	0.76%	3.87%	3.11%
FTE:					
Veterans Benefits Administration	3	3	3	3	0

Note: The dollar amounts may not add due to rounding in this and subsequent tables.

Detail of Budget Request

The subsidy rate is estimated to be 3.87% for new loans in 2024. These loans are not expected to default because they are repaid from other VBA benefits payments to the borrowers. The loan subsidy rate supports the disbursement of an estimated 1,559 new loans with an average loan size of \$1,300 and a value of \$2.0 million for a subsidy cost of \$78,337. VBA requests \$539,000 for three full-time equivalent (FTE) employees to administer the program.

Changes from Original 2023 Budget Estimate

The current 2023 budget authority estimate against the Credit Program Account is \$463,000, a \$10,000 increase from the original 2023 budget estimate.

Analysis of Increases and Decreases – Outlays		
(\$ in thousands)		
	2023 Estimate	2024 Request
Prior year outlays (net)	\$861	\$463
Increases (+) and Decreases (-)		
Loan Subsidy	\$6	\$71
Upward Reestimates	\$5	-\$10
Administrative expense	\$16	\$15
Change in obligated balance/other	-\$424	\$0
Net Change	-\$397	\$76
Estimated Outlays (net)	\$463	\$539

The 2023 net outlays are projected to decrease by \$397,000 primarily due to a \$424,000 million unobligated balance, which is offset by \$27,000 in combined increases to administrative expenses, loan subsidy obligations and upward subsidy reestimates. The loan subsidy rate is 0.76%, an increase of 59 basis points from the 2022 subsidy rate. The subsidy rate will support an estimated 870 loans totaling \$942,330, with an average disbursement of \$1,083.

The 2024 net outlays are projected to increase by \$76,000 primarily due to a \$71,000 increase in loan subsidy. The loan subsidy estimate is 3.87%, an increase of 311 basis points over the 2023 rate. The loan subsidy rate will support an estimated 1,559 loans totaling \$2.0 million, with an average disbursement of \$1,300. The upward subsidy reestimates of 2024 will not be calculated until the 2025 President’s Budget is formulated in FY 2024.

Direct Loan Financing Account – Off-Budget

The direct loan financing account is an off-budget account that records all financial transactions primarily consisting of collections and outlays associated with direct loan originations. The account is used primarily for the tracking of activity in each loan cohort year (loans are grouped by the fiscal year of loan obligations) and is not included in the budget totals when calculating the federal budget surplus or deficit.

Financial Summary (\$ in thousands)					
	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Direct loans	\$704	\$942	\$942	\$2,026	\$1,084
Downward Reestimates	\$89	\$0	\$8	\$0	-\$8
Interest on Downward Reestimates	\$2	\$0	\$8	\$0	-\$8
Interest on Treasury borrowing	\$2	\$0	\$0	\$0	\$0
Total obligations	\$798	\$942	\$959	\$2,026	\$1,067
Unobligated Balance:					
Start of year	\$657	\$0	\$400	\$0	-\$400
End of year	\$0	\$0	\$0	\$0	\$0
Obligated Balance:					
Start of year	\$3	\$3	\$1	\$1	\$0
End of year	\$1	\$3	\$1	\$1	\$0
Offsetting Collections:					
Loan Repayments	\$606	\$1,231	\$880	\$1,592	\$711
Interest on Uninvested Funds	\$1	\$24	\$22	\$20	-\$2
Payments from Program Account	\$1	\$7	\$7	\$78	\$71
Upward Reestimates	\$6	\$0	\$10	\$0	-\$10
Total offsetting collections	\$614	\$1,262	\$920	\$1,690	\$770
Financing:					
Financing authority, net	\$584	-\$320	\$38	\$336	\$298
Financing disbursements, net	\$186	-\$320	\$38	\$336	\$298

Summary of Off-Budget Financing Account

Direct loan obligations are estimated to be \$2.0 million in 2024, an increase of \$1.1 million from the 2023 level. The increase in the loan level is a function of the 1,559 estimated loan disbursements, given historical data and the outlook for loan demand.

Offsetting collections in 2024 are estimated to be \$1.7 million, an increase of \$770,000 from the 2023 level. This is primarily due to an increase of \$711,000 in loan repayments.

Analysis of Increases and Decreases – Financing Disbursements		
(\$ in thousands)		
	2023 Estimate	2024 Request
Prior year Financing Disbursement (net)	\$186	\$38
Increases (+) and Decreases (-)		
Obligations:		
Direct loans	\$238	\$1,084
Downward Reestimates	-\$75	-\$16
Interest on Treasury borrowing	<u>-\$2</u>	<u>\$0</u>
Subtotal Obligations	\$161	\$1,067
Offsetting collections		
Loan Repayments	-\$275	-\$711
Interest on Uninvested Funds	-\$21	\$2
Payments from Program Account	-\$6	-\$71
Upward Reestimates	-\$5	\$10
Change in obligated balance/other	<u>-\$2</u>	<u>\$0</u>
Subtotal Offsetting Collections	-\$309	-\$770
Net Change	-\$148	\$298
Estimated Financing Disbursement (net)	\$38	\$336

The 2023 net financing disbursements are estimated to decrease by \$148,000 million. This is primarily due to an increase in direct loan obligations of \$238,000, and an offsetting increase in offsetting collections of \$309,000.

The 2024 net financing disbursements are estimated to increase by \$298,000, primarily due to an increase in obligations of \$1.1 million and an offsetting increase in offsetting collection of \$770,000.



Post-Vietnam Era Veterans' Education Account

Program Description

Title 38, United States Code (U.S.C.) chapter 32, Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) is a voluntary contribution and matching program established under the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94-502). To be eligible, an individual must have initially entered active duty on or after January 1, 1977, and before July 1, 1985; enrolled and contributed before April 1, 1987; and served continuously for more than 180 days. Individuals on active duty could enroll and contribute between \$25 and \$100 per month up to a total of \$2,700. Individuals on active duty could make a lump-sum contribution at any time before their discharge or release if they had not yet contributed \$2,700. The government matches contributions on a 2-for-1 basis, but may make additional contributions, or "kickers", on behalf of individuals in critical military fields, as determined by the Department of Defense (DoD), to encourage individuals to enlist or reenlist. VEAP participants who disenroll from the program may request a refund of prior contributions.

The Educational Assistance Program for Persons Enlisting for Active Duty authorized in section 901 of the Department of Defense Authorization Act of 1981 (P.L. 96-342), is a non-contributory program in which individuals or eligible dependents may receive educational assistance and subsistence allowance while training at accredited educational institutions. The program is funded by DoD and codified in Title 10 U.S.C. chapter 106A.

The Educational Assistance Pilot Program, authorized in section 903 of P.L. 96-342, is a non-contributory modified chapter 32 benefit. It differs from the basic chapter 32 program in that the service department makes the individual's monthly contributions, and certain individuals are permitted to transfer the entitlement to their spouses or children. This program is codified in Title 10 U.S.C. 2141(a).

VEAP participants have been afforded opportunities to enroll in the Montgomery GI Bill (MGIB):

- P.L. 101-510, the National Defense Authorization Act for Fiscal Year 1991, allowed Service members enrolled or eligible to reenroll in VEAP, who were involuntarily separated from service on or after February 3, 1991, an opportunity to make an irreversible election to receive assistance under the MGIB educational assistance program in lieu of VEAP.
- P.L. 102-484, the National Defense Authorization Act for Fiscal Year 1993, allowed certain Service members who voluntarily separated from the military on or after December 5, 1991, to be eligible for the MGIB program effective October 23, 1992.
- P.L. 104-275, the Veterans Benefits Improvement Act of 1996, provided an opportunity for chapter 32 (and section 903) to enroll in the MGIB program. Under this law, the Service member must have been a VEAP participant on October 9, 1996 and made a permanent

election to become eligible for the MGIB program. Individuals who elected to disenroll from VEAP paid \$1,200 into the Department of Treasury’s GI Bill receipt account to establish eligibility under the MGIB program.

Post-Vietnam Era Veterans’ Education Program Fund Highlights and Caseload Summary (\$ in thousands)					
	2022	2023		2024	Increase (+) Decrease (-)
	Actual	Budget Estimate	Current Estimate	Estimate	
Obligations:					
Disenrollments	\$8,478	\$1,430	\$8,055	\$4,027	-\$4,027
Budget Authority (trust fund, indefinite)	\$0	\$0	\$0	\$0	\$0
Outlays	\$8,434	\$1,412	\$7,954	\$3,842	-\$4,111
Unobligated balance:					
Start of year	\$60,766	\$59,322	\$52,288	\$44,233	-\$8,055
End of year	\$52,288	\$57,892	\$44,233	\$40,205	-\$4,027
Caseload/Participants					
Disenrollments	13,170	1,049	12,512	6,256	-6,256
Participants, end of year	98,913	112,157	86,401	80,145	-6,256
Average Payments (whole dollars)					
Disenrollments	\$644	\$1,363	\$644	\$644	\$0

Note: Dollars may not add due to rounding in this and subsequent charts.

Summary of Budget Request

No appropriation action by Congress is required. Budget authority, consisting of transfers from DoD and deposits from participating Service members, are available as permanent and indefinite authority. VA currently estimates that the unobligated balance carried forward from prior years will provide sufficient funding for VEAP through 2024. VA does not anticipate receiving additional deposits from participating Service members or transfers from DoD. Therefore, no additional budget authority is identified in this request to fund the estimated obligations of \$4.0 million for 6,256 disenrollment refunds in 2024.

Changes from the Original 2023 Estimate

Current estimated obligations for 2023 increased by \$6.6 million from the original estimate due to an increase in the number of disenrollment refunds (12,512 vs. 1,049). The increase in disenrollment refunds is due to Education Service’s efforts to contact Veterans who are entitled to a refund for unused contributions. Education Service is also providing instructions on how these Veterans can request the refund. This outreach effort began in 2021 and resulted in a significant increase in disenrollment refunds. Estimates for 2023 increased based on this ongoing outreach effort.

Post-Vietnam Era Veterans' Education Program Analysis of Increases and Decreases (\$ in thousands)		
	2023 Estimate	2024 Estimate
Prior year obligations	\$8,478	\$8,055
Disenrollments	-\$424	\$4,027
Net change	-\$424	-\$4,027
Estimated obligations	\$8,055	\$4,027

Analysis of Increases and Decreases

In 2024, obligations are projected to be \$4.0 million, a decrease of \$4.0 million from the 2023 level of \$8.1 million. Disenrollment obligations (refunds) are projected to decrease due to fewer participants disenrolling (6,256 vs. 12,512). The number of participants will continue to decrease because the program is closed to new enrollments, and eligibility is restricted to persons who first entered active duty prior to July 1, 1985.

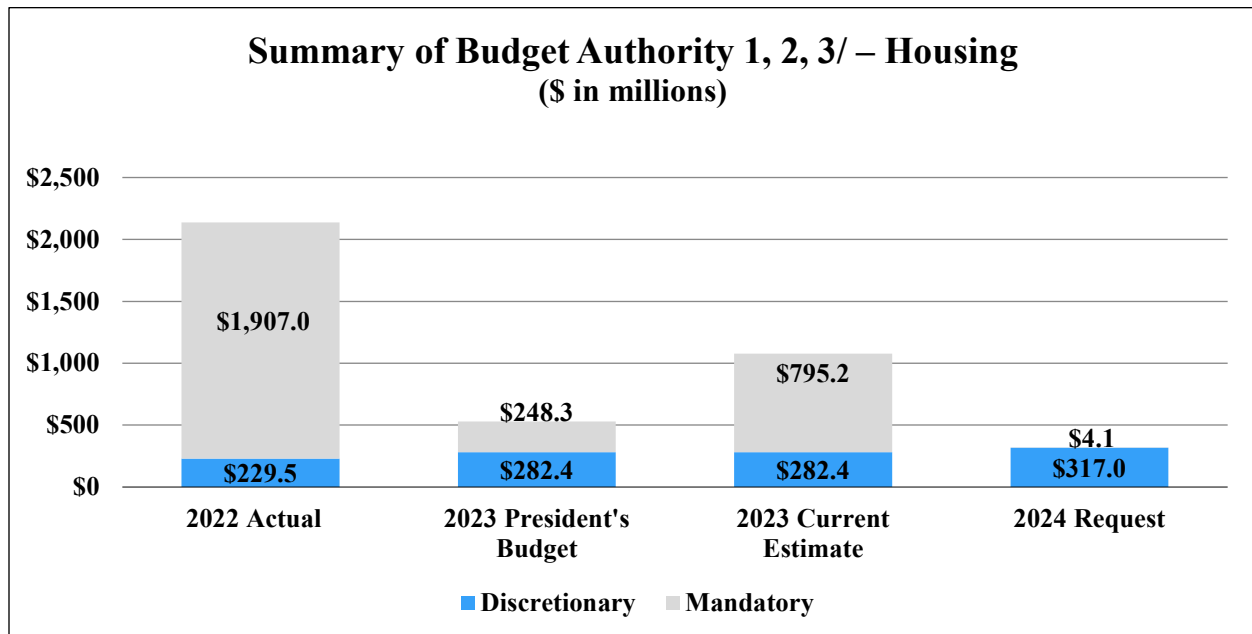
Program Highlights

For budget purposes, no future training is anticipated in the program. During 2024, 6,256 participants are expected to disenroll from this program and receive \$4.0 million in refunds.

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Veterans Housing Loan Program



Notes:

1/ Discretionary budget authority supports loan administrative and subsidy costs.

2/ Mandatory budget authority for upward reestimates and interest is excluded in the 2023 President's Budget and 2024 Request per Office of Management and Budget Circular No. A-11, Section 185.6.

3/ Mandatory budget authority of 2022 actual and 2023 current is reflective of upward reestimates before offsetting downward reestimates of \$336.6 million (2022) and \$563.4 million (2023).

Appropriations Language

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by subchapters I through III of chapter 37 of title 38, United States Code: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That during fiscal year [2023] 2024, within the resources available, not to exceed \$500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [282,361,131] \$316,742,419. (*Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023.*)

Housing Mortgage Loan Programs
Summary of Appropriation Highlights
(\$ in thousands)

	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Liquidating Account	\$319	\$0	\$627	\$288	-\$339
Program Account	\$2,134,865	\$530,630	\$1,077,548	\$320,866	-\$756,683
Total Obligations	\$2,135,185	\$530,630	\$1,078,175	\$321,154	-\$757,022
Budget Authority:					
Mandatory, Program Account	\$1,906,533	\$248,269	\$795,187	\$4,123	-\$791,064
Mandatory, Liquid. Account	-\$3,911	\$0	-\$2,822	-\$2,559	\$263
Discretionary Program Account	\$229,500	\$282,361	\$282,361	\$316,742	\$34,381
Total Budget Authority (net)	\$2,132,122	\$530,630	\$1,074,726	\$318,307	-\$756,420
Outlays:					
Liquidating Account	-\$4,826	\$0	-\$2,014	-\$2,559	-\$545
Program Account	\$2,121,627	\$530,630	\$1,077,548	\$320,866	-\$756,683
Total Outlays (net)	\$2,116,801	\$530,630	\$1,075,534	\$318,307	-\$757,227
Outstanding Loan Guarantees ²⁵	3,660,557	4,103,528	3,787,243	3,932,438	145,195

Summary of the 2024 President’s Budget Request

The 2024 appropriation request of \$321.1 million supports discretionary and mandatory funding for VA housing loan program operations. The mandatory appropriation request of \$4.1 million will support the guarantee of VA Acquired direct home loans, as the program will incur a positive subsidy rate in 2024.

The discretionary appropriation request of \$317.0 million will fund estimated administrative expense spending and investments for the Office of General Counsel (OGC), the Office of Information and Technology (OIT), and VBA’s General Operating Expenses.

The housing liquidating loan account has adequate resources to support obligations because of offsetting collections from loan principal and interest payments. The liquidating loan program spending continues indefinitely.

The housing loan guarantee program subsidy is the government’s cost of guaranteeing loans, net of recoveries, on a net present value basis. In 2024, the program’s subsidy rate is an estimated negative 0.03% to support 553,417 loan guarantees with a total value of \$179.6 billion and an average loan size of \$324,473.

²⁵ Source: WebLGY and Funding Fee Payment System (FFPS), the number of active VA home loans annually.

Housing Loan Program Data Summary					
(\$ in thousands)					
	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Veterans Housing Benefit Program:					
Guaranteed Loans:					
Subsidy rate	-0.08%	0.08%	0.08%	-0.03%	-0.11%
Number of guaranteed loans	686,804	994,891	539,269	553,417	14,148
Amount of guaranteed loans	\$238,090,971	\$314,709,302	\$171,547,074	\$179,568,648	\$8,021,574
Average loan amount (dollars)	\$346,665	\$316,325	\$318,110	\$324,473	\$6,362
Loan Sales Securities:					
Subsidy rate	0.00%	0.00%	0.00%	0.00%	0.00%
Guaranteed loans sold:					
Number of loans sold	0	0	0	0	0
Amount of loans sold	\$0	\$0	\$0	\$0	\$0
Average loan amount (dollars)	\$0	\$0	\$0	\$0	\$0
Gross proceeds from sale	\$0	\$0	\$0	\$0	\$0
Direct Loans:					
Acquired Loans:					
Subsidy rate	-1.91%	7.62%	7.62%	11.99%	4.37%
Number of Loans	0	90	83	94	11
Total amount of loans	\$0	\$33,026	\$29,771	\$34,386	\$4,615
Average loan amount (dollars)	\$0	\$366,577	\$358,690	\$367,295	\$8,605
Vendee Loans:					
Subsidy rate	-27.09%	-26.29%	-26.29%	-27.93%	-1.64%
Number of Loans	23	577	265	1,421	1,156
Total amount of loans	\$5,773	\$178,893	\$67,681	\$371,532	\$303,850
Average loan amount (dollars)	\$250,971	\$309,824	\$255,245	\$261,371	\$6,127

No annual appropriation for loan subsidy costs will be needed to fund the Housing Guaranteed Loans program because of its estimated negative subsidy rate in 2024.

The Housing Loan Sales Securities program subsidy is the government’s cost of guaranteeing loan sales, net of recoveries, on a net present value basis. In 2024, VA will not request an appropriation for loan subsidy given that the program will not issue any new loan sales securities or related guarantees.

The direct loan program consists of the Housing Acquired and Vendee Loans programs. VA uses the Acquired Loans program in combination with the Guaranteed Loans program to purchase a mortgage from a VA lender while simultaneously establishing a new low-cost direct mortgage loan with the Veteran borrower. VA uses the Vendee Loans program to finance the sale of a VA-

owned property to any buyer of the property.

In 2024, the estimated Acquired direct loan subsidy rate is 11.99% to finance 94 direct loans with a total value of \$34.4 million and an average loan size of \$367,295. In 2024, the estimated Vendee direct loan subsidy rate is -27.93% to finance 1,421 direct loans with a total value of \$371.5 million and an average loan size of \$261,371. The estimated negative subsidy rate in the Vendee direct loan program is a function of the net interest margin and loan default rate assumptions and will not require subsidy appropriation to finance the Vendee loans.

The Housing Transitional Loan Guarantee program subsidy is the estimated net present value cost to the government of the one hybrid guarantee-direct loan disbursed in 2005. In 2012, VA stopped using this housing loan program to guarantee any new direct loans funded by the Federal Financing Bank (FFB). Thus, the program will not require any subsidy appropriation in 2024.

Federal Credit Reform

The Federal Credit Reform Act of 1990 (P.L. 101-508) changed the accounting for Federal credit programs to measure their costs more accurately and to make them consistent with and comparable to non-credit transactions. The intent of credit reform is to separate subsidy costs, the cost to the government, from the non-subsidized cash flows of credit transactions and to focus on the former for budgeting and analysis. To accomplish this objective, the VA Housing loan program is separated into six accounts: Credit Program Account, Guaranteed Loan Financing Account, Direct Loan Financing Account, Loan Sales Securities Guaranteed Loan Financing Account, Liquidating Account, and Guaranteed Transitional Housing Direct Loan Financing Account.

Credit Reform Accounts Descriptions

Credit Program Account – On-Budget:

The Credit Program Account records the loan subsidy costs of the government that are associated with direct loans obligated and loan guarantees committed since 1992 and their related administrative expenses of the VA housing loan programs. The subsidy costs are calculated on a net present value basis. All administrative expenses are estimated on a cash basis.

Guaranteed Loan Financing Account – Off-Budget:

The Guaranteed Loan Financing Account (GLFA) is a non-budgetary account that records all financial transactions to and from the government resulting from loan guarantees, committed since 1992 (including loan guarantee modifications by VA). Its primary purpose is financial tracking of each cohort year's loan activity and is not included in federal budget totals.

Direct Loan Financing Account – Off-Budget:

The Direct Loan Financing Account (DLFA) is a non-budgetary account that records all financial transactions to and from the government resulting from direct loans obligated since 1992. The DLFA primarily tracks each cohort year's loan activity (principal and interest payments, Treasury borrowing, interest paid to or received from Treasury, etc.) and is not included in the budget totals when calculating the Federal budget surplus or deficit. In 2007, the DLFA began executing two distinct sub-accounts for newly acquired and vendee direct loans after 2006.

Loan Sales Securities Guaranteed Loan Financing Account – Off-Budget:

The Guaranteed Loan Sales Securities Account (LSSA) was established in 1999 to record transactions from the guarantee of Vendee loans sold under the Vendee Mortgage Trust (VMT) Securitization Program. Like the DLFA and GLFA, this account's primary purpose is the financial tracking of each cohort year's loan sale activity and is not included in budget totals when calculating total government spending.

Liquidating Account – On-Budget:

The Liquidating Account records all cash flows to and from the government resulting from VA direct loan obligations and loan guarantee commitments before 1992. This account is shown on a cash basis. All new VA acquired and vendee direct loan obligations in 1992 and after are recorded in the DLFA. All new VA loan guarantee commitments in 1992 and after are recorded in the GLFA.

Guaranteed Transitional Housing Direct Loan Financing Account – Off-Budget:

The Guaranteed Transitional Housing Direct Loan Financing Account is a non-budgetary account that records all financial transactions to and from the government resulting from direct loan obligations. The account tracks one loan that was 100% guaranteed by VA and funded by the FFB. Because of this, for budgetary and financial reporting purposes, the loan is treated as a debt of VA and all its transactions are accounted for as a direct loan program.

Program Description

VA's housing loan programs help eligible Veterans, Service members, surviving spouses, and members of the Reserves and National Guard purchase and retain homes and refinance mortgages in recognition of their service to the Nation. When a borrower purchases a home or refinances a mortgage, the program operates by effectively substituting the Federal Government's guarantee for a down payment that might otherwise be required.

Under 38 U.S.C. 3703, the guaranteed amount for a borrower with full entitlement (first-time users of the program or users whose entitlement is fully restored) is as follows:

- 50% for loans of \$45,000 or less,
- \$22,500 for loans greater than \$45,000, but no more than \$56,250,
- The lesser of \$36,000 or 40% of the loan amount for loans greater than \$56,250, but not more than \$144,000, or
- 25% of the loan amount for loans greater than \$144,000.

VA housing programs aim to help Veterans retain their homes and reduce the likelihood of foreclosure. VA and loan servicers take aggressive intervention actions when loans are more than 60 days in default. The benefits of assisting borrowers in default include Veterans retaining their homes and minimizing damages to their credit ratings, as well as cost savings to the government because of costs not expended for claims due to foreclosures.

VA charges upfront loan funding fees according to the fee structure authorized in 38 U.S.C. 3729. The statutory funding fee rates are stipulated in the included loan fee structure table. A person who pays a fee for a loan guaranteed or insured after December 31, 1989, or who is exempt from payment of the fee, will have no liability to VA for any loss resulting from default except in the case of fraud,

misrepresentation, or bad faith. This exemption does not apply to manufactured homes under section 3712 or to assumption of an existing loan.

Loan Fee Structure for VA-Guaranteed Loans		
	Veterans	Reservists
First Time Use		
Down Payment		
Less than 5 percent		
- October 1, 2004, until December 31, 2019	2.15%	2.40%
- January 1, 2020, through April 6, 2023	2.30%	2.30%
- April 7, 2023, through November 13, 2031	2.15%	2.15%
- On or after November 14, 2031	1.40%	1.40%
At least 5 percent but less than 10 percent		
- October 1, 2004, until December 31, 2019	1.50%	1.75%
- January 1, 2020, through April 6, 2023	1.65%	1.65%
- April 7, 2023, through November 13, 2031	1.50%	1.50%
- On or after November 14, 2031	0.75%	0.75%
10 percent or more		
- October 1, 2004, until December 31, 2019	1.25%	1.50%
- January 1, 2020, through April 6, 2023	1.45%	1.45%
- April 7, 2023, through November 13, 2031	1.25%	1.25%
- On or after November 14, 2031	0.50%	0.50%
Second and Subsequent Use		
Down Payment		
Less than 5 percent		
- October 1, 2004, until December 31, 2019	3.30%	3.30%
- January 1, 2020, through April 6, 2023	3.60%	3.60%
- April 7, 2023, through November 13, 2031	3.30%	3.30%
- On or after November 14, 2031	1.25%	1.25%
At least 5 percent but less than 10 percent		
- October 1, 2004, until December 31, 2019	1.50%	1.75%
- January 1, 2020, through April 6, 2023	1.65%	1.65%
- April 7, 2023, through November 13, 2031	1.50%	1.50%
- On or after November 14, 2031	0.75%	0.75%
10 percent or more		
- October 1, 2004, until December 31, 2019	1.25%	1.50%
- January 1, 2020, through April 6, 2023	1.40%	1.40%
- April 7, 2023, through November 13, 2031	1.25%	1.25%
- On or after November 14, 2031	0.50%	0.50%
Refinancing Loans		
Interest Rate Reduction	0.50%	0.50%
Other		
Assumptions (loan transfer to new borrower with securing property sale)	0.50%	0.50%
Service-connected Veterans	0.00%	0.00%

Note: Cash-Out Refinance and Subsequent Use rates are assigned the less than 5-percent Down Payment rates. Service-connected Veterans are in-receipt of or eligible for service-connected disability compensation.

Loan guarantee borrowers can finance any loan guarantee funding fees at the mortgage rates for 30-year fixed-rate mortgages during the issuance of the loan guarantee commitments. Some borrowers can finance any loan guarantee funding fees at adjustable interest rate averages as adjustable-rate mortgages (ARMS) or hybrid adjustable-rate mortgages (HARMS) during the origination of the loan guarantee commitments. The mortgage rates are based on the market interest rates for residential mortgages.

Eligible direct loan borrowers are not required to make loan down payments nor to pay market interest rates. Direct loans have no loan size limits. Any VA borrower, who can be a Veteran, Service member, Surviving Spouse, or property buyer, pays a funding fee rate of 2.25% of the direct loan amount unless exempt due to receipt of service-connected disability compensation, in accordance Title 38 U.S. Code, Chapter 37, section 3729(b)(2)(J), Loan Fee Table, and section 3729(c), Waiver of Fee. Housing loan guarantee and direct loan programs are supervised by VA and are administered by VA contractors.

Multiple laws have further altered the housing loan program:

- The Veterans' Benefits Act of 2010 (P.L. 111-275), sections 204 and 802, provided VA with new housing program authority. Section 204 allows the housing programs to waive housing loan fees for certain Veterans with service-connected disabilities called to active service and who were receiving active duty pay in lieu of VA compensation. Section 802 allows the housing program the option to purchase a VA-guaranteed loan that is modified under bankruptcy proceedings.
- The Restoring GI Bill Fairness Act of 2011 (P.L. 112-26) set the loan guarantee funding fee rate for subsequent loans at 2.8% for such loans closed in fiscal year 2012 only. P.L. 112-56, section 265, enacted in November 2011, superseded P.L. 112-26 and extended 2011 loan guarantee funding fee rates from November 22, 2011, through September 30, 2016. The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154), section 702(b), extended the funding fee rates through September 30, 2017; and three subsequent laws further extended the funding fee rates.²⁶
- The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154), section 702(c), reinstated the method VA used to calculate the maximum guaranteed amount that expired on December 31, 2011. This reinstatement of the method to calculate maximum guarantee amount was effective August 6, 2012, through December 31, 2014.
- The Blue Water Navy Vietnam Veterans Act of 2019 (P.L. 116-23), section 6, amended 38 U.S.C. § 3703(a)(1) by removing the guaranteed loan limit for loans greater than \$144,000 for Veterans with full guaranteed entitlement available, thereby enabling such Veterans to obtain a zero down-payment loan with a 25% VA guaranteed (25% of the loan amount) when they live in a high-cost area. That is, essentially the guaranteed limits for the VA loan (i.e., the limitations based upon the Freddie Mac Conforming Loan Limit) were eliminated for primary residences. In previous years, borrowers were required to make down payments if they obtained loans above the limits.

²⁶ The Veterans Access, Choice and Accountability Act of 2014 (P.L. 113-146), section 704, extended the funding fee rates through September 30, 2024. The VA Choice and Quality Employment Act of 2017 (P.L. 115-46), section 402, extended the funding fee rates through September 30, 2027. The VA MISSION Act (P.L. 115-182), section 508, extended the funding fee rates through September 30, 2028.

- P.L. 116-23, section 6(b), made several changes to the loan fee table, including temporarily increasing certain categories of loans – not including interest rate reduction refinancing loans (IRRRLs), assumptions, and direct loans – ranging from 0.15 through 0.30%, effective January 1, 2020, through December 31, 2021; eliminating any difference in funding fee rates between Reservist borrowers and all other Veteran borrowers, effective January 1, 2020; and lowering funding fee rates for Reservist borrowers after December 31, 2021. Section 6 also increased funding fee rates for one year from October 1, 2028, through September 30, 2029. Section 6(c) added a waiver of fees for Servicemembers on active duty who have received the Purple Heart and provide evidence of such award on or before the date of loan closing.
- P.L. 116-23, Section 7 amended 38 U.S.C. § 3731(b) by authorizing VA-designated appraisers to rely on third parties for appraisal-related information; this section also authorized VA to issue guidance to implement this section before prescribing new regulations.
- The Protecting Affordable Mortgages for Veterans Act of 2019 (P.L. 116-33) revised the loan seasoning requirements first outlined in Section 309 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (P.L. 115-174) and found at 38 U.S.C. § 3709(c)(2). P.L. 116-33 clarified that the 210-day seasoning requirement for VA-guaranteed refinance loans should be calculated from the due date of the first payment of the loan being refinanced. It also added a statutory requirement that the borrower have made six *consecutive* monthly payments, rather than just six-monthly payments.
- The Ryan Kules and Paul Benne Specially Adaptive Housing Improvement Act of 2019 (P.L. 116-154) extended the temporary loan fee increases put in place by P.L. 116-23 through April 6, 2023.
- The Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), section 2102, amended 38 U.S.C. § 3729(b) to require the Secretary to collect loan fees at the “initial loan” rate, rather than the “subsequent loan” rate, if a Veteran’s dwelling is secured by a guaranteed, insured, or direct loan under chapter 37 and is substantially damaged or destroyed by a Presidentially declared major disaster. The initial loan fee rate will only apply if the Veteran obtains the next VA-guaranteed or VA-made loan within three years of the date on which the dwelling was substantially damaged or destroyed. Section 2103 extended the period during which VA is authorized to collect loan fees through October 1, 2030.
- The Responsible Education Mitigating Options and Technical Extensions (REMOTE) Act (P.L. 117-76), section 6, adjusts certain loan fees required under 38 U.S.C. § 3729(b) that were scheduled to decrease October 1, 2030. Section 6 delays the decrease approximately three months, until January 14, 2031.
- The Consolidated Appropriations Act, 2023 (P.L. 117-328), Division U, Title II, section 204, amended 38 U.S.C. §3729(b)(2) by striking “January 14, 2031” each place it appeared and inserting “November 14, 2031,” as applicable to the statutory loan guarantee funding fee rates.

VA is authorized to make direct loans to severely disabled Veterans in connection with Specially Adapted Housing Grants. The maximum loan amount is \$33,000.

Veterans may also obtain guaranteed loans to buy new or used manufactured homes and to buy or improve lots for placement of manufactured homes. The guaranteed loan amount is the lesser of 40% of the loan amount or \$20,000. A Veteran is charged a funding fee of 1% of the loan amount.

The Guaranteed Transitional Housing Loan program was established by the Veterans Benefits Enhancement Act of 1998 (P.L. 105-368). In 2005, the program started as a pilot project with a goal to expand the supply of transitional housing for homeless Veterans by providing up to 15 loans with a maximum aggregate value of \$100 million. The project enforces sobriety standards and provides a wide range of supportive services, such as counseling for substance abuse and job readiness skills.

Housing Liquidating and Program Accounts
Summary of Appropriation Highlights
(\$ in thousands)

	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Liquidating:					
Program Obligations	\$319	\$0	\$627	\$288	-\$339
Unobligated Balance:					
Start of year	\$953	\$0	\$909	\$0	-\$909
End of year	\$812	\$0	\$0	\$0	\$0
Transfer to General Fund	-\$4,863	\$0	-\$3,731	-\$2,559	\$1,172
Offsetting Collections	\$5,066	\$0	\$3,449	\$2,847	-\$602
Budget Authority (net)	-\$3,911	\$0	-\$2,822	-\$2,559	\$263
Outlays (net)	-\$4,826	\$0	-\$2,014	-\$2,559	-\$545
Housing Program:					
Loan Subsidy Obligations:					
Veterans Housing Guaranteed	\$0	\$245,753	\$133,959	\$0	-\$133,959
Veterans Housing Loan Sales	\$0	\$0	\$0	\$0	\$0
Veterans Housing Direct Acquired	\$0	\$2,517	\$2,269	\$4,123	\$1,855
Veterans Housing Direct Vendee	\$0	\$0	\$0	\$0	\$0
Veterans Housing Transitional Loans	\$0	\$0	\$0	\$0	\$0
Loan Subsidy Modifications:					
Veterans Housing Guaranteed	\$0	\$0	\$0	\$0	\$0
Upward Reestimates, including interest:					
Veterans Housing Guaranteed	\$1,880,497	\$0	\$643,831	\$0	-\$643,831
Veterans Housing Loan Sales	\$2,147	\$0	\$2,699	\$0	-\$2,699
Veterans Housing Direct Acquired	\$7,844	\$0	\$10,445	\$0	-\$10,445
Veterans Housing Direct Vendee	\$16,045	\$0	\$1,984	\$0	-\$1,984
Administrative Expenses:					
Veterans Benefits Administration	\$155,286	\$169,682	\$175,682	\$205,743	\$30,061
General Counsel	\$3,975	\$4,950	\$4,950	\$5,188	\$238
Information Technology	\$69,071	\$107,729	\$101,729	\$105,811	\$4,082
Obligations	\$2,134,865	\$530,630	\$1,077,548	\$320,866	-\$756,683
Unobligated Balance:					
Start of year	\$56,487	\$56,434	\$45,235	\$56,434	\$11,199
Unobligated Balance Unexpired	\$0	\$0	\$0	\$0	\$0
End of year	\$45,235	\$56,434	\$56,434	\$56,434	\$0
Budget Authority (net)	\$2,136,034	\$530,630	\$1,088,747	\$320,866	-\$767,882
Obligated Balance:					
Start of year	\$188,494	\$0	\$201,731	\$201,731	\$0
End of year	\$201,732	\$0	\$201,731	\$201,731	\$0
Outlays (net)	\$2,121,627	\$530,630	\$1,077,548	\$320,866	-\$756,683
Total Obligations	2,135,185	\$530,630	\$1,078,175	\$321,154	-\$757,022
Budget Authority:					
Appropriation, mandatory	\$1,906,533	\$248,269	\$795,187	\$4,123	-\$791,064
Appropriation, discretionary	\$229,500	\$282,361	\$282,361	\$316,742	\$34,381
Liquidating Account	-\$3,911	\$0	-\$2,822	-\$2,559	\$263
Total Budget Authority (net)	\$2,132,122	\$530,630	\$1,074,726	\$318,307	-\$756,420
Total Outlays (net)	\$2,116,801	\$530,630	\$1,075,534	\$318,307	-\$757,227

Note: The housing program subsidy costs reflect the use of about 30 VA-owned houses for disaster relief annually.

Detail of Budget Request – On-Budget

In 2024, the existing liquidating loans do not require appropriation to fund their obligations because sufficient resources are available from the anticipated \$2.8 million in offsetting collections (loan principal and interest payments and home sales proceeds). The obligations are estimated at \$0.3 million, which — when netted against collections — results in a negative budget authority of \$2.6 million. The liquidating loans are all the loan guarantee commitments and direct loan originations prior to 1992.

In 2024, the budget authority of \$320.9 million is requested to fund the credit program subsidy of \$4.1 million and administrative expenses of \$316.7 million. The funds are needed to finance expected VA loan foreclosures and administrative spending and investments. No subsidy appropriations are requested to fund any new loan sales securities, and transitional housing loan guarantees.

Loan subsidies of VA credit programs represent the estimated cost to the government of making and guaranteeing loans. Veterans' housing loans are generally for 30 years, and the subsidy rates reflect the cost to the government for that 30-year period. A subsidy rate is the net present value of all cash inflows (fees, down payments, sales of inventory property, and other cash flows) less the cash outflows (claim and acquisition payments, property expenses, and other cash flows) for 30 years. The loan cash inflows and outflows are estimated annually for over 30 years.

Generally, a budget request for loan subsidy appropriations is computed as the product of a subsidy rate and the related loan data. A negative subsidy rate results when the cash inflows exceed the cash outflows of a loan portfolio, or cohort of loans; thus, government funds in the form of subsidy appropriations are not required.

Changes from Original 2023 Budget Estimate

For the Credit Program Account, the current 2023 budget authority of an estimated \$1.1 billion is an increase of \$544.1 million from the original 2023 budget estimate of \$530.6 million. The change reflects the estimation of upward subsidy reestimates for loan guarantees and direct loans based on the timing of subsidy reestimates calculations.

Housing Liquidating and Program Accounts		
Analysis of Increases and Decreases - Outlays		
(\$ in thousands)		
	2023 Estimate	2024 Request
Prior Year Outlays	\$2,116,801	\$1,075,534
Liquidating:		
Liquidating Obligations	\$308	-\$339
Liquidating Collections	\$1,617	\$602
Liquidating Change in Obligated Balance	\$814	-\$808
Change in Uncollected Customer Payments	\$73	\$0
Subtotal:	\$2,812	-\$545
Housing Program:		
Guaranteed Loan Subsidy	\$133,959	-\$133,959
Loan Sales Securities Subsidy	\$0	\$0
Direct Acquired Loan Subsidy	\$2,269	\$1,855
Direct Vendee Loan Subsidy	\$0	\$0
Transitional Housing Loan Subsidy	\$0	\$0
Loan Modification Subsidy	\$0	\$0
Subtotal:	\$136,227	-\$132,104
Upward Reestimates, with Interest:		
Guaranteed Loans	-\$1,236,665	-\$643,831
Loan Sales Securities	\$552	-\$2,699
Direct Acquired Loans	\$2,601	-\$10,445
Direct Vendee Loans	-\$14,061	-\$1,984
Subtotal:	-\$1,247,573	-\$658,960
Change in Obligated Balance/other	-\$122,989	\$132,104
Administrative Expenses	\$54,029	\$34,381
Net Change	-\$1,041,266	-\$757,227
Estimated Outlays (net)	\$1,075,534	\$318,307

The 2023 net outlays of the housing programs are projected to decrease by \$1.0 billion from the 2022 level. This is primarily due to a decrease in upward subsidy reestimates of \$1.2 billion and an offsetting increase in loan guarantee subsidy of \$136.2 million.

The 2024 net outlays of the housing programs are projected to decrease by \$757.2 million from the 2023 level. This is primarily due to the decreases in outlays for loan guarantee subsidy of \$132.1 million and upward reestimates of \$659.0 million. Offsetting the decrease in outlays is the increase

in administrative spending of \$34.4 million.²⁷ The administrative expenses increase is primarily due to program growth, resulting in a need for personnel and technology investments. VA's Loan Guaranty Service continues to expand automated capabilities to improve benefit delivery and modernize legacy systems. Modernization includes a multi-year approach with the mortgage industry to standardize data utilizing Application Programming Interfaces (APIs) that will reduce the need for stakeholders to access government systems and reduce the data risk to the program. Adequate funding for technology modernization for this program is critical to ensuring Veterans' access to housing benefits. The API modernization efforts will result in VA obtaining loan files directly from lenders on all loans guaranteed, increasing our capacity for risk analysis and potential fraud prevention. Funding to support the API process is paramount to a successful delivery of the benefit for Veteran borrowers. The subsidy reestimates for 2024 will be calculated during the 2025 President's Budget formulation in 2024.

²⁷VA will continue supporting Administration priorities, including work stemming from the Property Appraisal and Valuation Equity (PAVE) and 5(c) Task Forces.

Housing Loan Financing Accounts
Financial Summary
(\$ in thousands)

	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Guaranteed Loans:					
Obligations	\$2,334,427	\$3,447,027	\$2,953,598	\$4,645,285	\$1,691,687
Collections	\$5,589,832	\$4,953,665	\$3,300,910	\$4,497,425	\$1,196,515
Financing Authority (net)	\$0	\$0	\$0	\$0	\$0
Financing Disbursements (net)	-\$3,278,920	-\$1,448,802	-\$255,708	\$104,202	\$359,910
Loan Sales Securities:					
Obligations	\$5,641	\$2,955	\$5,215	\$3,084	-\$2,131
Collections	\$2,818	\$861	\$3,562	\$908	-\$2,654
Financing Authority (net)	\$0	\$0	\$0	\$0	\$0
Financing Disbursements (net)	\$3,107	\$2,093	\$1,729	\$2,176	\$447
Direct Loans:					
Obligations	\$33,192	\$290,651	\$156,173	\$545,135	\$388,962
Collections	\$93,206	\$39,721	\$40,461	\$51,213	\$10,751
Financing Authority (net)	\$6,053	\$250,930	\$115,712	\$493,922	\$378,211
Financing Disbursements (net)	-\$60,008	\$250,612	\$115,108	\$487,746	\$372,638
Transitional Housing					
Obligations	\$486	\$189	\$479	\$183	-\$296
Collections	\$479	\$478	\$494	\$489	-\$5
Financing Authority (net)	-\$93	-\$96	-\$97	-\$103	-\$6
Financing Disbursements (net)	\$7	-\$289	-\$15	-\$306	-\$291
Housing Financing Accounts Totals:					
Obligations	\$2,373,745	\$3,740,822	\$3,115,465	\$5,193,687	\$2,078,222
Collections	\$5,686,335	\$4,994,725	\$3,345,427	\$4,550,036	\$1,204,608
Financing Authority (net)	\$5,960	\$250,834	\$115,615	\$493,819	\$378,205
Financing Disbursements (net)	-\$3,335,814	-\$1,196,385	-\$138,887	\$593,817	\$732,704

Note: The guaranteed loan subsidy costs incorporate the effects of the mortgage provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), for example, the impact of the new VA COVID-19 pandemic forbearance spending programs (partial claim and waterfall refund claim). The COVID-19 pandemic program spending will likely end in June 2023 (partial claim has ended).

Detail of Financing Accounts – Off-Budget

In 2024, new loan guarantees will have an estimated subsidy rate of -0.03% to support 553,417 new home loans with a value of \$179.6 billion. Net negative for the subsidy rate is a function of average VA loan funding fee rates, experience data, and updates to the budget model economic inputs. Estimated subsidy rates are sensitivity to updates to VA loan experience and economic data.

Multiple laws have altered the structure of the Financing Accounts:

- The Veterans' Benefits Improvement Act of 2008 (P.L. 110-389) extended VA's authority

to guarantee adjustable-rate mortgages (ARMs) and hybrid adjustable-rate mortgages (HARMs) through September 30, 2012. The Act also increased the maximum guaranteed amount for cash-out refinance loan guarantees to the same maximum guaranteed amount for purchase loan guarantees. The law authorized a cash-out refinance loan guarantee for up to 100% of an appraised home value.

- The Veterans' Benefits Improvement Act of 2010 (P.L. 111-275), Section 204, enacted October 13, 2010, authorized the housing program to originate loan guarantees without funding fees for Veterans with service-connected disabilities who had been called to active duty and who were receiving active duty pay in lieu of VA compensation.
- In the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154):
 - Section 206 extended the home loan guarantee entitlement to surviving spouses of certain totally disabled Veterans. The Act, for the purpose of home loan benefits, includes as a "Veteran," a surviving spouse of a Veteran who died and who was in receipt of or entitled to receive compensation, at the time of death, for a service-connected disability rated totally disabled. The surviving spouses are also exempt from paying the funding fee rates.
 - Section 207 allowed an active-duty Servicemember's dependent child to satisfy the occupancy requirement for obtaining a VA-guaranteed home loan. Previously, only a Veteran or a Veteran's spouse was able to certify the occupancy requirement in 38 U.S.C. 3704(c).
 - Sections 208 and 209 subsequently made permanent VA's authority to guarantee ARMs and HARMs.
 - Section 210 amended 38 U.S.C. 3729(c) to allow an individual to receive a loan fee waiver if, during a pre-discharge program, he or she receives a disability rating for purposes of VA compensation based on existing medical evidence, such as service medical and treatment records. This change authorizes an eligible individual to purchase a home without having to pay a VA funding fee even if he or she has not undergone a pre-discharge examination or a VA disability evaluation.
 - Section 702(a) reinstated VA's authority to issue, or approve the issuance of, and guarantee the timely payment of principal and interest on, certificates or other securities evidencing an interest in a pool of mortgage loans. This guarantee authority previously expired on December 31, 2011. Section 410 of the Department of Veterans Affairs Expiring Authorities Act of 2016 (P.L. 114-228) extended it through December 31, 2017. Section 409 of the Department of Veterans Affairs Expiring Authorities Act of 2017 (P.L. 115-62) later extended this authority through September 30, 2018. Permanent authority to guarantee principal and interest payments was authorized with Section 123 of the Department of Veterans Affairs Expiring Authorities Act of 2018 (P.L. 115-251).
 - Section 710(d) also amended Section 303(c) of the Servicemembers' Civil Relief Act (SCRA) of 2003 (P.L. 108-189) by extending the period in which a Servicemember may exercise SCRA protections from nine months after the period of service ends to 12 months. The amendments made by Section 710(d) had a sunset date of December 31, 2014, at which time the protection reverted to a 90-day period. Section 2 of the Foreclosure Relief and Extension for Servicemembers Act of 2014 (P.L. 113-286), later extended the sunset date of this authority through

December 31, 2015.

- The Department of Veterans Affairs Expiring Authorities Act of 2013 (P.L. 113-37) extended, until October 1, 2014, VA's authority to calculate the net value of a property with a VA guaranteed loan when the loan goes into default.
 - This authority was subsequently extended, by P.L. 113-175, to October 1, 2015, by P.L. 114-58 through September 30, 2016, by P.L. 114-228 through September 30, 2017; and, pursuant to P.L. 115-62, it was extended through September 30, 2018.
 - Permanent authority was authorized with Section 124 of the Department of Veterans Affairs Expiring Authorities Act of 2018 (P.L. 115-251).
- The VA Expiring Authorities Extension Act of 2013 (P.L. 113-59):
 - Extended the requirements for Vendee direct loan disbursement through September 30, 2014. Section 404 of Veterans Benefits Act of 2003 (P.L. 108-183), had earlier amended 38 U.S.C. §3733(a)(1) to increase the maximum percentage of loans which may be financed with Vendee loans from 65% to 85% and to make this a percentage a mandate and not optional. Later, Section 303 of the Department of Veterans Affairs Expiring Authorities Act of 2014 (P.L. 113-175) extended requirements of Vendee loans through September 30, 2015. This authority was subsequently extended by Department of Veterans Affairs Expiring Authorities Act of 2015 (P.L. 114-58) through September 30, 2016, by P.L. 114-228 through September 30, 2017, and by P.L. 115-62 through September 30, 2018. Section 125 of the Department of Veterans Affairs Expiring Authorities Act of 2018 (P.L. 115-251) extended authority through September 30, 2019. Section 2 of the Department of Veterans Affairs Expiring Authorities Act of 2019 (P.L. 116-61) extended authority through September 30, 2020. Section 5405 of the Continuing Appropriations Act, 2021 and Other Extensions Act (P.L. 116-159) extended authority through September 30, 2025.
 - Section 5405 also amended 38 U.S.C. § 3733(a) to change VA's mandatory financing percentages (65% to 85% maximum, and 50% minimum) to marketing targets. This is applicable to VA's use of the Vendee program to provide government mortgage financing for the sale of a VA Acquired property.
 - Extended VA's authority through December 14, 2014, to use acquired homes of the guaranteed loan program to help provide shelter to homeless Veterans (that is, the Homeless Shelter Program, HSP). This authority was also subsequently extended, by P.L. 113-175, through September 30, 2015, by P.L. 114-58, through September 30, 2016, and by P.L. 114-228 through September 30, 2017. That authority was not extended for 2018, and VA subsequently suspended the HSP.
- The National Defense Authorization Act for Fiscal Year 2021 (P.L. 116-283), section 926, amended various references in title 38 of the United States Code, including sections 3701, 3712, 3729, 2101A and 101 to incorporate references to the newly established Space Force and Space Force Reserve.
- In the Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315):
 - Section 2001 amended 38 U.S.C. §101(29) to revise the definition of the Vietnam era as beginning on November 1, 1955, instead of February 28, 1961. This definition change affected the Loan Guaranty program as 38 U.S.C. § 3702(a)(2)(A), the statute outlining basic entitlement to the program, refers to the "Vietnam era" for purposes of establishing eligibility.

- Section 2101 expanded program eligibility to members of the National Guard who perform certain full-time National Guard duty (as that term is defined in section 101 of title 10) but do not qualify under prior National Guard and Reserve eligibility requirements. Specifically, individuals with 90 or more days cumulative qualifying service with at least one period of 30 consecutive days of qualifying service are entitled to home loan benefits regardless of whether they have completed six years of honorable service in the National Guard.
- The Improving Access to the VA Home Loan Benefit Act of 2022 (P.L. 117-308) directed the Secretary of Veterans Affairs to update the appraisal requirements for certain loans guaranteed by the Department of Veterans Affairs, and for other purposes.
- In the Consolidated Appropriations Act, 2023 (P.L. 117-328), Division U, Title II:
 - Section 203 enhanced loan underwriting methods, requiring that the Secretary establish an advisory group representing various stakeholder interests to develop regulations and guidance to assist lenders in evaluating the sufficiency of the residual income of a Veteran wherein the Veteran provides the lender with an energy efficiency report related to the home.
 - Section 304 restarted and extended the Department of Veterans Affairs housing assistance for homeless Veterans (the Homeless Shelter Program, HSP), amending subsection (a) of 38 U.S.C. §2041 to authorize VA to sell or rent VA property directly to Veterans experiencing or at risk of homelessness through September 30, 2026. The HSP was suspended in 2018.

Analysis of Financing Account Increases and Decreases
Non-Budgetary Disbursements
(\$ in thousands)

	2023 Estimate	2024 Request
Prior Year Net Disbursements	-\$3,335,814	-\$138,887
Veterans Housing Financing Accounts:		
Guaranteed Loans:		
Obligations	\$619,171	\$1,691,687
Offsetting collections	\$2,288,922	-\$1,196,515
Change in Obligated Balances	\$114,322	-\$135,262
Change in Uncollected Customer Payments	\$797	\$0
Subtotal:	\$3,023,212	\$359,910
Loan Sales Securities:		
Obligations	-\$426	-\$2,131
Offsetting collections	-\$744	\$2,654
Change in Obligated Balances	-\$208	-\$76
Change in Uncollected Customer Payments	\$0	\$0
Subtotal:	-\$1,378	\$447
Direct Loans:		
Obligations	\$122,981	\$388,962
Offsetting collections	\$52,745	-\$10,751
Change in Obligated Balances	-\$707	-\$5,573
Change in Uncollected Customer Payments	\$96	\$0
Change in Prior Year Recoveries	\$0	\$0
Subtotal:	\$175,116	\$372,638
Transitional Housing:		
Obligations	-\$6	-\$296
Offsetting collections	-\$15	\$5
Change in Obligated Balances	-\$1	\$0
Change in Uncollected Customer Payments	\$0	\$0
Subtotal:	-\$23	-\$291
Net Change	\$3,196,927	\$732,704
Estimated Net Disbursements	-\$138,887	\$593,817

The 2023 net disbursements are projected to increase by \$3.2 billion. The net disbursements for guaranteed loans are projected to increase by \$3.0 billion, which is primarily due to an increase of \$619.2 million in loan obligations for future VA claims, an increase in the obligated balances of \$114.3 million, and a decrease in offsetting collections of \$2.3 billion. The obligations increase and collections decrease reflects the anticipated spending impact and anticipated participation rate

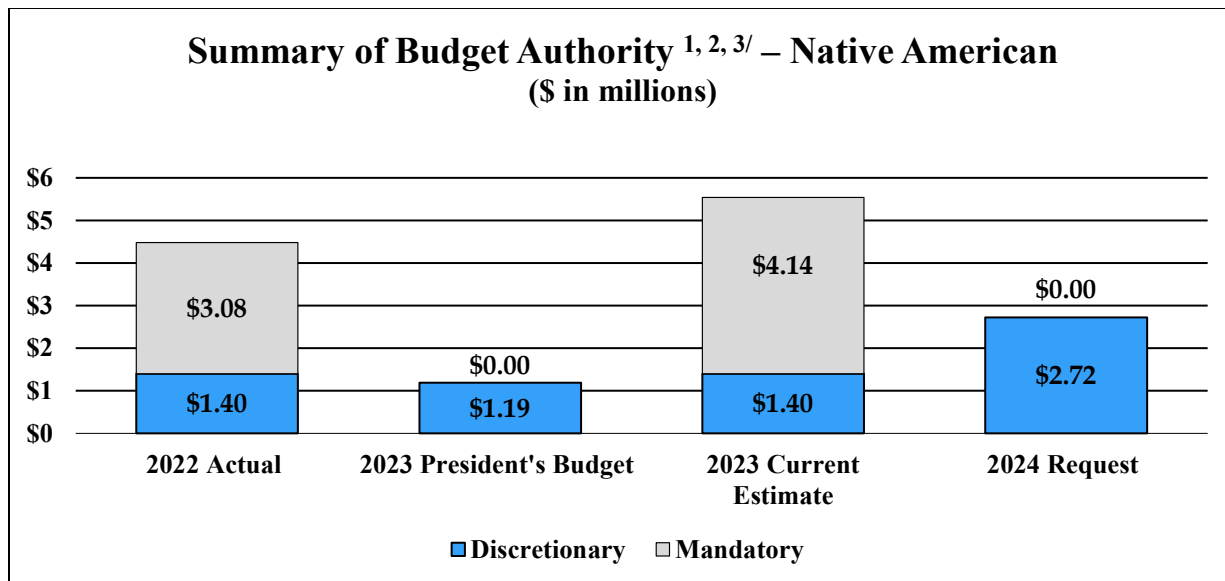
of the special VA payment forbearance programs (i.e., partial claims and COVID-19 waterfall refund programs). The net disbursements for loan sales securities are projected to decrease by \$1.4 million, which is due to a decrease in obligations of \$0.4 million and an increase in offsetting collections of \$0.7 million. The net disbursements for direct loans are projected to increase by \$175.1 million, primarily due to an increase in direct loan obligations of \$123.0 million.

The 2024 net disbursements are projected to increase by \$732.7 million, which is mostly due to increases in the obligations. The net disbursements for loan guarantees are projected to increase by \$359.9 million, which is primarily due to an increase in estimated obligations of \$1.7 billion and an offsetting increase in offsetting collections of \$1.2 billion. The net disbursements for loan sales securities are projected to increase by \$0.4 million, which is due to a decrease in obligations of \$2.1 million and a decrease in offsetting collections of \$2.7 million. The net disbursements for direct loans are projected to increase by \$372.6 million, which is due to an increase in obligations of \$389.0 million with an offsetting increase in offsetting collections of \$10.8 million.

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Native American Veterans Loan Program



Notes:

1/ Discretionary budget authority supports loan administrative and subsidy costs.

2/ Mandatory budget authority for upward reestimates and interest is excluded in the 2023 President’s Budget and 2024 Request per Office of Management and Budget Circular No. A-11, Section 185.6.

3/ Mandatory budget authority of 2022 actual and 2023 current is reflective of upward reestimates before offsetting downward reestimates of \$175,000 (2022) and \$1.2 million (2023).

Appropriation Language

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, [\$1,400,000] \$2,718,546.

Summary of Net 2023 and 2024 Estimates (\$ in thousands)			
	2023 Estimate	2024 Request	Increase (+) Decrease (-)
Program Account:			
Budget Authority, Discretionary	\$1,400	\$2,719	\$1,319
Budget Authority, Mandatory	\$4,135	\$0	-\$4,135
Outlays	\$5,535	\$2,719	-\$2,816
Direct Loan Financing Account:			
Financing Authority	\$7,160	\$10,135	\$2,975
Financing Disbursements	\$8,687	\$9,988	\$1,301

Summary of the 2024 President’s Budget Request

The budget requests \$2.7 million for reimbursement to the General Operating Expenses (GOE) appropriations fund of the Veterans Benefits Administration (VBA) and the Office of General Counsel (OGC) appropriations fund for the costs to administer the Native American Direct Loan program. The program continues to disburse loans on a negative subsidy basis, which will not require loan subsidy appropriations in 2024.

Program Description

The Native American Veterans Direct Loan program (NADL) authorized by Public Law 102-547 (38 U.S.C. Chapter 37, Section 3761) provides direct loans to purchase, construct, or improve homes for Native American and Native Hawaiian Veterans or their eligible spouses living on Federally recognized trust lands.

Currently, Veteran borrowers pay a funding fee rate of 1.25²⁸ percent to purchase or 0.5 percent to refinance an existing NADL unless exempt due to receiving service-connected disability compensation. However, loans are contingent on the Veteran’s tribal organization signing a Memorandum of Understanding with the Department of Veteran Affairs (VA), which provides the legal framework and responsibilities for lending prior to the disbursement of a loan.

Federal Credit Reform

The Federal Credit Reform Act of 1990 (P.L. 101-508), changed the accounting for Federal direct and loan guarantees programs to measure their costs and make them consistent with comparable non-credit programs. To accomplish this objective, the NADL program is managed using the Credit Program Account, which outlays appropriations to pay for the loan administrative and subsidy costs and the non-budgetary Direct Loan Financing Account, which handles the operational outlays of the program.

²⁸ <https://www.va.gov/housing-assistance/home-loans/funding-fee-and-closing-costs/>

Credit Program Account – On-Budget

The program receives appropriations for administrative expenses through the Credit Program Account and then reimburses to the VBA GOE and OGC appropriations accounts.

Native American Direct Loan Program Account					
Summary of Appropriation Highlights					
(\$ in thousands)					
	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Upward reestimates, including interest	\$3,078	\$0	\$4,135	\$0	-\$4,135
Administrative expenses:					
Veterans Benefits Administration	\$1,319	\$1,166	\$1,319	\$2,635	\$1,316
General Counsel	\$81	\$20	\$81	\$84	\$2
Total administrative expenses	\$1,400	\$1,186	\$1,400	\$2,719	\$1,319
Total obligations	\$4,478	\$1,186	\$5,535	\$2,719	\$2,816
Unobligated Balance:					
Start of year	-2,274	-2,284	-2,274	-2,274	\$0
End of year	2,274	2,284	2,274	2,274	\$0
Budget authority (net)	\$4,478	\$1,186	\$5,535	\$2,719	-\$2,816
Obligated Balance:					
Start of year	\$1,166	\$0	\$81	\$81	\$1,085
End of year	\$81	\$0	\$81	\$81	\$0
Outlays (net)	\$5,564	\$1,186	\$5,535	\$2,719	-\$2,816
Financing:					
Appropriations, discretionary	\$1,400	\$1,186	\$1,400	\$2,719	\$1,319
Mandatory Indefinite	\$3,078	\$0	\$4,135	\$0	-\$4,135
Workload:			45		
Number of direct loans established	43	45	\$273,24	45	0
Average loan amount (dollars)	\$268,675	\$253,523	2	\$279,800	\$6,558
Amount of direct loans established	\$11,553	\$11,409	\$12,296	\$12,591	\$295
Subsidy rate, direct loans	-17.62%	-17.15%	-17.15%	-20.26%	-3.11%
FTE:					
Veterans Benefits Administration	7	7	7	16	0

Note: The dollar amounts may not add due to rounding in this and subsequent tables.

The direct loan subsidy reflects the portion of loan disbursements that the government does not expect to recover (the cost to the government in net present value terms). The subsidy rate is calculated after discounting the estimated cash flows of direct loan obligations by comparable rates on Treasury securities. The loan subsidy rate is computed by dividing the net present value of the estimated loan cash flows by the direct loan obligations.

The funds used to finance the direct loans are borrowed from the U.S. Department of the Treasury are lent at market 30-year mortgage rates; the differences between the Treasury borrowing rates and mortgage interest rates are net interest margins. Positive mortgage interest rate margins and

the continued history of no defaults are the two leading drivers for the negative subsidy rate request. Therefore, VA does not request an appropriation for credit loan subsidy in 2024 to support an estimated 45 direct loans with an original principal balance of \$12.6 million.

Detail of Budget Request

To provide for origination, service, management, investment, and common overhead expenses, the NADL program requests \$2.7 million in annual appropriations. The request will fund 16 full-time equivalent (FTE) employees for VBA at a cost of \$2.6 million in payroll and non-payroll expenses. OGC will be reimbursed \$83,920 to support one FTE employee dedicated to this direct loan program.

Native American Direct Loan Program Account Analysis of Increases and Decreases – Outlays (\$ in thousands)		
	2023 Estimate	2024 Request
Prior year outlays (net)	\$5,564	\$5,535
Increases (+) and Decreases (-)		
Upward reestimates, including interest	\$1,056	-\$4,135
Administrative expenses	\$0	\$1,319
Change in obligated balance/other	-\$1,085	\$0
Net Change	-\$29	-\$2,816
Estimated Outlays (net)	\$5,535	\$2,719

The 2023 net outlays are estimated to be \$5.5 million, which is a decrease of \$29,000 from the 2022 level. The change in net outlays is primarily due to the offsetting effect of upward subsidy reestimates against changes in the obligating balance.

The 2024 net outlays are estimated to be \$2.7 million, which is a decrease of \$2.8 million from the 2023 level. The change in outlays is due to the offsetting effect of the upward reestimate netted against the administrative expense increase of \$1.4 million to support an additional 8 FTE. The upward reestimates for 2024 will not be calculated until the formulation of the 2025 President’s Budget.

Direct Loan Financing Account – Off-Budget

The direct loan financing account is an off-budget account that records all financial transactions primarily consisting of collections and outlays associated with direct loan originations. The account records activity in each loan cohort year (loans are grouped by the fiscal year of loan obligations) and is not included in the budget totals when calculating the federal budget surplus or deficit.

Native American Direct Loan Financing Account					
Financial Summary					
(\$ in thousands)					
	2022 Actual	2023		2024 Request	Increase (+) Decrease (-)
		Budget Estimate	Current Estimate		
Obligations:					
Direct loans	\$11,553	\$11,409	\$12,296	\$12,591	\$295
Negative subsidy	\$2,074	\$1,957	\$2,109	\$2,551	\$442
Interest on Treasury borrowing	\$2,573	\$3,364	\$3,297	\$3,657	\$360
Property expenses	\$250	\$303	\$278	\$297	\$20
Other Expenses	\$0	\$0	\$0	\$0	\$0
Treasury Receipt account:					
Downward Reestimates	\$7	\$0	\$658	\$0	-\$658
Interest on Downward Reestimates	\$168	\$0	\$614	\$0	-\$614
Total obligations	\$16,625	\$17,033	\$19,253	\$19,097	-\$156
Unobligated Balance:					
Start of year	\$13,263	\$13,263	\$14,648	\$14,468	\$0
End of year	\$14,648	\$13,263	\$14,648	\$14,468	\$0
Obligated Balance:					
Start of year	\$1,343	-\$1,148	\$3,188	\$1,661	-\$1,527
End of year	\$3,188	-\$624	\$1,661	\$1,809	\$147
Offsetting Collections:					
Program account payments	\$3,078	\$0	\$4,135	\$0	-\$4,135
Interest on Uninvested funds	\$572	\$0	\$0	\$0	\$0
Loan repayments	\$6,075	\$4,959	\$4,732	\$5,173	\$441
Interest received on loans	\$2,191	\$3,134	\$3,115	\$3,673	\$558
Fees	\$29	\$59	\$59	\$61	\$2
Other	\$22	\$53	\$53	\$56	\$3
Total offsetting collections	\$11,967	\$8,202	\$12,093	\$8,962	-\$3,131
Financing:					
Financing authority, net	\$7,123	\$8,830	\$7,160	\$10,135	\$2,975
Financing disbursements, net	\$2,812	\$8,306	\$8,687	\$9,988	\$1,301

Summary of Off-Budget Financing Account

The total obligations are estimated to be \$19.1 million in 2024. In addition to \$12.6 million in borrowing to support loan level disbursements, obligations also reflect interest on the U.S. Treasury borrowing of \$3.7 million and negative subsidy of \$2.6 million. The interest on the U.S. Treasury borrowing is computed based on average financing authority net of offsetting collections and the interest rate calculator provided by the Office of Management and Budget.

Total offsetting collections in 2024 are estimated to be \$9.0 million, a decrease of \$3.1 million from the 2023 current estimate. The leading drivers for the decrease in 2024 are an increase of \$1.0 million in combined repayments interest payments and an offsetting decrease of \$4.1 million in program

account payments.

Changes from Original 2023 Budget Estimate

The current estimate for 2023 obligations has increased by \$2.2 million from the original 2023 budget estimate. The increase is primarily attributed to \$1.3 million in downward reestimates and interest.

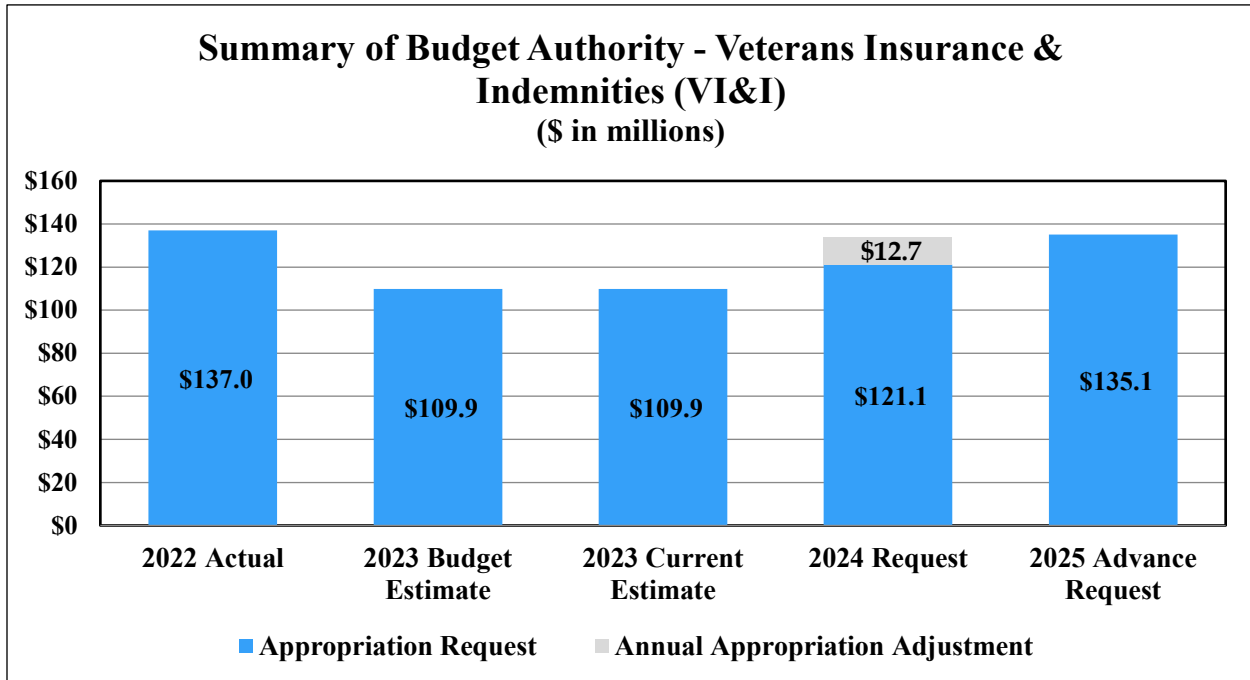
Native American Direct Loan Financing Account		
Analysis of Increases and Decreases – Financial Disbursements		
(\$ in thousands)		
	2023 Estimate	2024 Request
Prior Year Financing Disbursements (net)	\$2,812	\$8,687
Increases (+) and Decreases (-)		
Obligations:		
Direct loans	\$743	\$295
Negative Subsidy	\$36	\$442
Interest on Treasury borrowing	\$724	\$360
Property Expenses	\$28	\$20
Other Expenses	\$0	\$0
Payments to Treasury Receipt account:		
Downward Reestimates	\$651	-\$658
Int. on Downward Reestimates	\$446	-\$614
Subtotal Obligations	\$2,627	-\$156
Offsetting collections:		
Program account payments	-1,056	\$4,135
Interest on Uninvested funds	\$572	\$0
Loan repayments	\$1,343	-\$441
Interest received on loans	-\$924	-\$558
Fees	\$30	-\$2
Other	-\$31	-\$3
Change in obligated balances	\$3,373	-\$1,674
Subtotal Offsetting Collections and Other	\$3,247	\$1,456
Net Change	\$5,875	\$1,301
Estimated Outlays (net)	\$8,687	\$9,988

The 2023 net financing disbursements are estimated to be \$8.7 million, an increase of \$5.9 million from the 2022 level. The net financing change primarily is due to increases in obligations of \$2.6 million and change in obligated balances of \$3.4 million.

The 2024 net financing disbursements are estimated to be \$10.0 million, which is an increase of \$1.3 million from the 2023 level. The net outlay change is due to a decrease in net obligations of \$0.2 million and a decrease in offsetting collections of \$1.5 million.



Insurance Benefits



Note: The 2024 Request is comprised of \$121.1 million appropriated by Public Law 117-328 and an additional \$12.7 million in requested appropriation.

Appropriation Language

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled Veterans insurance, and Veterans mortgage life insurance as authorized by chapters 19 and 21, of title 38, United States Code, [\$121,126,000] \$12,701,000, which shall be in addition to funds previously appropriated under this heading that became available on October 1, 2023, to remain available until expended; and in addition, \$135,119,422, which shall become available on October 1, [2023] 2024, to remain available until expended. (*Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2023.*)

Program Description

The Department of Veterans Affairs (VA) Insurance business line administers seven life insurance programs, two trust funds, two public enterprise revolving funds, a trust revolving fund, and mortgage protection insurance fund. A new revolving fund for the self-supporting Veterans Affairs

Life Insurance (VA Life)²⁹ program, established under the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), opened to enrollment on January 1, 2023. Additionally, the Insurance business line oversees the Servicemembers' Group Life Insurance (SGLI) portfolio of four programs, which is administered by a private insurance carrier, that is, Primary Insurer, pursuant to a group insurance policy, for the benefit of Veterans, Service members, and their families.

Budget authority (permanent and indefinite) is made available automatically to the United States Government Life Insurance (USGLI) and the National Service Life Insurance (NSLI) funds each year by virtue of standing legislation. All obligations of the Veterans Special Life Insurance (VSLI) and Veterans' Reopened Insurance (VRI) funds are paid from offsetting collections and redemption of investments in U.S. Treasury securities. All obligations of the Service-Disabled Veterans Insurance (S-DVI) fund are paid by transfers from the Veterans Insurance & Indemnities (VI&I) fund and other offsetting collections. No action by Congress is required for the transfers. Obligations of the SGLI program are financed from premium collections, interest on investments, and extra hazard payments from service branches. All programs are outlined in greater detail under the Program Overview section.

Veterans Insurance and Indemnities Appropriation

The Veterans Insurance and Indemnities (VI&I) appropriation is the funding mechanism for several government life insurance activities. Payments made from this fund include transfers to the S-DVI and NSLI funds to support these programs. Also included under the VI&I appropriation is the Veterans Mortgage Life Insurance (VMLI) program.

The largest category of obligations is the transfer to support to the S-DVI program. The S-DVI program is designed to operate using government subsidies as it provides coverage for Veterans with service-connected disabilities. In addition, the smallest portion of the subsidy is transferred to the NSLI fund account for the premiums that were waived when the Veterans' disability was caused by the extra hazards of military service. By law, these extra hazard costs are borne by the government in the NSLI program.

The other category of VI&I obligations is the subsidy provided to support the VMLI program. The VMLI program requires a subsidy by design and provides up to \$200,000 of mortgage protection life insurance to Veterans who have received a grant for specially adapted housing.

Summary of Budget Request

In 2024, VA requests annual appropriation of \$12.7 million for VI&I to finance its operation. This is in addition to the advance appropriation of \$121.1 million, which was enacted in the Consolidated Appropriations Act, 2023 (P.L. 117-328). This will enable VA to transfer \$106.6 million to the S-DVI program, \$27.2 million to the VMLI program, and \$10,000 to the NSLI program. The request along with carryover of \$5.6 million, and collections of \$6.5 million will fund total obligations of \$145.9 million.

²⁹ This program was referred to as VALI in previous President's Budget requests.

In 2025, VA requests \$135.1 million in advance appropriation for VI&I to finance its operation, which will allow for the \$102.6 million transfer to the S-DVI program, \$32.5 million to the VMLI program, and \$10,000 to the NSLI program. The request along with collections of \$6.5 million will fund total obligations of \$141.6 million.

Insurance					
Summary of Appropriation Highlights					
(\$ in thousands) ¹					
	2023				
	2022 Actual	Budget Estimate	Current Estimate	2024 Request	2025 Request
Mandatory					
Lives Insured²:					
Veterans (Administered Programs)	354,255	571,763	328,589	313,662	301,865
Veterans (VGLI)	445,419	440,900	443,100	444,600	446,200
Servicemembers (SGLI)	2,205,500	2,165,500	2,239,500	2,239,500	2,239,500
Spouses and Children (FSGLI)	2,581,000	2,599,000	2,637,000	2,637,000	2,637,000
Total Lives Insured (#)	5,586,174	5,777,163	5,648,189	5,634,762	5,624,565
Face Amount In Force (\$)	\$1,218,087,664	\$1,201,526,510	\$1,454,634,850	\$1,458,600,740	\$1,462,753,460
Obligations:					
Death Claims	\$523,196	\$503,580	\$505,030	\$440,560	\$380,220
Dividends	19,554	18,594	15,226	12,053	10,675
Premiums Paid to Primary Insurer	644,864	660,138	716,672	826,239	826,114
Transfers to Insurance Funds	108,111	78,285	74,476	106,635	102,569
Payments for Administrative Expenses	48,922	53,749	66,335	55,369	53,484
Capital Investments	32,637	34,780	32,740	31,210	29,300
All Other Obligations	152,188	132,287	146,767	109,614	90,854
Total Mandatory Obligations	\$1,529,472	\$1,481,412	\$1,557,246	\$1,581,679	\$1,493,216
Funding:					
Offsetting Collections					
Premiums	\$74,986	\$317,690	\$101,250	\$122,500	\$137,600
SGLI Premiums	647,273	663,210	719,770	829,450	829,450
Interest on U.S. Securities	89,592	78,860	143,800	182,960	174,410
Payments for S-DVI	108,000	78,275	74,466	106,625	102,559
Extra Hazard Payments	100	0	0	0	0
Cash Transfers from Primary Insurer	525,000	500,000	575,000	300,000	0
All Other Collections	49,608	63,810	63,615	56,060	50,850
Total Collections	\$1,494,559	\$1,701,845	\$1,677,901	\$1,597,595	\$1,294,869
Unobligated balance (SOY)	-\$4,462,056	-\$4,672,458	-\$4,629,994	-\$4,920,178	-\$5,111,236
Unobligated balance (EOY)	\$4,629,930	\$4,805,617	\$4,920,178	\$5,111,236	\$5,076,081
Budget Authority, net:					
Advance Appropriation (VI&I)	\$136,950	\$109,865	\$109,865	\$121,126	\$135,119
Appropriation (VI&I)	\$0	\$0	\$0	\$12,701	\$0
Transfer From C&P	\$0	\$0	\$0	\$0	\$0
Trust Funds	\$360,914	\$298,739	\$314,742	\$222,806	\$149,145
Total Mandatory:					
Budget Authority (net)	\$497,864	\$408,604	\$424,607	\$356,633	\$284,264
Outlays (net)	\$171,463	-\$99,783	\$39,136	\$86,834	\$288,867

¹ Dollars may not add due to rounding in this and subsequent charts.

² The Insurance program depicts lives insured rather than showing the number of policies. This more accurately reflects the population Insurance serves and the true scope of the insurance programs, because some Veterans in our administered programs have more than one policy, and because our supervised programs (SGLI, FSGLI, and VGLI) are in fact only one “group policy.”

Changes from Original 2023 Budget Estimate

The 2023 current estimate for total obligations increased by \$75.8 million from the original 2023 estimate. The increase in total obligations is mainly attributed to technical re-estimates of the number of lives insured under the SGLI and Family Servicemembers Group Life Insurance (FSGLI) programs, and the associated Premiums Paid to the Primary Insurer, as well as increases in the total anticipated matured endowments included in All Other Obligations. Offsetting collections in 2023 are projected to decrease by \$23.9 million from the original 2023 estimate, because of revised estimates of premiums related to VA Life enrollment projections, SGLI premiums, and Interest.

The increase in Premiums Paid to the Primary Insurer, as well as an increase in the offsetting collections, is a result of an increase in Servicemembers' Group Life Insurance maximum coverage from \$400,000 to \$500,000 effective March 1, 2023. The President signed Public Law 116-315, the Supporting Families of the Fallen Act, into law on October 17, 2022, which authorized this increase.

The decrease in Lives Insured estimate is a result of technical re-estimates to VA Life program participation.

Insurance		
Analysis of Increases and Decreases - Outlays		
(\$ in thousands)		
Mandatory	2023 Current Estimate	2024 Request
Prior Year Outlays	\$171,463	\$39,136
Increases (+) and decreases (-)		
Obligations		
Death Claims	-18,166	-64,470
Dividends	-4,328	-3,173
Premiums Paid to Primary Insurer	+71,808	+109,567
Transfers to Insurance Funds	-33,635	+32,159
Payments for Administrative Expenses	+17,413	-10,966
Capital Investments	+103	-1,530
All Other Obligations	-5,420	-37,154
Collections		
Premiums	-26,264	-21,250
SGLI Premiums	-72,497	-109,680
Interest on U.S. Securities	-54,208	-39,160
Payments From VI&I	+33,534	-32,159
Extra Hazard Payments	+100	+0
Cash Transfers from Primary Insurer	-50,000	+275,000
Prior Year Recoveries	-14,007	+7,555
All Other Collections	+649	+0
Change in Obligated Balance	+22,591	-57,041
Net Change	-\$132,327	\$47,698
Estimated Outlays (net)	\$39,136	\$86,834

In 2023, Net Outlays decrease from the prior year by \$132.3 million. The decrease is mainly a result of a decrease in Death Claims and an increase in Premium collections related to the opening of the VA Life Program, and Interest earned on contingency reserves held by the SGLI Program. The decreases in outlays are partly offset due to a decrease in the scheduled Cash Transfers from the Primary Insurer.

In 2024, Net Outlays increase from the prior year by \$47.7 million. The increase is mainly attributed to a decline in Cash Transfers from the Primary Insurer and is offset by decreases in Death Claims in the closed Insurance programs, and a projected decrease in Matured Endowments in the NSLI Program included in All Other Obligations.

Cash Transfers from the Primary Insurer are for the Veterans' Group Life Insurance (VGLI) Reserve. In 2019, VA determined that \$3.4 billion, representing the entirety of funds contained in the VGLI Reserve fund held by the Primary Insurer, warrants transfer to VA's Revolving Fund (38 U.S.C. § 1971(e) and § 1977(f)). The scheduled transfers began in 2019 and are projected to

decrease each year from 2020 until 2024, until the full \$3.4 billion has been transferred. The transfer is scheduled over six years (on a quarterly basis) to mitigate risk.

SUMMARY OF INSURANCE PROGRAMS 2024											
(\$ in millions unless otherwise noted)											
	VI&I (VMLI)	USGLI (WWI)	NSLI (WWII)	SDVI (Open thru December 31, 2022)	VALife (Open)	VRI (WWII- Korean)	VSLI (Korean)	SGLI (Open)	Family SGLI (Open)	VGLI (Open)	TOTAL
Beginning date	08/11/1971	01/01/1919	10/08/1940	04/25/1951	01/01/23	05/01/1965	04/25/1951	09/29/1965	11/01/2001	08/01/1974	
Closing date	Open to New Iss.	04/24/1951	04/24/1951	12/31/22	Open to New Iss.	05/01/1966	12/31/1956	Open to New Iss.	Open to New Iss.	Open to New Iss.	
Number of lives insured	2,560	0	29,313	221,254	28,540	1,400	30,595	2,239,500	2,637,000	444,600	5,634,762
Number of Policies Inforce											
5-year term	2,560	n/a	5,810	41,870	0	n/a	1,590	n/a	n/a	n/a	51,830
Permanent plans	n/a	0	27,411	202,322	28,540	1,570	32,381	n/a	n/a	n/a	292,224
Total number of policies inforce	2,560	0	33,221	244,192	28,540	1,570	33,971	2,239,500	2,637,000	444,600	5,665,154
Total value inforce (1)	\$379	\$0	\$363	\$2,618	\$967	\$16	\$523	\$1,227,350	\$109,112	\$117,274	1,458,601
Average amount per policy (2)	\$148,047	\$0	\$10,927	\$10,721	\$33,882	\$10,194	\$15,395	\$548,046	\$41,377	\$263,774	
Average age	58.8	0	93.8	64.2	-	93.7	91.7	29.9	34.1 (3)	54.9	
Annual death rate per 1,000	88.4	0.0	291.8	47.7	-	290.3	178.0	0.7	0.7 (4)	10.2	

(1) The total value of inforce includes paid-up additional insurance; USGLI total value inforce is projected to be zero due to policies endowment; SGLI includes Traumatic Injury Protection Coverage.

(2) The average amount of insurance is represented in whole numbers.

(3) Average age for spouses only.

(4) Average annual death rate for spouses only.

Program Funds Overview

Five administered insurance programs operate in a manner similar to one another, though created at separate times. These five programs are USGLI, NSLI, S-DVI, VRI, and VSLI. The maximum amount of basic coverage available under any of these programs is \$10,000. However, under the NSLI, VRI, and VSLI programs, policyholders can purchase additional protection by electing to use their dividends to buy paid-up additional insurance. Also, under the S-DVI program, supplemental coverage was available to policyholders who were eligible for waiver of premiums due to total disability. Additionally, a sixth administered program, VA Life opened to enrollment January 1, 2023.

Insurance Service also supervises the SGLI Program, which offers group term insurance coverage for Veterans, Service members, and military families. The SGLI Program is administered by a private insurer under a group insurance policy purchased by the Secretary of Veterans Affairs.

United States Government Life Insurance – Trust Non-Revolving Fund

USGLI was established in 1919 as a successor to the War Risk Insurance program. The program was closed to new policy issuance on October 8, 1940, except for World War I Veterans who could apply for coverage until April 25, 1951. This program is self-supporting. All USGLI program policies have reached the maturity age. However, the program will continue to disburse insurance annuity benefits to beneficiaries.

National Service Life Insurance – Trust Non-Revolving Fund

NSLI was created on October 8, 1940, to handle the insurance needs of World War II service personnel. Policies were issued from 1940 until April 25, 1951. The program is self-supporting, except for the cost of claims traceable to the extra hazards of service in the armed forces.

Service-Disabled Veterans Insurance - Public Enterprise Revolving Fund

S-DVI was established on April 25, 1951, and closed to new policy issuances after December 31, 2022. S-DVI was open to Veterans separated from service, under other than dishonorable conditions on or after April 25, 1951, who were approved for service-connected disability ratings of zero percent or greater. Veterans insured under S-DVI have the opportunity to convert to the new VA Life program any time between January 1, 2023, and December 31, 2025 (a three-year period).

VA Life Insurance (VA Life) - Public Enterprise Revolving Fund

Public Law 116-315 established a new insurance program of guaranteed issue whole life coverage, VA Life, that became effective on January 1, 2023. VA Life provides Veterans with service-connected disabilities coverage ranging from \$10,000 to \$40,000. The new program is open to all service-disabled Veterans of age 80 and under without medical underwriting or a time limit to apply. Service-disabled Veterans of age 81 and older may still be eligible for coverage but time limits apply. This program is designed to be self-supporting.

Veterans Reopened Insurance – Public Enterprise Revolving Fund

Policies in the VRI program were issued during the opening of the NSLI program from May 1, 1965, through May 2, 1966. This program made life insurance available to certain World War II and Korean Conflict Veterans who met the eligibility requirements. By law, the VRI program is self-supporting, and funds are transferred annually from the VRI fund to the General Operating Expenses account to cover the cost of operations.

Veterans Special Life Insurance - Trust Revolving Fund

VSLI was established in 1951 to meet the insurance needs of Veterans who served during the Korean War and the post-Korean War period. Individuals separating from service between April 25, 1951, and January 1, 1957, had 120 days to apply for VSLI. This program is self-supporting.

Servicemembers' Group Life Insurance - Public Enterprise Revolving Fund - Includes Servicemembers' Group Life Insurance (SGLI), Veterans' Group Life Insurance (VGLI), Family Servicemembers' Group Life Insurance (FSGLI), and Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI).

The SGLI program provides low-cost group term life insurance protection to persons on active duty in the uniformed service, ready reservists, members of the Coast Guard, the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service, cadets and midshipmen of the four service academies, members of the Reserve Officer Training Corps, and members who volunteer for assignment to a mobilization category in the Individual Ready Reserve. The maximum amount of SGLI coverage for all Service members is \$500,000 effective March 1, 2023. SGLI premiums are set at a single premium rate, regardless of age. Service personnel separated from active duty and the reserves have the right to convert their SGLI coverage to renewable group term insurance coverage offered through the VGLI program or to an individual permanent plan of insurance with a commercial life insurance company. VGLI insureds may convert their coverage to an individual permanent plan of insurance with a commercial company at any time.

FSGLI coverage protects the spouse and children of SGLI covered Service members on active duty or in the Ready Reserves. Maximum coverage for spouses is \$100,000 or the amount of the Service member's SGLI, whichever is less. Unlike SGLI, spouses' premiums are age-based. All dependent children are insured for \$10,000 at no cost to the Service member. Spouses may convert their FSGLI coverage to an individual permanent plan with a commercial insurance company within 120 days of certain "termination of FSGLI coverage" events. The conversion option is not available to children.

The SGLI program is supervised by VA and administered, pursuant to a group insurance policy, by a private insurance carrier. The uniformed services collect premiums from their members and forward the funds to VA. VA transfers those funds to the primary insurer for the payment of claims and administrative expenses. SGLI premiums also fund VA's discretionary expenses associated with supervision activities. The SGLI program is entirely self-supporting, except for any costs resulting from excess mortality traceable to the extra hazard of duty in the uniformed services.

SGLI premium rate is currently \$0.06 per \$1,000 of insurance coverage. VA periodically reviews premium rates across all programs to retain Veterans and Service members' trust and provide benefits that honor their service.

TSGLI is a traumatic injury protection rider under SGLI that provides for payment between \$25,000 and \$100,000 (depending on the type of injury) to any member of the uniformed services covered by SGLI who sustains a traumatic injury that results in certain severe losses. The premium charged for this coverage is \$1 per month from each Service member insured under SGLI. TSGLI also contains a retroactive provision that provides TSGLI coverage to Service members who suffered a qualifying loss on or after October 7, 2001, through and including November 30, 2005. A Year-Ten Review of the TSGLI program was conducted to evaluate program definitions, expand eligibility criteria, and provide recommendations. The final publication of changes is pending final approval and is on track to be published in 2023.

Highlights by Account

(\$ in thousands)

	2022 Actual	2023 Current Estimate	2024 Request	2025 Request
Obligations				
USGLI	\$124	\$139	\$130	\$98
NSLI	372,270	336,157	239,186	160,905
SDVI	186,022	215,430	206,030	197,500
VRI	10,460	8,544	6,868	5,464
VSLI	170,374	154,400	142,200	127,330
VALife		8,130	11,830	30,890
SGLI	647,373	719,770	829,450	829,450
VI&I	142,849	114,676	145,985	141,579
Total obligations	\$1,529,472	\$1,557,246	\$1,581,679	\$1,493,216
Budget authority (gross)				
USGLI	\$124	\$70	\$70	\$70
NSLI	371,926	336,157	239,186	160,905
SDVI	197,416	176,246	201,885	191,149
VRI	1,707	2,050	1,650	1,210
VSLI	51,869	51,070	41,010	30,400
VALife		15,510	45,090	71,580
SGLI	1,226,272	1,404,900	1,285,010	982,240
VI&I	143,109	116,505	140,327	141,579
Total budget authority (gross)	\$1,992,423	\$2,102,508	\$1,954,228	\$1,579,134
Outlays (gross)				
USGLI	\$170	\$152	\$120	\$100
NSLI	464,358	429,901	302,336	212,905
SDVI	186,462	214,137	206,140	197,660
VRI	12,147	9,274	7,108	5,814
VSLI	202,580	197,103	180,890	165,330
VALife		8,130	11,830	30,890
SGLI	647,373	735,064	830,020	829,458
VI&I	141,241	123,276	145,985	141,579
Total outlays (gross)	\$1,654,330	\$1,717,037	\$1,684,429	\$1,583,736
Offsetting collections				
USGLI	\$0	\$0	\$0	\$0
NSLI	11,136	21,485	16,450	11,830
SDVI	197,416	176,246	201,885	191,149
VRI	1,707	2,050	1,650	1,210
VSLI	51,869	51,070	41,010	30,400
VALife		15,510	45,090	71,580
SGLI	1,226,272	1,404,900	1,285,010	982,240
VI&I	6,159	6,640	6,500	6,460
Total offsetting collections	\$1,494,559	\$1,677,901	\$1,597,595	\$1,294,869

Highlights by Account				
(\$ in thousands)				
	2022	2023	2024	2025
	Actual	Current Estimate	Request	Request
Budget authority (net)				
USGLI	\$124	\$70	\$70	\$70
NSLI	360,790	314,672	222,736	149,075
SDVI	0	0	0	0
VRI	0	0	0	0
VSLI	0	0	0	0
VALife		0	0	0
SGLI	0	0	0	0
VI&I	136,950	109,865	133,827	135,119
Total budget authority (net)	\$497,864	\$424,607	\$356,633	\$284,264
Outlays (net)				
USGLI	\$170	\$152	\$120	\$100
NSLI	453,219	408,416	285,886	201,075
SDVI	(10,953)	37,891	4,255	6,511
VRI	10,338	7,224	5,458	4,604
VSLI	148,845	146,033	139,880	134,930
VALife		(7,380)	(33,260)	(40,690)
SGLI	(565,238)	(669,836)	(454,990)	(152,782)
VI&I	135,082	116,636	139,485	135,119
Total outlays (net)	\$171,463	\$39,136	\$86,834	\$288,867
Number of lives insured				
USGLI	1	0	0	0
NSLI	56,457	40,756	29,313	21,239
SDVI	248,201	236,466	221,254	206,312
VRI	2,443	1,863	1,400	1,024
VSLI	44,842	37,374	30,595	24,160
VALife		9,630	28,540	46,510
SGLI	2,205,500	2,239,500	2,239,500	2,239,500
FSGLI	2,581,000	2,637,000	2,637,000	2,637,000
VGLI	445,419	443,100	444,600	446,200
VI&I	2,311	2,500	2,560	2,620
Total number of lives insured	5,586,174	5,648,189	5,634,762	5,624,565
Dividends				
USGLI	\$0	\$0	\$0	\$0
NSLI	12,058	8,986	6,242	4,925
VRI	534	620	540	430
VSLI	6,962	5,620	5,270	5,320

Note: The table totals may differ from OMB MAX totals due to rounding

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Filipino Veterans Equity Compensation Fund

Program Description

The Filipino Veterans Equity Compensation (FVEC) Fund was established under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 (P.L. 110-329) to make payments to eligible persons who served in the Philippines during World War II. The release of a one-time, lump-sum payment to eligible World War II Filipino Veterans was subsequently authorized and appropriated by Congress in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). These payments are made from the FVEC Fund, originally resourced with a \$198 million appropriation (available until expended) established for this purpose. The FVEC Fund currently has a remaining balance of \$55.6 million available.

In 2009, \$82.4 million was obligated, and, by the third quarter of 2010, it was evident that obligations would exceed the original appropriation. VA concluded that an additional \$67 million would be sufficient to meet the most likely final financial obligation needs of the fund. Congress provided authority to transfer up to \$67 million in unobligated balances from bid savings from the Major Construction account for 2010 or prior years in section 901 of the Supplemental Appropriations Act, 2010 (P.L. 111-212). The Consolidated Appropriations Act, 2023 (P.L. 117-328), Division J, Title II, section 239 prohibits VA from transferring any amount from the FVEC Fund to any other account in the Treasury of the United States.

To consider a claim for this one-time, lump-sum payment, VBA had to receive an application from an eligible Filipino Veteran for this benefit no later than February 16, 2010. Claims had to be made by the Veteran; no other parties were eligible to file a claim for this benefit. In the event an eligible Veteran dies after applying for the benefit, but before receiving the payment, the payment may be made to the surviving spouse. No other family members may receive this payment.

Eligibility

Those eligible for the program include the following:

- Persons who served before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces of the United States; and
- Members of the organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States; and
- Persons who served in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945. All persons must have been discharged or released from service under conditions other than dishonorable.

Payments

Eligible Veterans who are *not* United States citizens receive a one-time payment of \$9,000 irrespective of where they reside.

Eligible Veterans who *are* United States citizens will receive a one-time payment of \$15,000 irrespective of where they reside.

Filipino Veterans Equity Compensation - Status of Funds					
(\$ in thousands)					
Fiscal Year	Appropriation	Transfer	Obligations	EOY Balance	Outlays
2009	\$198,000	\$0	\$82,438	\$115,562	\$82,438
2010	\$0	\$67,000	\$113,131	\$69,431	\$113,131
2011	\$0	\$0	\$10,099	\$59,332	\$10,099
2012	\$0	\$0	\$1,659	\$57,673	\$1,659
2013	\$0	\$0	\$1,080	\$56,593	\$1,080
2014	\$0	\$0	\$558	\$56,035	\$558
2015	\$0	\$0	\$177	\$55,858	\$177
2016	\$0	\$0	\$51	\$55,807	\$51
2017	\$0	\$0	\$84	\$55,723	\$84
2018	\$0	\$0	\$102	\$55,621	\$102
2019	\$0	\$0	\$9	\$55,627	\$9
2020	\$0	\$0	\$0	\$55,633	-\$6
2021	\$0	\$0	\$9	\$55,624	\$9
2022	\$0	\$0	\$15	\$55,609	\$15
2023 Estimate	\$0	\$0	\$15	\$55,594	\$15
2024 Estimate	\$0	\$0	\$0	\$55,594	\$0

All original claims were adjudicated by the end of September 2011. However, as of January 2023, VA continues to process one remaining appeal and can continue to accept and grant reopened claims if the original claim was timely filed, and VA receives new and material evidence. For budget purposes, VA expects to pay \$15,000 in 2023 for the final granted FVEC appeal. All appeals are expected to be finalized by the end of 2023.

Administration of the Fund

Section 1002 of P.L. 111-5 also required the submission of specific information in the annual budget submission of the Department:

(k) Reports- The Secretary shall include, in documents submitted to Congress by the Secretary in support of the President's budget for each fiscal year, detailed information on the operation of the compensation fund, including the number of applicants, the number of eligible persons receiving benefits, the amounts paid out of the compensation fund, and the administration of the compensation fund for the most recent fiscal year for which such data is available.

Administration of Filipino Veterans Equity Compensation Fund*					
Claim Type	Payment	Claims Processed	Claims Paid	Claims Denied	Obligations (\$ in millions) *
Total			18,990		\$227**
Filipino Citizen	\$9,000	42,755	9,671	23,765	\$87
U.S. Citizen	\$15,000		9,319		\$140

* From 2009 through September 2022.

** Obligations include \$17 million in returned checks and other financial accounting adjustments.

All FVEC appeals processing for VBA is centralized at the Manila Regional Office (RO) in the Philippines. As of September 29, 2011, all initial claims had been adjudicated. Since inception of the program, 42,755 claims have been processed. Of this total, 18,990 claims have been granted, and 23,765 have been denied. Just over half (51%) of the claims awarded were to Filipino citizens at the one-time payment amount of \$9,000. The remaining 49% of the claims were awarded to the Veterans who are United States citizens at the one-time payment amount of \$15,000 in recognition of their service during World War II.

To address concerns of improper denials, the White House Initiative on Asian Americans and Pacific Islanders, in collaboration with the Office of Management and Budget and the Domestic Policy Council, created the FVEC Fund Interagency Working Group (IWG) in October 2012. The IWG was comprised of VA, the Department of Defense (DoD), and the National Archives and Record Administration (NARA) and was tasked with analyzing the process faced by Filipino Veterans in demonstrating eligibility for compensation to ensure that all applications receive thorough and fair review. This effort culminated in July 2013 with a report from each member of the IWG, which resulted in increased transparency and accelerated the processing of appeals within the existing framework.

Based on the IWG report, VA created a special team to expedite the processing of FVEC appeals. In addition, VA created a standard notification letter for appellants requesting submission of all available service records and information. VA personnel also obtain copies of the Affidavit for Philippine Army Personnel (AGO Form 23) for appeals that are submitted without a Form 23 from the Adjutant General. These steps expedited the processing of appeals for the appellants with advanced age by minimizing the turnaround time for service verification requests and hearing requests.

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Board of Veterans' Appeals

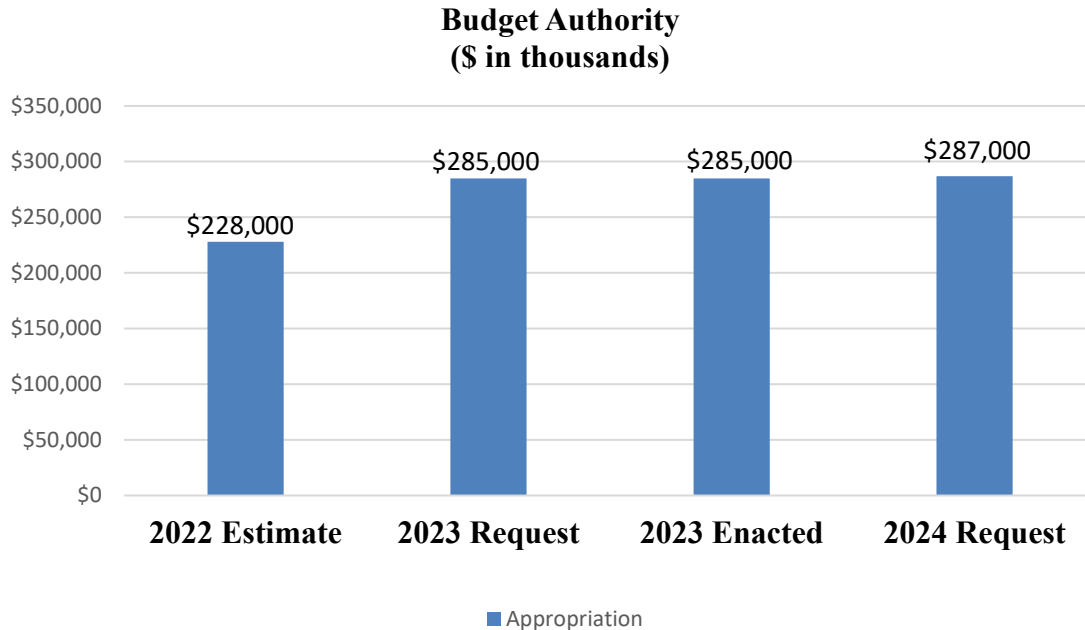
Part 4

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Board of Veterans' Appeals



2024 Appropriation Language

For necessary operating expenses of the Board of Veterans' Appeals, [\$285,000,000] \$287,000,000, of which not to exceed 10 percent shall remain available until September 30, [2024] 2025.

Mission, Vision, and Values

The Board of Veterans' Appeals (Board) is the Secretary's designee to decide appeals from all three Administrations—Veterans Benefits Administration (VBA), Veterans Health Administration (VHA), National Cemetery Administration (NCA), and the Office of General Counsel (OGC). The Board's mission is to conduct hearings and decide appeals in a timely manner. The Board's jurisdiction extends to all questions in a matter involving a decision by the Secretary under a law that affects a provision of benefits (i.e., disability compensation and pension, education, and training) and access to services (i.e., health) by the Secretary to Veterans, their Dependents, or their Survivors. The Board remains committed to VA's Core Values: Integrity, Commitment, Advocacy, Respect, and Excellence.

Summary of Budget Request

The Board requests \$287 million to support programmatic operations in 2024, an increase of \$2 million (0.7%) over the 2023 enacted level. The majority of the Board's budget totaling \$260 million (91%) funds personnel costs, including 1,465 full time equivalent employees (FTE) and overtime appeals processing. The 2024 funding request and the \$9.5 million reallocated baseline funding from overtime and rent savings covers the 2023 pay raise, while also positioning the Board to continue to recruit and train the Veterans Law Judges (VLJs), decision writing attorneys, and administrative staff vital to achieving mission-critical goal of adjudicating over 115,000 appeals. The budget request supports continued resolution of legacy appeals, adjudication of the Veterans Appeals Improvement and Modernization Act of 2017 (AMA), P.L. 115-55 appeals, and Program of Comprehensive Assistance for Family Caregivers (PCAFC) appeals pursuant to *Beaudette v. McDonough*, 34 Vet. App. 95 (2021). In 2024, the Board will adjudicate an increased percentage of AMA appeals and is forecasted to decide as many AMA, appeals as Legacy appeals for the first time since AMA implementation in 2019. Further, information related to the P.L. 117-168, the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act) is addressed later in this chapter.

The remaining \$27 million (9%) of non-pay costs in 2024 includes \$8.2 million for rent on the Board's office in Washington, D.C. Through coordination with the General Services Agency (GSA) and VA Central Office, the Board returned a second full floor of its leased space at headquarters in Washington, D.C. effective in December of 2022, lowering rent costs by up to \$2.3 million annually, and enabling reallocation of this funding to payroll. The Board also maintains several contracts to support services to Veterans including research tools, books, periodicals, and transcription services. Multiple interagency agreements for support functions such as human resources and labor relations support, security guards, and financial service center support are also included in non-pay.

This budget request will help VA meet Veterans' expectations for timely and accurate claims appeals processing. It further supports the Department's prioritization to drawdown the pending inventory of Legacy appeals while simultaneously adjudicating appeals under the AMA.

Hiring and Attrition

The Board finished 2022 with 1,182 cumulative FTE and 1,200 FTE on-board at the end of September 2022. The Board revised its cumulative FTE goal for 2023 to 1,341. To meet this goal in 2023, the Board started an aggressive hiring plan to recruit and train approximately 300 new staff. This includes successful announcement and recruitment strategies that resulted in 31 new Veterans Law Judges approved by the President since June 2022. The additional VLJs pending acceptance and onboarding in 2023 will bring the Board's total VLJ staffing level to just over 130.

With the resources requested in 2024, combined with adjustments to overtime and rent savings reallocated to payroll, the Board plans to achieve 1,465 cumulative FTE with its base budget request of \$287 million. Resources made available from the Toxic Exposure Fund (TEF) in 2022

to 2024 would also allow the Board to hire an additional 153 FTE, for a combined (Base and TEF) FTE level of 1,618.

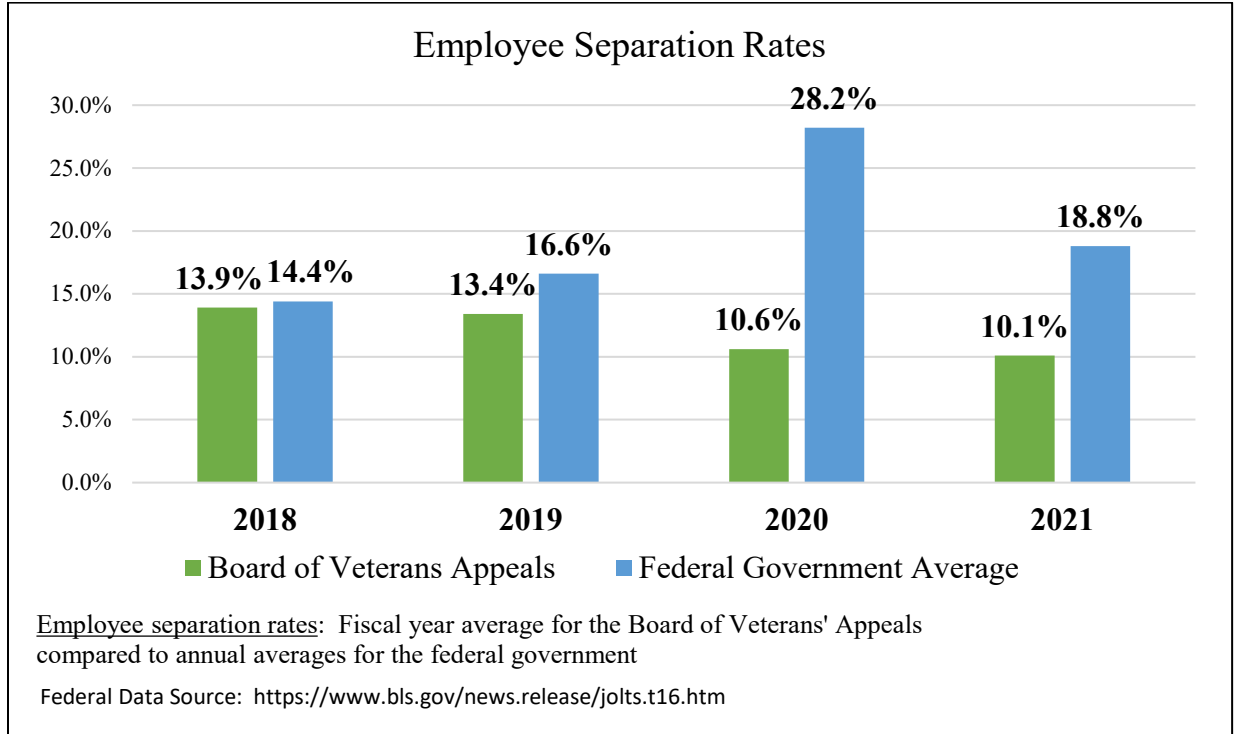
Pursuant to Presidential Executive Order 13985 on “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” the Board has developed a plan for current employees to engage with and recruit from Historically Black Colleges and Universities (HBCUs) and other organizations including the American Bar Association, National Bar Association Black Law Students Association, National Diversity Internship Program, and Workforce Recruitment Program. Recruitment will consist of direct and informational interviews, providing workshops on interviewing skills and resume building, attending job fairs at HBCUs, and delivering presentations on the Board’s impact on Veterans. The goal is to attract and hire talented employees to perform the Board’s unique and critically important mission of serving Veterans.

The Board continues to monitor employee attrition rate trends for effective workload management purposes. The Board’s annual attrition rate has decreased from 13.9% in 2018 to 8.4% in 2022. As depicted in the graph below, the attrition rate continues to fall below that of the average for the federal government.³⁰ Based on data through January 2023, an attrition rate of 6.6% is projected for 2023. The declining attrition rate can be attributed in part to the Board’s commitment to continuously improving its organizational culture and work climate.

The Board strengthened employee engagement in 2022 through weekly informational emails, mentor/mentee programs, a monthly newsletter, virtual and in-person suggestion boxes, implementation of employee-driven suggestions, expanded performance award criteria, establishment of an Employee Engagement Advisory Committee and Employee Engagement Executive Committee, virtual roundtables, regular recurring open office hours hosted by senior leadership to provide staff with increased accessibility, virtual coffees, and town halls with Board and VA leadership.

In partnership with the Veterans Experience Office’s (VEO) Employee Experience (EX) team, the Board also launched the New Employee Buddy (NEB) Program, a pilot initiative that pairs a current employee (Buddy) with each incoming new employee as a guide to the new employees’ experiences during their first three months at VA. Buddies are charged with welcoming their new employee matches and will be expected to play an active role in walking them through the onboarding process and orienting them to the Department. Utilizing a human-centered design (HCD) approach, VEO developed an employee onboarding journey map, which carefully examined the pain points VA employees experience during their onboarding process. The VEO team prioritized the NEB Program as a high-potential solution to address these onboarding pain points and improving the overall employee experience during a new employee’s first three months. In VEO’s HCD testing, it was determined that the first three months are critical to establish a lasting career foundation with VA. Feedback thus far has been centered around new hires expressing how helpful their Buddies have been as they navigate the different programs within VA and the Board as well as how grateful they are to connect with more people in this fully remote environment.

³⁰ https://www.bls.gov/news.release/jolts.t16.htm#jolts_table16.f.1



2022 Program Successes

Veteran Requested Hearings

The Board conducted a record 30,089 hearings in 2022, surpassing the previous record of 23,777 in 2021, helping to recover from the lower number of hearings held during the COVID pandemic of 2020. With the added focus on conducting hearings, there was a slight decrease in the number of decisions issued in 2022.

The record level of hearings in 2022 held helped reduce the number of legacy hearing requests pending by 25,424 (78%), from 32,574 pending at the start of 2022, to 7,150 pending at the end of September 2022. An additional 67,261 Veteran-requested AMA hearings remained pending at the end of the fiscal year. Responses received from the Board's VSignals survey, initiated after a Veteran's hearing, showed that over 95% of respondents felt "the VLJ explained things to me in a way that was easy to understand."

Legacy Appeals Resolution

Both the VA and the Board remains committed to resolving all Legacy appeals as quickly as possible, especially because Veterans in the Legacy appeals system have generally been waiting the longest for final resolution of their cases. Legacy appeals have been reduced from a high of 472,066 pending throughout the Department in November 2017 to 92,361 pending at the end of 2022. Despite the significant 83% reduction, VA's pending inventory is higher than originally projected. The initial drawdown plan was developed prior to the COVID-19 pandemic and was shared on October 29, 2019. The resolution plan has been updated several times and each iteration

incorporates historical actuals and updated assumptions including the changing environment, workload projections, Board resources, hiring plans and various other factors that influence outcomes. For example, approximately 20-25% of pending Legacy appeals have private attorney/agent representation in stark contrast with the 165,000 pending AMA appeals where only 0.5% have private attorney/agent representation. Based on the relative age of appeals pending in both the Legacy and AMA, the Board estimates approximately 75% of its workload in 2023 will be adjudication of Legacy appeals, with 2024 anticipated to be the first year in which the number of AMA decisions will be roughly equal to the number of legacy decisions.

Improved Customer Experience & Outreach

Outreach and partnership with VSOs and the private bar remained critical to the Board's mission in 2022. Partnership and collaboration with co-located VSOs helped reduce the length of time appeals are pending with the VSOs for an informal hearing presentation (IHP), from a high of ~360 days in 2020, to over 90% of IHPs being conducted by VSO's in under 120 days. The Board also increased VSO accessibility to reports on Veteran requested hearing status updates, authorizing system user access to five VSOs and two states to date. These reports allow VSO leadership the opportunity to assist understaffed offices with hearing support and identifying appeals that no longer require a hearing, increasing the Board's efficiency. This helped reduce the veteran hearing postponement rate of scheduled hearings by 12%.

The Board also revamped its website and added information to explain decision wait times for Veterans with appeals at the Board. The webpage (<https://www.bva.va.gov/decision-wait-times.asp>) details workload challenges at the Board, the order in which appeals are distributed for decisions, average wait times, and it explains how the Veteran's choice of review docket can influence their wait times. From October 1st, 2022, through January 10th, 2023, the new page received 19,648 unique views.

Employee Bar Due Reimbursements

In partnership with the American Federation of Government Employees (AFGE) Local 17, the Union representing a majority of Board staff, and as an investment in its employees, the Board made a commitment to reimburse up to \$300 to employees in positions that require active state bar memberships. In 2022, approximately 600 staff received reimbursement with an average payment of \$252. At the suggestion of Congress, and in an effort to maximize all tools at the Boards discretion to improve recruitment and retention, the Board lifted the cap on the cost to reimburse employee bar dues for 2023 and will continue to pursue this strategy within the 2024 budget request.

Employee Engagement

In 2022, the Board launched a comprehensive "all-hands" approach to enhance employee engagement. Among various initiatives, the Board adopted a framework to gather employee concerns and improvement ideas and then route them through a responsive and accountable process for evaluation and possible implementation. The framework, composed of an Employee Engagement Advisory Committee and an Employee Engagement Executive Committee, is designed to increase employee involvement and decisional transparency while affording the Board invaluable insight and identification of initiatives with beneficial board-wide impacts. The interactive, timely, and responsive framework has proven to be both efficient and popular among

participants seeking to effect positive change.

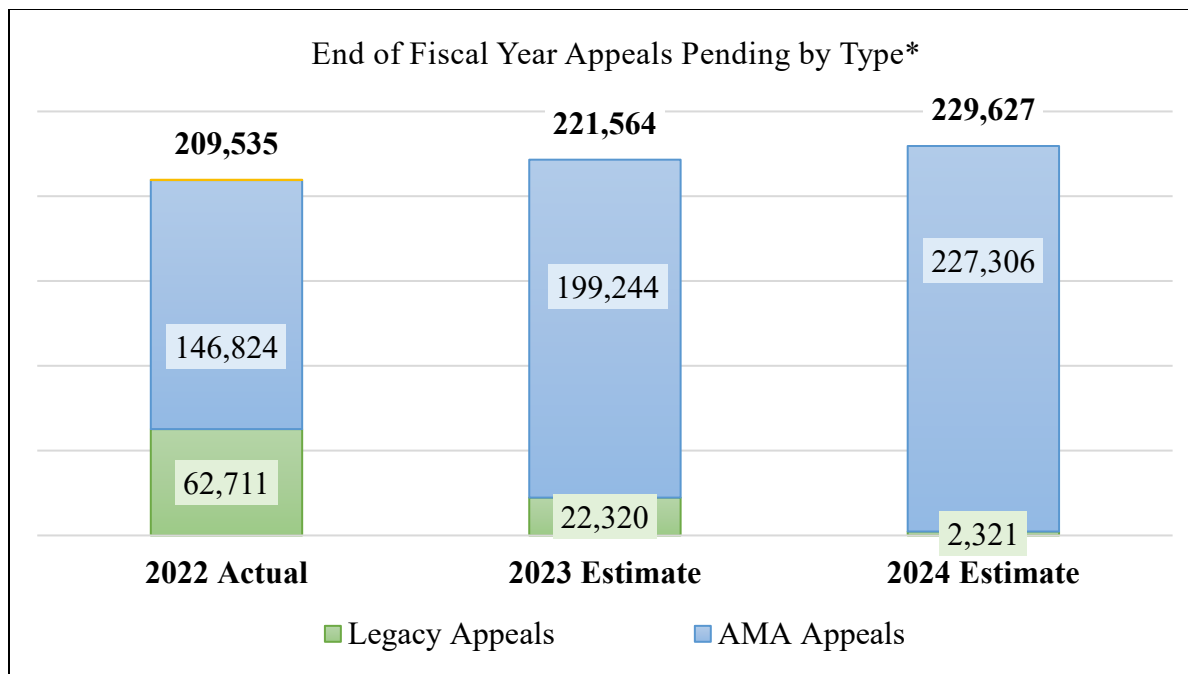
In addition, to increase accessibility to leadership, each Board Executive maintains weekly virtual office hours where all Board employees are welcome to drop in to discuss issues, ask questions, or just say hello. The office hours concept has proven to be a very popular and useful connection to our employees. Finally, the Board revised and greatly expanded its awards and recognitions program, incorporating quarterly and annual scheduled awards in multiple categories, unscheduled recognition opportunities, and enhanced eligibility criteria for End of Year Performance Awards. The sweeping program, created in partnership with local union representatives, allows for recognition of greater numbers of employees across every facet of operations for their invaluable contributions to the mission and culture of the Board.

Workload Estimates

The Board finished 2022 with 209,535 appeals pending adjudication, 62,711 of which were Legacy appeals and 146,824 AMA appeals (including 449 PCAFC appeals). The 95,294 decisions issued in 2022 was slightly lower than earlier estimates for two key reasons: (1) the Board made a conscious decision to have VLJs conduct more hearings than ever before in Board history (30,089) because pending hearings dramatically increased as a result of COVID related shutdowns; and (2) delayed hiring efforts. With the 2023 enacted level, the Board expects to achieve a new all-time high record of decisions because of the more recent judge and attorney hiring success noted earlier.

The VA remains committed to resolving the inventory of Legacy appeals as quickly as possible while also maintaining timely processing for AMA appeals. As depicted in the graph below, the Board plans to reduce the number of pending legacy appeals to under 23,000 by the end of 2023, and under 3,000 by the end of 2024. Reducing Legacy appeals allows for the anticipated shift in 2024 where significantly more decisions will be from AMA dockets. This shift along with the increasing decision capacity enables to Board to address the growing number of AMA appeals pending.

The resources being requested in 2024 will support 1,465 FTE (base funded FTE) enabling the Board to continue to build capacity. Decision output is anticipated to increase over 11% with 115,000 total decisions necessary to address the growing pending workload. These resources will enable the Board to: (1) continue its commitment to reducing the inventory of Legacy appeals by deciding approximately 57,500 appeals and (2) decide a record number of AMA decisions (57,500); 3) begin docketing and processing of PACT Act appeals.



*The Board continues close collaboration with the VBA and VHA to receive claims forecasts to develop and refine subsequent appeals projections.

Legacy Appeals

The Board continued to prioritize resources to address the pending Legacy appeals inventory and issued 95,294 decisions in 2022, with 71,765 (75%) of those decisions being Legacy appeals. With approximately 84,000 Legacy appeals pending Department wide at the end of December 2022, the Board estimates approximately 75% of its resources will be allocated to adjudication of legacy appeals in 2023. Initial goals are to issue approximately 103,000 decisions, with 77,000 of those being Legacy appeals and end 2023 with 22,320 appeals pending.

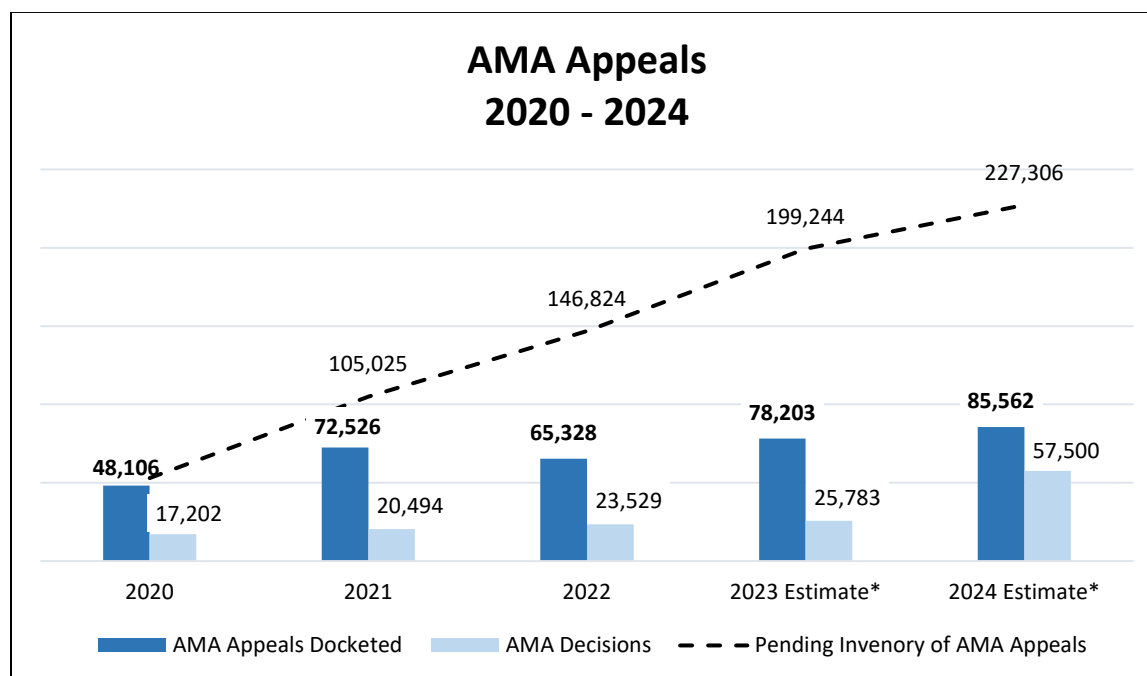
With continued high levels (greater than 55%) of decisions being remanded to the agency of original jurisdiction, combined with appeal remands received from the Court of Appeals for Veteran Claims (CAVC), it is likely the Board could experience another 37,500 previously adjudicated legacy appeals returned in 2024 due to remands. As such, approximately 50% of the workload is estimated to be Legacy appeals in 2024 with a potential of finishing the year with less than 5,000 pending depending on the rate of recertification of remanded appeals pending from VBA to the Board.

Appeals Modernization Act Appeals

The vast majority of Veterans continue to choose VBA lanes for another review after their initial VBA decision. Since AMA implementation (February 2019) through the end of 2022, the Board has received approximately 208,500 (14%) appeals, compared to 1,257,000 (86%) AMA claims filed by Veterans choosing either the Higher-Level Review or Supplemental Claim options at VBA. Although the number of VBA's AMA appeals in Higher Level Review (HLR) and

supplemental claims have increased during the past four years, the average number of docketed AMA appeals at the Board have remained fairly static during this same period. Initial projections after passage of the PACT Act show the Board could receive as many as 78,000 AMA appeals in 2023 and nearly 86,000 in 2024.

As the Board continues resolution of Department wide legacy appeals, a gradual increase in resources available to adjudicate AMA appeals is expected. While only about 26,000 AMA decisions are anticipated in 2023, it is estimated another 57,500 AMA decisions will be issued in 2024. The Board anticipates 2024 to be the first year in which the number of AMA decisions will be roughly equal to the number of legacy decisions. As the Board is able to adjudicate a higher proportion and number of AMA appeals, this will likely result in completion of those AMA appeals that have been pending the longest and for a period of time will likely increase the average days to complete appeals to levels that exceed the stated timeliness goals.



*Includes PACT Act appeal receipts

Caregiver Appeals

With the 2023 President’s Budget, \$8.8 million in targeted overtime was requested in anticipation of increased appeals receipts arising from the PCAFC. Having evaluated and monitored the impacts of *Beaudette v. McDonough*, 34 Vet. App. 95 (2021) for the past year, the Board no longer foresees a need for targeted overtime and will reallocate this funding towards hiring additional staff needed to continue adjudicating all types of appeals before the Board.

Table 1 Board of Veterans' Appeals Appeals Workload Estimates				
	2022	2023	2023	2024
	Actual	Original Est.	Estimate	Request
Board Full Time Equivalent (Cumulative FTE)	1,182	1,532	1,341	1,618
Legacy Appeals Workload				
Start of Year Appeals Pending (From date of certification (Form 8) in field)	92,530	49,729	62,711	22,320
Appeals Received (Net Appeals Receipts)	41,946	40,951	36,958	37,501
Appeals Decided (-)	71,765	69,072	77,349	57,500
End of Year Appeals Pending	62,711	21,608	22,320	2,321
Appeals Modernization Act Workload				
Start of Year Appeals Pending	105,025	164,725	146,824	199,244
Appeals Received	65,328	101,831	78,203	85,562
Appeals Decided (-)	23,529	48,694	25,783	57,500
End of Year Appeals Pending	146,824	217,862	199,244	227,306
Total Appeals Workload				
Start of Year Appeals Pending	197,555	214,454	209,535	221,564
Appeals Received	107,274	142,782	115,161	123,063
Appeals Decided (-)	95,294	117,766	103,132	115,000
End of Year Appeals Pending	209,535	239,470	221,564	229,627
*AMA workload includes projected appeals as a result of the enacted PACT Act and PCAFC.				

Table 2 Board of Veterans' Appeals Other Performance Metrics			
	2022	2023	2024
	Actuals	Goals	
Hearings Held	30,089	n/a	n/a
AMA Average Days to Complete*			
Direct Docket	363 days*	365 days	365 days
Evidence Docket:	382 days*	550 days	550 days
Hearing Docket:	700 days*	730 days	730 days
*Average days from Notice of Disagreement to issuance of Board decision			

PACT Act Funding & Workload Estimates

As a result of the recently enacted PACT Act, Veterans and survivors can appeal a VBA issued decision for claims related to toxic exposure. A projected 4% of prior year VBA Compensation PACT related decisions (both grants and denials) is anticipated to appeal directly to the Board, followed by another 9% filing a subsequent appeal of a prior year AMA decisions (re-filers). Workload estimates continue to be refined; however, initial projections show a potential for 29,000 PACT related appeals in 2024 and over 345,000 appeals generating nearly 121,000 additional hearings over a 10-year period. With the exception of appellants that qualify to be advanced on docket (AOD) due to age, financial hardship, and health, the majority of appeals will be adjudicated in regular docket order with all other Board appeals that are pending or received. Based on current docket selections, it is estimated that 35% of PACT appeals will elect to have a hearing with a Veterans Law Judge. These cases typically take the longest to resolve because of the extra procedural step and judge time and availability.

Board of Veterans' Appeals Summary of Employment, Obligations and Budgetary Resources (\$s in thousands, FTE)						
	2022	2023	2023	2024	2024 Request vs 2023 Enacted	
	Actual	Request	Enacted	Request	\$	%
TEF Funded FTE	-	-	-	153	153	0.0%
ARP Funded FTE	36	36	39	-	-39	0.0%
Base Funded FTE	1,146	1,496	1,302	1,465	163	12.5%
Average employment:	1,182	1,532	1,341	1,618	277	20.7%
Obligations						
Personnel services	\$194,967	\$255,626	\$236,178	\$260,373	\$24,195	10.2%
Travel	\$316	\$250	\$500	\$300	-\$200	-40.0%
Transportation of things	\$15	\$10	\$15	\$15	\$0	0.0%
Rents, communications & utilities	\$10,753	\$10,950	\$10,840	\$8,765	-\$2,075	-19.1%
Printing & reproduction	\$10	\$10	\$5	\$10	\$5	100.0%
Other services	\$10,386	\$17,359	\$28,650	\$15,957	-\$12,693	-44.3%
Supplies & materials	\$152	\$361	\$303	\$364	\$61	20.1%
Equipment	\$0	\$335	\$520	\$216	-\$304	-58.5%
Insurance & indemnities	\$171	\$100	\$22,989	\$1,000	-\$21,989	-95.7%
Total obligations*	\$216,770	\$285,000	\$300,000	\$287,000	-\$13,000	-4.3%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$800	\$0	\$15,000	\$0	-\$15,000	
Unobligated balance transfers between expired and unexpired accounts	\$600					
Advance appropriation transfers from other accounts**	\$5,800	\$0	\$0	\$0	\$0	
Subtotal, unobligated balance	\$7,200	\$0	\$15,000	\$0	-\$15,000	
Budget authority:						
Appropriations, discretionary						
Appropriation	\$228,000	\$285,000	\$285,000	\$287,000	\$2,000	
Unobligated balance of appropriations permanently reduced	\$0	\$0	\$0	\$0	\$0	
Subtotal, appropriation	\$228,000	\$285,000	\$285,000	\$287,000	\$2,000	
Offsetting collections						
Subtotal, budget authority						
Total, budgetary resources	\$235,200	\$285,000	\$300,000	\$287,000	-\$13,000	
Unobligated balance expiring						
Unexpired unobligated balance	\$18,430	\$0	\$0	\$0	\$0	

Note:

*Data does not include ARP or TEF Funding

**2022 Actual includes \$5.8 million transfer from VHA

Budget Highlights

The 2024 budget request reflects an increase of \$2 million (0.7%) in appropriation over 2023. Of the \$287 million total appropriation request, personnel services accounts for 91%, supporting FTE of 1,465, an increase of 163 FTE from 2023, including 39 FTE previously funded by ARP. Reallocation of funding previously reserved for overtime coupled with non-pay savings enables the Board to cover the 2023 pay raise and workforce growth. This request positions the Board to increase Veteran appeals decisions and continue to build capacity to prepare for increased appeals. Personnel services in 2024 also supports \$2.7 million in overtime funding; a 5.2% pay raise effective January; personnel benefits percentage increases; and a contingent of Board attorneys that are on career ladders with annual grade increases.

The Board projects a decrease of \$37.2 million in non-pay while maintaining necessary investments in training and contracts to support operational needs. The majority of the decrease in non-pay is associated with \$22 million of anticipated onetime insurance and indemnities costs in 2023. The remaining decrease of \$15.2 million can be attributed to contract and interagency agreement savings (\$13.2 million offset by \$173,000 in contract increases) and \$2.2 million in rent savings.

Board of Veterans' Appeals						
Summary of Employment, Obligations, and Budgetary Resources - American Rescue Plan						
<i>(\$s in thousands)</i>						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Employment	36	36	39	-	-39	0.0%
Obligations						
Direct obligations	3,412	5,019	5,019	-	-5,019	-100%
Reimbursable obligations	-	-	-	-	-	-
Total obligations	3,412	5,019	5,019	0	-5,019	-100%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	8,431	5,019	5,019	-	-5,019	-100%
Unobligated balance transfers between expired and unexpired accounts	-	-	-	-	-	-
Subtotal, unobligated balance	-	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	-	-	-	-	-	-
Unobligated balance of appropriations permanently reduced	-	-	-	-	-	-
Subtotal, appropriations	-	-	-	-	-	-
Offsetting collections	-	-	-	-	-	-
Subtotal, budget authority	-	-	-	-	-	-
Total budgetary resources	8,431	5,019	5,019	0	-5,019	-100%
Unobligated balance expiring	-	-	-	-	-	-
Unexpired unobligated balance	5,019	-	-	-	-	-

The Board executed just over \$1.5 million of ARP funding in 2021 for detailees, term employees, and targeted overtime to increase decisions while supporting the intake, dispatch, and hearing branches. In 2022, \$3.4 million in ARP funds were expended to support 39 not-to-exceed 2-year employees currently assisting in intake, mail processing and hearing management. The final \$5.0 million in ARP obligations will be used in 2023. This will continue to fund the temporary hires in case intake, mail processing and hearing support as well as overtime in those areas. The funds are also being used for a potential Artificial Intelligence (AI) contract to automate the intake process.

Through AI, the time to intake appeals will be minimized, allowing appeals to be ready for quicker distribution to attorneys for review, research, and deliberation.

Board of Veterans' Appeals						
Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126						
(Ss in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					Ss/FTE	%
Employment			-	153	153	-
Obligations				15,028	15,028	-
Budgetary resources						
Unobligated balance brought forward, Oct 1			10,328	11,028	700	6.8%
Budget authority:						
Appropriations, mandatory	10,328		700	4,000	3,300	471.4%
Total, budgetary resources	10,328	-	11,028	15,028	4,000	36.3%
Unexpired unobligated balance, end of year	10,328	-	11,028	-		

In 2024, \$15.0 million in planned obligations of TEF funds will support the personnel to adjudicate appeals for Veterans who have suffered from burn pit exposure and similar hazards. Funds will also be used for targeted overtime. Additional investments will be made in training support and tools, as well as employee retention pilot programs to reduce the personnel attrition. While the initial TEF estimate called for 153 positions to be hired in 2023 in anticipation of future increased demand, the Board recalibrated baseline hiring in 2023 based on 2022 actuals. With an already aggressive baseline hiring strategy underway, the Board currently projects to use TEF funds early in 2024.

Net Change	
Board of Veterans' Appeals	
2024 Summary of Resource Requirements	
(Dollars in thousands)	
2023 President's Budget	\$285,000
SOY Unobligated Balance	\$15,000
2023 Total Obligations Estimate	\$300,000
2024 Current Services Adjustments:	
Pay Raise Increase (5.2%)	\$6,396
Benefits Increases (2.4%)	\$1,430
Reallocation of overtime expenses	-\$7,301
Continued Support Personnel	\$3,107
Other Payroll Expenses	\$2,901
FTE Adjusted Hiring Plan	\$17,662
Non-Pay/Contract Adjustments	-\$34,988
Rent Savings	-\$2,207
Subtotal	-\$13,000
2024 Total Budget Authority Request	\$287,000

Explanation of Changes

Despite a \$13 million reduction in obligations from 2023 to 2024, the Board anticipates shifts within the baseline that supports continued hiring and other payroll increases. The Board began its hiring efforts in late February 2022. As a result, the Board started 2023 with less FTE on-board than originally planned and revised its hiring plan to a more achievable yet aggressive goal. The Board still projects an 8.1% increase in appeals decisions over the 2022 actual.

The Board's revised total FTE of 1,341 in 2023 resulted in lower payroll obligations of \$19.4 million, with the difference reallocated for anticipated onetime non-payroll insurance and indemnities costs. The Board carryover of \$15.0 million available from 2022 was reallocated for grievances and arbitrations (\$3.4 million) and to other services for contracts (\$11.6 million). These

non-pay adjustments for one-time costs shift back to payroll in 2024 as the Board begins to build back to the FTE level originally identified in the 2023 Congressional Justification.

# of FTE	2022	2023	2024	Increase (+)
	Actual	Enacted	Request	Decrease (-)
EX	1	1	1	0
SES	7	10	12	+2
SL	0	0	0	0
AL	119	131	138	+7
GS -15	24	30	37	+7
GS -14	521	540	590	+50
GS -13	228	228	230	+2
GS -12	83	91	171	+80
GS -11	113	207	312	+105
GS -10	0	0	0	0
GS -9	50	67	89	+22
GS -8	3	3	3	0
GS -7	28	28	29	+1
GS -6	1	1	2	+1
GS -5	0	0	0	0
GS -4	4	4	4	0
GS -3	0	0	0	0
GS -2	0	0	0	0
GS -1	0	0	0	0
Base Funded FTE	1,146	1,302	1,465	+163
ARP Funded FTE	36	39	0	-39
TEF Funded FTE	0	0	153	+153
Total Funded FTE	1,182	1,341	1,618	+277

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General Administration

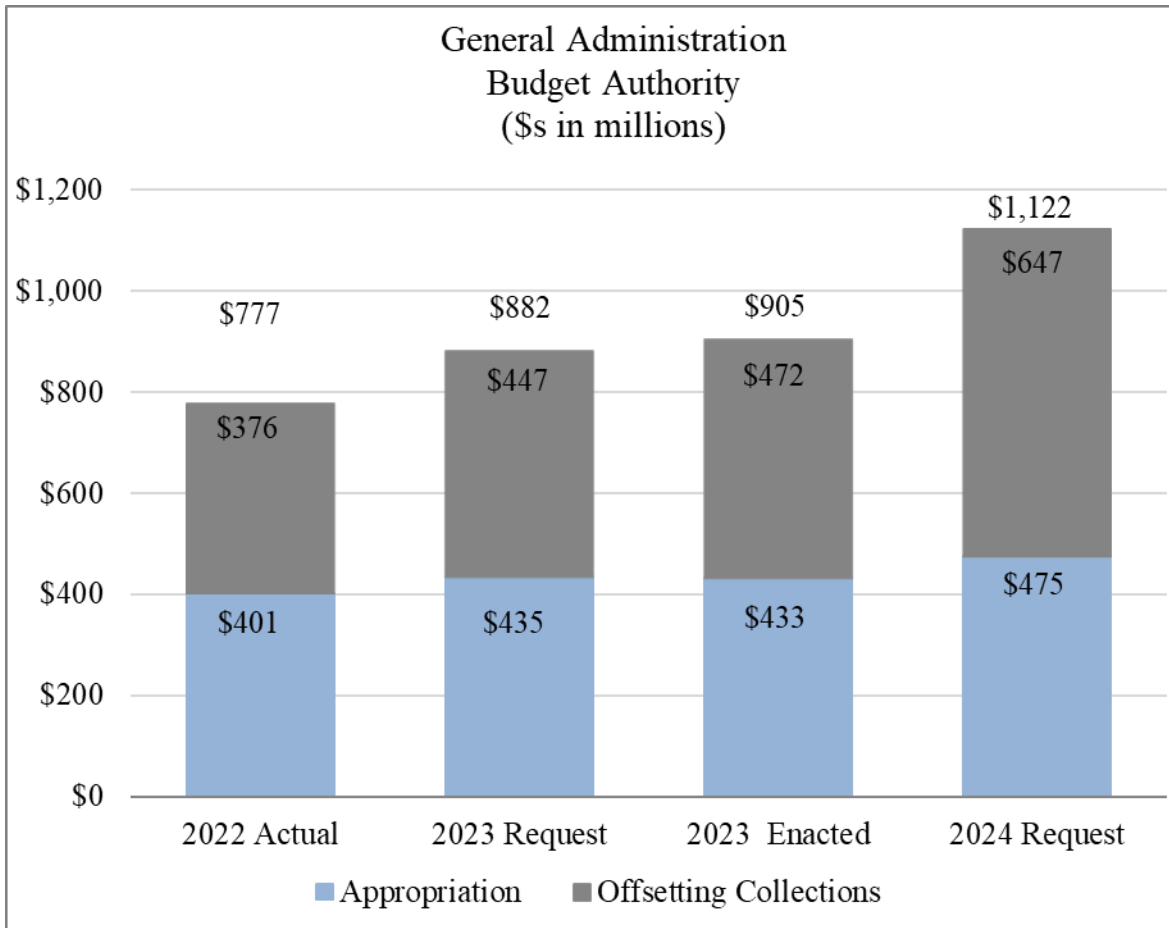
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Departmental General Administration



Appropriation Language

General Administration

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-wide capital planning, management and policy activities, uniforms, or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, [\$433,000,000] \$475,000,000, of which not to exceed 10 percent shall remain available until September 30, [2024]

2025: *Provided*, That funds provided under this heading may be transferred to “General Operating Expenses, Veterans Benefits Administration”.

Program Description

The General Administration account provides funding for the Office of the Secretary (OSVA), six Assistant Secretaries and three VA-level Staff Offices, all of which report directly to the Deputy Secretary.

The Office of General Counsel (OGC) serves as the Department’s legal advisor and ensures that the Department faithfully executes all laws, regulations, and policies that the Secretary is responsible to administer.

The Assistant Secretary for Management (OM) provides executive leadership for the Department’s budget, long range investment planning, financial management, business oversight, and capital asset management. Offices that report directly to the Assistant Secretary are: Office of the Assistant Secretary, Office of Actuarial Services, Office of Asset Enterprise Management, Office of Budget, Office Business Oversight, Office of Finance, Office of Financial Management Business Transformation, and Office of Revolving Funds—Reimbursement Team.

The Assistant Secretary for Human Resources & Administration/Operations, Security, and Preparedness (HRA/OSP) leads the development and implementation of human capital management strategies, policies, and capabilities that result in accountable, skilled and engaged workforce that provides excellent customer service to Veterans and their families. The OSP side of the organization promotes VA continuity of operations in the event of an emergency ensuring minimal disruption of services to Veterans and their families. OSP leads the Department’s law enforcement efforts and oversees the protection of its infrastructure. OSP also evaluates preparedness and develops training programs and exercises to enhance VA readiness in the event of an emergency as a federal partner.

The Assistant Secretary for Enterprise Integration (OEI) leads enterprise transformation and continuous improvement of Veterans’ and employee experience through effective integration of people, processes, technology, innovations, and maturing organizational management capabilities. OEI supports the Secretary, Deputy Secretary, and Under Secretaries in the areas of strategic planning; policy management and analysis; business integration; transformation and innovation; program management; performance management; data analytics, and data governance.

The Assistant Secretary for Public and Intergovernmental Affairs (OPIA) builds and maintains public confidence in the VA by positively enforcing its commitment and readiness to serve America’s Veterans of all generations.

The Assistant Secretary for Congressional and Legislative Affairs (OCLA) executes the Department’s congressional affairs program and has overall responsibility for the plans, policies, goals, and direction of the Department’s legislative agenda and governmental affairs.

The Office of Acquisition, Logistics and Construction (OALC) oversees and manages the resources, services and projects in the VA’s capital facilities portfolio and directs the Department’s acquisition and logistics activities.

The Veterans Experience Office (VEO) brings industry best practices to government to transform VA into a premiere customer service organization for Veterans, their families, caregivers, and survivors. VEO takes an enterprise-wide approach to improving customer experience through design and deployment of service delivery improvements in partnership with the Administrations and Staff Offices based on the voice of Veterans.

The Assistant Secretary for Accountability and Whistleblower Protection was first established through Executive Order 13793 and codified with the enactment of the VA Accountability and Whistleblower Protection Act of 2017 (Public Law 115-41). This office is responsible for advising the Secretary on all matters related to accountability within VA. To improve accountability, the office investigates allegations of senior leader misconduct and poor performance and allegations of whistleblower retaliation; tracks and confirms the implementation of recommendation from audits and investigations; and identifies trends to address concerns proactively.

General Administration						
Budgetary Resources						
(\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	397,553	435,000	441,370	475,000	33,630	7.62%
Reimbursable obligations	375,816	447,423	472,041	647,012	174,971	37.1%
Total obligations	773,369	882,423	913,411	1,122,012	208,601	22.8%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	8,200	-	8,370	-	-8,370	-100.0%
Subtotal, unobligated balance	8,200	-	8,370	-	-8,370	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	401,200	435,000	433,000	475,000	42,000	9.7%
Subtotal, appropriations	401,200	435,000	433,000	475,000	42,000	9.7%
Offsetting collections	375,816	447,423	472,041	647,012	174,971	37.1%
Subtotal, budget authority	777,016	882,423	905,041	1,122,012	216,971	24.0%
Total budgetary resources	785,216	882,423	913,411	1,122,012	216,971	23.8%
Unexpired unobligated balance	8,370	-	-	-	-	-

Note: Direct obligations in 2022 Actual include \$8.2 million in 2021/2022 Carryover.

Direct obligations in 2023 Enacted include \$8.4 million in 2022/2023 Carryover.

General Administration
Appropriations by Office
(\$s in thousands)

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Appropriation						
Office of the Secretary	16,265	17,324	17,324	19,165	1,841	10.6%
Office of General Counsel	125,510	137,347	136,347	149,283	12,936	9.5%
Office of Management	73,726	78,564	78,064	88,424	10,360	13.3%
Office of Human Resources & Administration/ Operations, Security & Preparedness	103,646	111,394	111,394	120,900	9,506	8.5%
Office of Enterprise Integration	33,636	36,229	36,229	38,941	2,712	7.5%
Office of Public & Intergovernmental Affairs	14,435	16,264	15,764	17,985	2,221	14.1%
Office of Congressional & Legislative Affairs	7,480	9,545	9,545	9,975	430	4.5%
Office of Accountability & Whistleblower Protection	26,502	28,333	28,333	30,327	1,994	7.0%
Total appropriation	401,200	435,000	433,000	475,000	42,000	9.7%
Net appropriation	401,200	435,000	433,000	475,000	42,000	9.7%

General Administration Obligations by Office (\$s in thousands)						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Office of the Secretary	15,735	17,324	17,324	19,165	1,841	10.6%
Office of the General Counsel	124,338	137,347	136,347	149,283	12,936	9.5%
Office of Management	73,350	78,564	86,434	88,424	1,990	2.3%
Office of Human Resources & Administration/ Operations, Security & Preparedness	102,953	111,394	111,394	120,900	9,506	8.5%
Office of Enterprise Integration	34,274	36,229	36,229	38,941	2,712	7.5%
Office of Public & Intergovernmental Affairs	15,829	16,264	15,764	17,985	2,221	14.1%
Office of Congressional & Legislative Affairs	8,109	9,545	9,545	9,975	430	4.5%
Office of Acquisition, Logistics & Construction	-	-	-	-	-	
Veterans Experience Office	-	-	-	-	-	
Office of Accountability & Whistleblower Protection	22,965	28,333	28,333	30,327	1,994	7.0%
Subtotal, direct 1/	397,553	435,000	441,370	475,000	33,630	7.6%
Reimbursable						
Office of the Secretary	5,448	6,812	6,812	7,075	263	4%
Office of the General Counsel	23,952	25,784	29,731	34,388	4,657	16%
Office of Management	908	900	900	904	4	0%
Office of Human Resources & Administration/ Operations, Security & Preparedness	118,126	144,695	144,586	273,920	129,334	89%
Office of Enterprise Integration	2,781	4,000	4,000	4,080	80	2%
Office of Public & Intergovernmental Affairs	17,155	17,110	19,068	18,187	-881	-5%
Office of Congressional & Legislative Affairs	-	-	-	-	-	
Office of Acquisition, Logistics & Construction	104,291	154,353	154,353	179,523	25,170	16%
Veterans Experience Office	103,155	111,755	112,591	128,935	16,344	15%
Office of Accountability & Whistleblower Protection	-	-	-	-	-	
Subtotal, reimbursable	375,816	465,409	472,041	647,012	174,971	37.1%
Total	773,369	900,409	913,411	1,122,012	208,601	22.8%

1/ Direct obligations in 2022 Actual include \$8.2 million in 2021/2022 Carryover.

Direct obligations in 2023 Enacted include \$8.4 million in 2022/2023 Carryover.

General Administration FTE by Office						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Direct						
Office of the Secretary	75	82	82	83	1	1.2%
Office of General Counsel	689	721	715	757	42	5.9%
Office of Management	260	319	300	334	34	11.3%
Office of Human Resources & Administration/ Operations, Security & Preparedness	321	364	364	377	13	3.6%
Office of Enterprise Integration	72	102	85	109	24	28.2%
Office of Public & Intergovernmental Affairs	77	76	76	81	5	6.6%
Office of Congressional & Legislative Affairs	42	51	51	51	-	0.0%
Office of Accountability & Whistleblower Protection	118	141	141	146	5	3.5%
Subtotal. direct	1,654	1,856	1,814	1,938	124	6.8%
Reimbursable						
Office of the Secretary	27	36	36	36	-	0.0%
Office of General Counsel	146	152	159	169	10	6.3%
Office of Management	5	5	5	5	-	0.0%
Office of Human Resources & Administration/ Operations, Security & Preparedness	368	486	486	1,054	568	116.9%
Office of Public & Intergovernmental Affairs	-	1	3	5	2	66.7%
Office of Acquisition, Logistics & Construction	433	573	573	618	45	7.9%
Veterans Experience Office	240	343	352	445	93	26.4%
Subtotal. reimbursable	1,219	1,596	1,614	2,332	718	44.5%
Total	2,873	3,452	3,428	4,270	842	24.6%

Note: 2023 and 2024 direct FTE displayed differ from the Budget Appendix due to a data entry error.

Summary of Budget Request

In 2024, VA is requesting \$475 million and 4,270 FTE for the General Administration account. This FTE request includes 1,938 direct funded FTE and 2,332 reimbursable FTE. These funds will provide leadership, program management, budgetary oversight, accountability, and process improvements throughout the Department.

Highlights of the General Administration staff office requests for 2024 include:

- \$19.2 million in budget authority and 119 total FTE to the Office of the Secretary to provide executive direction for all VA programs to transform VA into a premiere customer experience organization that delivers care and benefits to Veterans. The request includes reimbursable funds to support 36 FTE in the Office of Employment Discrimination Complaint Adjudication that report directly to the Secretary.

- \$149.3 million in budget authority and 926 total FTE for the Office of General Counsel. The request includes \$5.3 million to support OGC's continuing efforts to address an expanding legal workload, including an increasing number of cases before the United States Court of Appeals for Veterans Claims (CAVC). It also provides funding for the employment litigation, preventative law and additional office spaces to accommodate growing workloads.
- \$88.4 million in budget authority and 339 total FTE for the Office of Management. The budget request includes \$4.6 million to establish a centralized grant management office, support audit tasks relating to the new financial system, improve Strategic Capital Investment Planning, expand Enhanced Use Lease program, and increase staff to support VHA with actuarial analysis and modeling.
- \$120.9 million in budget authority and 1,431 total FTE for the Office of Human Resources and Administration/Operations, Security and Preparedness. The request includes \$5.6 million to support program inspections across 144 Police units around the nation and criminal investigations of serious incidents. It will also provide resources for emergency preparedness such as maintaining Alternate Operating sites and conducting geospatial intelligence activities.
- \$38.9 million in budget authority and 109 total FTE for the Office of Enterprise Integration. The request includes \$2 million for to establish an integrated solutions review and validation capability. This project will provide analysis, advice and recommendations to senior leaders on VA plans, programs, and resource estimates, including alternative solutions to especially complex problems.
- \$18.0 million in budget authority and 86 total FTE for the Office of Public and Intergovernmental Affairs. The budget request includes \$1.6 million to fund outreach activities, Tribal governments conferences and Public Affair Training Academy. Outreach activities enable VA to communicate effectively with Veterans and the public and local governments by positively enforcing its commitment and readiness to serve America's Veterans of all generations.
- \$10 million in budget authority and 51 FTE for the Office of Congressional and Legislative Affairs (OCLA). The budget request is \$430,000 for inflation cost to maintain existing personnel and workloads, and to improve relationships and communications with associations representing state and local governments and with elected officials.
- \$179.5 million in reimbursable authority to support 618 FTE for the Office of Acquisition, Logistics, and Construction (OALC). Funding will be provided from VA's Major Construction appropriation and will support planning, designing, constructing, and acquiring facilities and real property, and setting design and construction standards.

- \$128.9 million in reimbursable authority and 445 in reimbursable FTE for the Veterans Experience Office (VEO). VEO has been designated as Lead Agency Partner for the President's Management Agenda Cross Agency Priority Goal on Improving Customer Experience with Federal Services.
- \$30.3 million in budget authority to support 146 FTE for the operation of the Office of Accountability and the Whistleblower Protection (OAWP). With a request of \$931,000 above current service adjustments for five FTE, the office will continue to implement the oversight and compliance requirements within the VA Accountability and Whistleblower Protection Act of 2017.

Net Change
General Administration
2024 Summary of Resources Requirements
(\$ in thousands)

2023 Enacted Budget	\$433,000
2024 Current Service Adjustments	
Payraise, Inflation	\$19,242
Promotions, Within Grade increases, and Service Level Agreements increases	\$1,332
Above pay inflation for current FTE	\$4,382
Initiatives/Programmatic Changes	
Furniture disassemble and removal (HRA/OSP)	\$2,000
Build and implement an integrated solutions review and validation capability across the the department (OEI)	\$2,000
Establish a centralized Grant Management Office (OM)	\$1,650
Fund financial audits (OM)	\$1,500
Resources for Office of Actuarial Services, EUL program, SCIP, and project management (OM)	\$1,492
Law Enforcement Oversight and Criminal Investigations (HRA/OSP)	\$1,196
Personnel to conduct outreach activities (OPIA)	\$997
African American Veteran Liaison, increased travel, staff development, and minority Veterans conferences (OSVA)	\$946
Personnel for Building Management (HRA/OSP)	\$943
Personnel to implement oversight and compliance requirements of the Accountability and Whistleblower Protection Act by conducting timely investigations (OAWP)	\$931
Employment Litigation, Benefits Law, Health Law, and Preventative Law workloads including legal reviews and advice (OGC)	\$920
VA Central Office Space Consolidation and Future of Work Space Planning (HRA/OSP)	\$892
Tribal governments conferences, Public Affair Training Academy, travel and equipment upgrade (OPIA)	\$613
Conduct geospatial intelligence, support inspections and investigations, maintain Alternative Operating Sites, and equipment upgrades (HRA/OSP)	\$595
Personnel for legal representation before U.S. Court of Appeals for Veterans Claims (OGC)	\$369
Subtotal	\$17,044
2024 PB Request	\$475,000

Numbers in table might not add due to rounding.

Employment Summary - FTE by Grade				
General Administration Grade	2022 Actual	2023 Enacted	2024 Request	Increase (+) Decrease (-)
SES	118	141	176	35
GS-15	358	427	532	105
GS-14	1,100	1,311	1,633	322
GS-13	636	760	946	186
GS-12	226	270	336	66
GS-11	205	245	305	60
GS-10	2	3	3	0
GS-9	56	67	83	16
GS-8	20	25	30	5
GS-7	78	92	115	23
GS-6	51	61	76	15
GS-5	8	8	12	4
GS-4	11	13	17	4
GS-3	0	0	0	0
GS-2	3	4	4	0
GS-1	1	1	2	1
Total Number of FTE	2,873	3,428	4,270	842

Analysis of FTE Distribution - Headquarters/Field		
General Administration Grade	2022 HQ - Actual	2022 Field - Actual
SES	56	62
GS-15	171	187
GS-14	526	574
GS-13	304	332
GS-12	108	118
GS-11	98	107
GS-10	1	1
GS-9	27	29
GS-8	10	10
GS-7	37	41
GS-6	24	27
GS-5	4	4
GS-4	5	6
GS-3	0	0
GS-2	1	2
GS-1	0	1
Total Number of FTE	1,375	1,498

Toxic Exposures Fund Summary

The Budget requests \$96.8 million for GenAd offices via the Toxic Exposures Fund (TEF) in 2024, which is \$53.2 million above the 2023 enacted level.

Highlights of the General Administration staff office TEF requests for 2024 include:

- \$37.7 million in budget authority and 124 FTE for the Office of General Counsel. The increase of \$21.7 million over 2023 is to meet growing workload in the Court of Appeals Litigation group as BVA’s anticipated increases in PACT Act appeals output drives a corresponding growth in OGC. The increase also funds expanding workload in preventative and personnel law as VA hires additional employee. Benefits Law and Health Care Law are also impacted as OGC assists in developing regulations, interpreting novel provisions of the PACT Act, and accessing process changes and policy proposals.

- \$37.3 million in budget authority and 100 FTE for the Office of Human Resources and Administration/Operations, Security and Preparedness. The increase of \$14.5 million over 2023 is to support implementation requirements stemming from the PACT Act to develop or revise policies; cover increase in workload as the need to respond to the VA's HR community increases; manpower management to include modeling; and oversight of VA police in response to expected increases in security requirements.
- \$7.8 million in budget authority and 9 FTE for the PACT Act Project Management Office (PMO). The office is currently housed under the Office of Enterprise Integration (OEI) with leadership direction from the Office of the Secretary. The office will centralize strategic functions to integrate and support all PACT Act activities:
 - Ensures legislative objectives to expand benefits and enhance access to care are met.
 - Tracks risk, scope, schedule, requirements and cost.
 - Provides traceability and transparency for senior leaders on implementation progress, including timely identification of implementation roadblocks.
- \$3.5 million in budget authority for Office of Public and Intergovernmental Affairs (OPIA). With existing FTE, OPIA will coordinate, plan, implement and assess several complex communications actions, including advertisements to inform Veterans of the specifics of the Act and the benefits they may be entitled to.
- \$3.3 million in budget authority and 3 FTE for Office of Enterprise Integration (OEI). OEI projects an increase in integration, coordination, monitoring, and reporting due to the PACT Act. It will need contract support in program management and administration, policy and strategic analysis, enterprise synchronization, data engineering and qualitative data analysis.
- \$201,000 in budget authority and 1 FTE for Office of Congressional and Legislative Affairs (OCLA). OCLA anticipates a significant increase of Congressional casework, oversight, and engagement and requests 1 FTE to handle the additional workload.
- \$190,000 in budget authority and 1 FTE for the Office of the Secretary. The request is to support one limited-term Senior Executive Service (SES) FTE who leads the PMO and ensure deliverables are implemented.
- \$22.9 million in reimbursement authority and 26 FTE for the Veterans Experience Office (VEO). VEO will continue to receive TEF funds allocated to VHA and VBA to support their activities. Deliverables are in the area of business analysis, data analysis, testing support, user acceptance facilitation, and Human-Centered Design (HCD) and User Experience (UX) Research and Design.

Please find more information on the staff offices' TEF requests at the end of the individual staff office chapters.

General Administration						
Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126						
(Ss in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$s/FTE	%
Employment						
Office of the Secretary			1	1	-	0.0%
Office of General Counsel			124	124	-	0.0%
Office of Human Resources and Administration / Operations Security and Preparedness			100	100	-	0.0%
Office of Enterprise Integration			3	3	-	0.0%
Office of Public and Intergovernmental Affairs			-	-	-	
Office of Congressional and Legislative Affairs			1	1	-	0.0%
PACT Act Program Management Office			9	9	-	0.0%
Total Employment			238	238	-	0.0%
Obligations						
					-	-
Office of the Secretary			224	334	110	49.1%
Office of General Counsel			16,082	37,733	21,651	134.6%
Office of Human Resources and Administration / Operations Security and Preparedness			22,821	37,347	14,526	63.7%
Office of Enterprise Integration			5,000	4,142	(858)	-17.2%
Office of Public and Intergovernmental Affairs			4,770	3,692	(1,078)	-22.6%
Office of Congressional and Legislative Affairs			194	201	7	3.6%
PACT Act Program Management Office			10,703	13,315	2,612	24.4%
Total obligations			59,794	96,764	36,970	61.8%
Budgetary resources						
Unobligated balance brought forward, Oct 1					-	-
Office of the Secretary			144	144	-	0.0%
Office of General Counsel			4,374	-	(4,374)	-100.0%
Office of Human Resources and Administration / Operations Security and Preparedness			11,551	-	(11,551)	-100.0%
Office of Enterprise Integration			3,378	888	(2,490)	-73.7%
Office of Public and Intergovernmental Affairs			4,270	192	(4,078)	-95.5%
Office of Congressional and Legislative Affairs			80	-	(80)	-100.0%
PACT Act Program Management Office			6,030	5,540	(490)	-8.1%
Subtotal, unobligated balances			29,827	6,764	(23,063)	-77.3%
Budget authority:						
Appropriations, mandatory						
Office of the Secretary	144		224	190	(34)	-15.2%
Office of General Counsel	4,374		11,708	37,733	26,025	222.3%
Office of Human Resources and Administration / Operations Security and Preparedness	11,551		11,270	37,347	26,077	231.4%
Office of Enterprise Integration	3,378		2,510	3,254	744	29.6%
Office of Public and Intergovernmental Affairs	4,270		692	3,500	2,808	405.8%
Office of Congressional and Legislative Affairs	80		114	201	87	76.3%
PACT Act Program Management Office	6,030		10,213	7,775	(2,438)	-23.9%
Subtotal, appropriations	29,827		36,731	90,000	53,269	145.0%
Total, budgetary resources	29,827		66,558	96,764	30,206	45.4%
Unexpired unobligated balance, end of year	29,827		6,764	-		

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Office of the Secretary

Mission Statement

The Office of the Secretary provides executive leadership and strategic direction for all VA programs, including VA's efforts to transform the Department into a continuously improving world-class organization, ensuring that the Department cares for Veterans over a lifetime, from the day the oath is taken until the day they are laid to rest.

Summary of Budget Request

In 2024, OSVA is requesting budget authority of \$19.2 million for 83 FTE to support its mission. OSVA is requesting reimbursement authority of \$7.1 million to support the Office of Employment, Discrimination, Complaint Adjudication (OEDCA) with a staff of 36 FTE.

Office of the Secretary Budgetary Resources (\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	15,735	17,324	17,324	19,165	1,841	10.6%
Reimbursable obligations	5,448	6,812	6,812	7,075	263	3.9%
Total obligations	21,183	24,136	24,136	26,240	2,104	8.7%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	16,265	17,324	17,324	19,165	1,841	10.6%
Subtotal, appropriations	16,265	17,324	17,324	19,165	1,841	10.6%
Offsetting collections	5,448	6,812	6,812	7,075	263	3.9%
Subtotal, budget authority	21,713	24,136	24,136	26,240	2,104	8.7%
Total budgetary resources	21,713	24,136	24,136	26,240	2,104	8.7%
Unexpired unobligated balance	530					

Office of the Secretary Summary of Budget Request (\$s thousands)						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Immediate Office of the Secretary	12,259	13,711	13,711	14,642	931	6.8%
Center for Minority Veterans	1,972	2,046	2,046	2,618	572	28.0%
Center for Women Veterans	1,504	1,567	1,567	1,905	338	21.6%
Subtotal, direct	15,735	17,324	17,324	19,165	1,841	10.6%
Reimbursable						
Office of Employment, Discrimination, Complaint Adjudication	5,448	6,812	6,812	7,075	263	3.9%
Subtotal, reimbursable	5,448	6,812	6,812	7,075	263	3.9%
Total	21,183	24,136	24,136	26,240	2,104	8.7%

Office of the Secretary
Summary of FTE Request

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Direct						
Immediate Office of the Secretary	58	65	65	65	-	0.0%
Center for Minority Veterans	9	9	9	10	1	11.1%
Center for Women Veterans	8	8	8	8	-	0.0%
Subtotal, direct	75	82	82	83	1	1.2%
Reimbursable						
Office of Employment, Discrimination, Complaint Adjudication	27	36	36	36	-	0.0%
Subtotal, reimbursable	27	36	36	36	-	0.0%
Total	102	118	118	119	1	0.8%

Program Description

The Office of the Secretary provides executive leadership and strategic direction for all VA programs. Its organization includes the Immediate Office of the Secretary, the Special Staff Offices, including the Center for Minority Veterans and the Center for Women Veterans, and Support Offices including the Office of Employment Discrimination Complaint Adjudication, and Office of Small and Disadvantage Utilization.

The **Office of the Secretary** (OSVA) is headed by the Secretary (SECVA) and includes the Deputy Secretary for Veterans Affairs (DEPSECVA), the Chief of Staff (COSVA), the Executive Secretariat, senior advisors and several special focus centers and offices. Legal authority is vested, by 38 U.S.C., in the SECVA, who generally may delegate it to other VA officials to carry out the Department's missions. The DEPSECVA serves as the second in command and Chief Operating Officer for the Department. The COSVA synchronizes and coordinates SECVA policy guidance and direction with VA's Administrations, Staff Offices, and key officials.

The **Office of Administrative Operations** carries out OSVA executive administrative support with full responsibility for human resources, budget, financial management, personnel records management, acquisitions, correspondence, information technology, emergency preparedness and space and property management.

The **Office of Missions Operations** is responsible for Senior Executive travel, strategic and events planning and special projects. Arranges official travel for SECVA, DEPSECVA, COSVA and others as required. Coordinates transportation, security, equipment, and protocol activities while on travel status, including travel arrangements for personnel support staff; processes and maintains official travel accounts. Travels with principals when travel coincides with domain responsibilities, and coordinates equipment, capabilities, and personnel to accompany primaries on trips when necessary. Serves as SECVA and DEPSECVA liaison with White House Advance Staff. Plans, coordinates, and executes events for SECVA, DEPSECVA and COSVA.

The **Office of Protocol** provides protocol and executive services to the Office of the Secretary, Office of the Deputy Secretary, and Office of the Chief of Staff. Those services include:

- Directing and organizing special ceremonies and events for VACO that involve the executive leadership.
- Escorting dignitaries that visit the executive leadership.
- Providing and organizing related protocol services including photography and media services for VIP visitors.
- Providing advice and guidance to VACO and field facilities on protocol matters as they relate to visitors, both foreign and domestic, ceremonies, and other special events.

- Maintains SECVA gift locker program (the gifts that the VA has ordered for the SECVA to present to others).

The **Veterans Affairs Office of Partnerships (VAOP)** oversees and facilitates non-monetary public-private partnership (P3) requirements as outlined in VA Directive 0008 and ensures compliance with all established ethical standards and best practices for partnerships with non-governmental organizations (NGO). The VAOP works in close collaboration with Office of General Counsel and programmatic offices to ensure P3s are implemented and managed transparently and consistent with all applicable laws, policies, and regulations. VAOP subject matter experts are experienced to provide supports that better enable programmatic offices to explore, establish, manage, and report on partnerships that further enhance VA's mission, goals, strategies, objectives, priorities, services, and supports. VAOP:

- Advises the Secretary and other senior leadership on matters related to responsible and productive P3s with NGOs.
- Oversees the effective establishments and implementation of P3s with NGOs.
- Provides advice, guidance, and tools to empower employees with effective and efficient processes necessary to establish and manage P3s with NGOs.
- Facilitates P3s opportunities in coordination with programmatic offices that complement VA's mission, goals, strategies, objectives, priorities, services, and supports.
- Provides direct and indirect oversight for the establishment and implementation of non-monetary P3s with NGOs, in accordance with VA Directive 0008 and other relevant regulations.
- Minimizes and eliminates partnership risks through transparency and compliance strategies using standardized tools, templates, processes, procedures, and educational resources

The **Executive Secretariat** is VA's central coordinating point for all staff actions addressed to, and emanating from, the SECVA, DEPSECVA and COSVA. The Executive Secretariat employs executive writers and analysts who draft documents and review internal communications for signature and approval by the SECVA, DEPSECVA and COSVA. The Executive Secretariat:

- Serves as the principal staff action control point for the Department on internal and external items and directs and assigns all administrative tasks on behalf of the SECVA. Coordinates with other Federal agencies and departments on joint letters and memoranda.
- Prepares responses to letters from Members of Congress and reviews all packages that require SECVA, DEPSECVA and COSVA signature or approval to ensure they are properly formatted, consistent and appropriately concurred upon.

- Is solely authorized to authenticate documents transmitting policy, procedure, or information to the Department “by order of the Secretary”. Provides correspondence policy and procedures for the Department.
- Serves as the Department’s point of contact for the U.S. Office of Special Counsel’s disclosure cases and coordinates VA’s response.
- Provides records management as the Office of Record for all documents signed by the SECVA, DEPECVA and COSVA.
- Receives and processes all Freedom of Information Act and Privacy Act requests for the Office of the Secretary.
- Serves as the Department’s point of contact for the Plain Writing Act.
- Processes and routes case mail from the White House.
- Provides Action Officer Training to the Department as requested or as needed.

The **Advisory Committee Management Office (ACMO)** Provides oversight guidance and support to the VA’s 26 Federal advisory committees. Federal advisory committees are a key component of VA’s overall strategy to achieve stakeholder and public engagement in its efforts and commitment to serve Veterans, their families, and Survivors. VA’s advisory committees solicit advice and recommendations from outside experts and the public concerning programs for which the Department is responsible for by law. The Federal Advisory Committee Act (P. L. 92-463, <http://www.gsa.gov/portal/content/101010>) provides a mechanism for advisory committees to operate as another component of the “people’s voice” in our democratic form of government. ACMO:

- Establishes clear goals, standards, and uniform procedures for Advisory Committee activities.
- Ensures that all VA Advisory Committees comply with the provisions of the Federal Advisory Committee Act and other Federal laws and regulations.
- Ensures that VA Advisory Committee meetings are open to the public as appropriate and announced in the Federal Register.

Special Staff Offices

The **Center for Minority Veterans (CMV)** promotes increased access to, and use of, VA services and benefits by minority Veterans. CMV champions minority Veterans by ensuring awareness of, and equal access to, the benefits and services they have earned by serving our Nation, with the goal of enhancing the well-being of Veterans, their families, and survivors. CMV:

- Advises the SECVA and senior leaders on the unique needs of minority Veterans.

- Identifies barriers to benefits and health care access, promotes awareness of minority Veteran-related issues, develops strategies for improving minority Veterans' participation in existing VA programs, conducts outreach activities with minority Veteran stakeholders, and coordinates outreach activities conducted by 276 Minority Veterans Program Coordinators (MVPC) assigned to the three VA Administrations.
- Manages the activities of the Advisory Committee on Minority Veterans, including site visits and Veterans Town Hall Meetings.
- Conducts outreach to communities with large minority Veteran populations and minority-serving institutions.
- Consults with key representatives from major VSOs, local agencies and other Federal agencies to increase outreach activities to designated minority Veteran groups.
- Conducts joint outreach to minority Veterans with other VA Staff Offices and Administrations.
- Provides training to MVPC representatives from each VA Administration based on an analysis of best practices and areas for possible improvement. Coordinates outreach activities of MVPCs with local affiliates of national level minority stakeholders.
- Collaborates with the Center for Faith-Based and Neighborhood Partnerships (CFBNP) to conduct outreach programs to faith-based organizations.
- Works with the Center for Women Veterans to coordinate outreach, engagement and enrollment programs to women Veterans.
- Publicizes the results of medical research that is particularly significant to minority Veterans.

The **Center for Women Veterans (CWV)** monitors and coordinates VA's health care, benefits, services, programs, and opportunities for women Veterans. CWV advocates a cultural transformation within VA and the public to recognize the service and contributions of women Veterans and women in the military and raises awareness of the responsibility to treat women Veterans with dignity and respect. The CWV Director serves as the primary advisor to the SECVA on all matters related to policy, legislation, programs, issues and initiatives affecting women Veterans. The CWV:

- Serves as the principal advisor to the SECVA and senior leaders on the unique needs of women Veterans.
- Promotes awareness of women Veteran-related issues; conducts external outreach activities throughout the nation and OCONUS for women Veterans in support and collaboration with women Veteran stakeholders, organizations, and institutions.

- Coordinates and participates in joint VA outreach efforts targeting women Veterans with other VA Staff Offices and Administrations.
- Consults and collaborates with key representatives from major VSOs, federal, state, and local agencies to increase outreach activities and on strategies to support women Veteran constituencies to engage in VA healthcare, benefits, services, and program opportunities.
- Identifies barriers to benefits and health care access and other VA program opportunities.
- Promotes collaboration and engages with VA Administrations and Staff Offices to examine issues affecting women Veterans and synchronize activities to advocate for enrollment, engagement, and utilization of healthcare, benefits, services and programs for women Veterans.
- Develops strategies for improving women Veterans' participation in existing VA programs.
- Advises on Department's strategic plan so women Veterans' issues are included and considered, ensuring that healthcare, benefits, services, and programs for women Veterans are part of VA's institutional consciousness.
- Briefs Congress, VSOs, non-governmental organizations and other community partners on women Veterans' issues.
- Supports the Advisory Committee on Women Veterans with logistical and administrative matters. Coordinates the development of the Advisory Committee on Women Veterans' biennial report to the Secretary.
- Develops strategic partnerships with public, private, and nonprofit organizations to amplify awareness of VA programs and services provided for women Veterans, educate their audiences about issues related to women Veterans, and explore ways for organizations to support women Veterans in their communities.
- Publicizes the results of medical research of particular significance for women Veterans.

Support Offices

The **Office of Employment Discrimination Complaint Adjudication** (OEDCA) is an independent adjudicatory authority created by Congress in 1998 and is responsible for issuing timely and legally sufficient final agency decisions and orders on the substantive merits of employment discrimination complaints filed by employees and applicants for employment. OEDCA:

- Issues final Department decisions and orders on the substantive merits of employment discrimination complaints filed by employees, former employees or applicants for employment with the Department.
- Prepares and issues Department final decisions and final orders on the substantive merits of individual and class complaints of employment discrimination, and determines a prevailing party's entitlement to compensatory damages, equitable relief and attorney fees.
- Reports findings of intentional discrimination and retaliation to the SECVA or DEPSECVA for appropriate follow-up action.
- Refers findings of discrimination to DEPSECVA, Office of Resolution Management, Diversity and Inclusion to implement compliance with the Order of Relief, and to the Assistant Secretary, Office of Accountability and Whistleblower Protection to request follow-up regarding consideration of disciplinary action, as appropriate.
- Conducts outreach across the Department and with principal Department stakeholders.

The **Office of Small and Disadvantaged Business Utilization (OSDBU)** is the Department's principal liaison to the Small Business Administration (SBA), and other Federal agencies for matters dealing with small and disadvantaged business activities. OSDBU's mission is to enable Veterans to gain access to economic opportunities by developing policies and programs, informed by customer feedback, that improve market research, increase direct access and maximize the participation of procurement ready Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) in Federal contracting.

- Provides verification of eligibility for VA's Veterans First Contracting Program in support of SDVOSBs and VOSBs. Extends eligibility for set-asides and sole source contracts to SDVOSBs and VOSBs.
- Ensures eligible businesses that meet SBA and VA requirements receive designation as VA verified SDVOSB and VOSB. Businesses meeting the eligibility requirements are maintained in the Vendor Information Pages database of verified SDVOSBs and VOSBs.
- Provides acquisition support to access VA's Forecast of Contracting Opportunities, oversees and reviews VA subcontracting, provides overall direction on small business program policies and procedures, and works with contracting teams to help small businesses maximize VA procurement opportunities.
- Enhances the ability of VA program offices to conduct effective and efficient market research through the deployment of a range of enabling processes, tools and technologies.
- Manages the Veteran Business web portal (VetBiz) to provide quick and easy online access to information, resources and applications to assist SDVOSBs, VOSBs, other small and large businesses, and acquisition professionals.

- Assists small businesses in resolving payment or other contracting issues with VA.
- Plans and implements the Direct Access Program, which offers SDVOSBs, VOSBs and other small businesses unique opportunities to develop partnerships, maximize networking and secure connections at procurement events such as the National Veterans Small Business Engagement, which enables small businesses to gain access to VA procurement decision makers.
- Ensures firms interested in doing business with the VA are aware of VA small business programs and resources, small business goals and training opportunities through the Strategic Outreach and Communication Program.
- Equips, empowers and educates Women Veteran entrepreneurs for success and economic opportunities, through the Women Veteran-Owned Small Business Initiative (WVOSBI).
- Implements a program of quality control and compliance reviews to monitor performance goals, promote consistent application of standards, and assist programs to meet and exceed the agency's performance goals and objectives.

Recent Accomplishments

Advanced high profile strategic initiatives that enhanced Veteran care and services:

- Provided key input into the largest expansion of VA care and benefits in at least a generation, the PACT Act of 2022, which was signed into law by President Biden on August 10, 2022.
- Advanced regulation that will enable operationalization of emergent suicide care for millions of Veterans set forth by the COMPACT Act, including Veterans not enrolled in VA.
- Established Integrated Project Teams to improved VA's Program of Comprehensive Assistance for Family Caregivers (PCAFC) to improve services provided through PCAFC. Resulted in the implementation of the Beaudette Ruling in which family caregivers can now appeal decisions directly to the Board of Veterans' Appeals.
- Completed provisions in the Deborah Sampson Act which expanded various programs related to health care and benefits for women Veterans.
- Established VA's first- ever enterprise governance Sub-Council on Sexual Harassment and Assault Prevention/Survivor Care and Support.
- Improved inclusion for LGBTQ+ Veterans and employees, including with a Quick Start Guide for LGBTQ+ Veterans, expanded coordinated outreach to LGBTQ+ Veterans organizations, and preferred pronouns in VA employee systems.

- Implemented a VA Gender Strategy provided to the White House in support of the National Gender Strategy. The strategy has six goals with projects under each. Projects include improving equity in acquisitions and contracting, ensuring women are represented in suicide prevention efforts and eliminating sexual harassment and assault at VA facilities.
- Provided key input to the White House’s implementation of the Joining Forces Report “Strengthening America’s Military Families and the White House’s Gender Strategy, published in the first quarter of 2022.
- Housed 40,401 homeless Veterans in 2022, surpassing its goal to house 38,000 homeless Veterans.
- Reinfused the Greater Los Angeles VA Master Plan that guides VA Greater Los Angeles Healthcare System’s decades-long effort to reshape its facilities and capital assets, covering a variety of construction, redevelopment, and leasing activities related to VA’s master planning process for one of VA’s largest and most complex integrated healthcare systems. As part of VA’s efforts to end Veteran homelessness.
- Redesignated Secretary's Center for Strategic Partnerships (SCSP) to the Veterans Affairs Office of Partnerships (VAOP) with a redefined mission of VAOP to develop and sustain a system of oversight, accountability, and guidance for the establishment of non-monetary partnerships that support and benefit Veterans. The office provides an enterprise-wide resource for private sector collaborations while actively managing risks by ensuring transparency and compliance with relevant policies and directives.

Budget Highlights

Adjustments (Increases and Decreases)

OSVA seeks an increase of \$1.841 million in Budget Authority.

- \$836,000 for 5.2% pay raise
- \$25,000 for non-pay inflation
- \$200,000 for above-inflation increases to maintain current services
- \$166,000 decrease for the following service-level agreements that will be processed on behalf of OSVA by the Office of Management:
 - Veterans Experience Office (VEO)
 - Office of Resolution Management, Diversity and Inclusion (ORMDI)
 - Alternative Dispute Resolution (ADR)
 - Washington Metropolitan Area Transit Authority (WMATA)
 - VA Personal Identity Verification (PIV) card
 - Access, Identity Management (AIM)
 - News Media Clips

- \$190,000 for 1 FTE for an African American Veteran Liaison
- \$315,000 for travel
- \$91,000 for professional development
- \$350,000 for minority Veterans conferences.

Office of the Secretary Employment and Obligation Classification (\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	102	118	118	119	1	0.8%
Field	-	-	-	-	-	-
Total FTE	102	118	118	119	1	0.8%
Direct obligations						
Personnel compensation	10,390	11,944	11,943	12,979	1,036	8.7%
Personnel benefits	3,680	4,125	4,126	4,344	218	5.3%
Travel	445	390	390	565	175	44.9%
Printing	21	5	5	5	-	0.0%
Other services	1,113	784	784	1,165	381	48.6%
Supplies and materials	73	53	53	84	31	58.5%
Equipment	13	23	23	23	-	0.0%
Subtotal, direct obligations	15,735	17,324	17,324	19,165	1,841	10.6%
Reimbursable obligations						
Personnel compensation	3,370	4,776	4,776	4,894	118	2.5%
Personnel benefits	1,479	1,575	1,575	1,609	34	2.2%
Travel	38	38	38	38	-	0.0%
Other services	523	393	393	500	107	27.2%
Supplies and materials	38	30	30	34	4	13.3%
Subtotal, reimbursable obligations	5,448	6,812	6,812	7,075	263	3.9%
Total obligations	21,183	24,136	24,136	26,240	2,104	8.7%

PACT Act Funding

OSVA will request \$190 thousand to support one limited-term Senior Executive Service (SES) FTE that will lead the enterprise PACT Act PMO and ensure deliverables are implemented, including:

- Beginning a 1-year period of eligibility to enroll for Veterans who were discharged or released between September 11, 2001, and October 1, 2013;

- Entering into agreements with the National Academies of Sciences, Engineering and Medicine to conduct implementation assessments and studies of Veterans health trends to assess possible relationships between toxic exposures; and
- Conducting an updated analysis, in coordination with the Department of Defense, of total and respiratory disease mortality in covered Veterans.

Office of the Secretary						
Summary of Employment, Obligations and Budgetary Resources - Toxic Exposure Fund 1126						
(Ss in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Estimate	
					\$s/FTE	%
Employment			1	1	-	0.0%
Obligations			224	334	110	49.1%
Budgetary resources						
Unobligated balance brought forward, Oct 1			144	144	-	0.0%
Budget authority:						
Appropriations, mandatory	144		224	190	(34)	-15.2%
Total, budgetary resources	144	-	368	334	(34)	-9.2%
Unexpired unobligated balance, end of year	144	-	144	-		

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Office of General Counsel

Mission Statement

The Office of General Counsel (OGC) provides legal advice and services to the Secretary of Veterans Affairs (SECVA) and all organizational components of the Department of Veterans Affairs (VA). The General Counsel is, by statute 38 U.S.C. § 311, the Department's Chief Legal Officer. As the Department's in-house law office, OGC is a full business partner to senior VA leaders, plays a pivotal role in supporting the SECVA's priorities, and ensures the just and faithful execution of the laws, regulations, and policies that the SECVA is responsible for administering.

OGC's clients include the SECVA and other senior leaders, the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), the National Cemetery Administration (NCA), and all other components of the Department. Additional stakeholders include Congress, Federal courts, Federal agencies, Veterans Service Organizations, and the Veterans the Department serves.

Summary of Budget Request

All legal support to the Department and all attorneys who represent the Department reside in OGC. In 2024, to fulfill its statutory and regulatory requirements, OGC requests \$149.3 million in direct appropriations for 757 FTE, and \$34.4 million in reimbursable authority to support 169 reimbursable FTE, to provide legal support and representation to the SECVA and the Department. This request excludes use of the Toxic Exposures Fund (TEF). Please refer to the TEF section at the end of the chapter for more details.

Office of General Counsel
 Budgetary Resources
 (\$s in thousands)

Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	124,338	137,347	136,347	149,283	12,936	9.5%
Reimbursable obligations	23,952	25,784	29,731	34,388	4,657	15.7%
Total obligations	148,290	163,131	166,078	183,671	17,593	10.6%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	595	-	-	-	-	-
Subtotal, unobligated balance	595	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	125,510	137,347	136,347	149,283	12,936	9.5%
Subtotal, appropriations	125,510	137,347	136,347	149,283	12,936	9.5%
Offsetting collections	23,952	25,784	29,731	34,388	4,657	15.7%
Subtotal, budget authority	149,462	163,131	166,078	183,671	17,593	10.6%
Total budgetary resources	150,057	163,131	166,078	183,671	17,593	10.6%
Unexpired unobligated balance	1,767	-	-	-	-	-

Office of General Counsel Summary of FTE Request						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Direct						
Immediate Office of General Counsel	689	721	715	757	42	5.9%
Subtotal, direct	689	721	715	757	42	5.9%
Reimbursable						
Procurement Law Group	42	42	47	47	-	0.0%
District Contracting Group	23	23	26	26	-	0.0%
Medical Support Compliance Act	58	60	60	70	10	16.7%
Debt Management Center	2	2	2	2	-	0.0%
Credit Reform	21	25	24	24	-	0.0%
Subtotal, reimbursable	146	152	159	169	10	6.3%
Total	835	873	874	926	52	5.9%

2024 FTE displayed differs from the Budget Appendix due to a data entry error

Office of General Counsel Summary of Budget Request (\$s thousands)						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Immediate Office of General Counsel	124,338	137,347	136,347	149,283	12,936	9.5%
Subtotal, direct	124,338	137,347	136,347	149,283	12,936	9.5%
Reimbursable						
Procurement Law Group	7,678	8,262	9,551	10,514	963	10.1%
District Contracting National Practice Group	4,589	4,901	5,093	5,901	808	15.9%
Medical Support Compliance Act	7,291	7,689	9,413	11,160	1,747	18.6%
Debt Management Center	250	332	364	382	18	4.9%
Credit Reform	3,759	4,315	5,031	6,146	1,114	22.1%
Other Reimbursements	385	285	278	284	6	2.0%
Subtotal, reimbursable	23,952	25,784	29,731	34,388	4,657	15.7%
Total	148,290	163,131	166,078	183,671	17,593	10.6%

Distribution of Resource Requirements over OGC Areas of Practice

Office of General Counsel						
Practice Areas						
(\$s in thousands)						
Practice Areas:	2022		2023		2024	
	Actual \$	FTE	Enacted \$	FTE	Request \$	FTE
Budget Authority						
Health Law	\$ 5,903	33	\$ 6,473	34	\$ 7,088	36
Benefits Law	\$ 4,427	25	\$ 4,855	25	\$ 5,316	27
Employment Law	\$ 54,975	305	\$ 60,284	316	\$ 66,003	335
CAVC (Appeal of BVA Decisions)	\$ 25,827	143	\$ 28,321	149	\$ 31,008	157
Contract Law	\$ 5,350	30	\$ 5,867	31	\$ 6,423	33
Tort Claim Adjudication	\$ 11,069	61	\$ 12,138	64	\$ 13,289	67
Information & Administrative Law	\$ 6,088	34	\$ 6,676	35	\$ 7,309	37
Ethics	\$ 3,874	21	\$ 4,248	22	\$ 4,651	24
Management & Operational Support	\$ 6,826	38	\$ 7,485	39	\$ 8,195	42
Subtotal, Budget Authority	\$ 124,338	689	\$ 136,347	715	\$ 149,283	757
Reimbursable Authority						
Contract Law (Supply Fund)	\$ 11,303	69	\$ 13,998	76	\$ 16,238	80
Loan Guaranty (Credit Reform)	\$ 3,139	19	\$ 3,896	21	\$ 4,506	22
Revenue (DMC & MSCA)	\$ 9,321	57	\$ 11,538	63	\$ 13,393	66
Other Reimbursements ^{1/}	\$ 190	0	\$ 299	0	\$ 251	0
Subtotal, Reimbursable Authority	\$ 23,952	146	\$ 29,731	159	\$ 34,388	169
Total Resource Requirements	\$ 148,291	835	\$ 166,078	874	\$ 183,671	926

^{1/} Includes funding OGC anticipates for reimbursement of Financial Disclosure Management (FDM) services and use of OGC's Lexis Nexis contract.

Program Description

OGC is composed of 17 law groups that are aligned to one of ten “areas of practice” to best maximize efficiencies and resources. This includes ten national subject-matter law groups and six geographically based law groups focusing on employment and contract law; and one law group which represents the SECVA before the U.S. Court of Appeals for Veterans Claims (CAVC) in contested benefits decisions.

OGC provides the full range of legal and litigation services, as well as support for legislative and regulatory activities, to include:

- Issuing reviews, guidance, drafting assistance and legal interpretation of laws and regulations to help shape Department policy and regulations, implement Congressional directives, and the SECVA’s priorities and initiatives, for all facets of the Department including medical care, monetary and burial benefits, government research, technology, purchases, leases, and acquisition.

- Supporting VA priorities and major initiatives such as VA Electronic Health Record Modernization and implementation of the VA MISSION Act of 2018, the Veteran Appeals Improvement and Modernization Act of 2017 (AMA), and the Sergeant First Class (SFC) Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act.
- Providing day-to-day guidance, support, and advice to the largest integrated health care system in the United States which delivers care of varying complexity to more than 9 million Veterans at 1,298 health care facilities, 171 VA Medical Centers and 1,113 outpatient sites.
- Addressing the legal issues arising from the interpretation and application of laws and regulations to the work of VA's more than 417,000 full-time staff.
- Promoting an ethical work culture and ensuring adherence to applicable laws and regulations.
- Providing governance for the formulation and publication of all VA regulations.

Health Care Law - OGC provides advice to VHA regarding health care administration and operations, including eligibility for care, homeless programs, Veterans Canteen Service, patents, medical research, non-profit research corporations and VA regulations. Legal support in this area includes:

- Access to care, including eligibility issues, community care, urgent care, and other non-VA services.
- Caregiver benefits.
- Grants and supportive services for homeless Veterans and their families.
- Office of Medical Inspector reports.
- State Veterans' Homes program.
- Issues relating to the administration and management of a health care system.
- Patient safety.
- Bioethics.
- Medical Research and innovation.
- Human subject protection.
- Clinical trials.
- Canteen Service operations.
- Non-profit research corporations (issues related to incorporation and management).
- Technology Transfer.
- Intellectual Property (determination of rights for inventions, patents, and patent licensing).
- Pro Bono legal services programs for Veterans.

Benefits Law - OGC provides legal advice regarding benefits administered by VBA and NCA, and with the assistance of Department of Justice (DOJ), represents the SECVA in litigation at the U.S. Court of Appeals for the Federal Circuit. The Benefits Law Group also manages VA's Accreditation, Discipline, & Fees program that oversees organizations and individuals who are accredited to provide a representation of claimants before VA. Legal support in this area includes:

- Compensation, Pensions, and Survivors' Benefits.
- Education programs and Veteran Readiness and Employment.
- Burial benefits.

- National Service Life Insurance, Servicemembers' Group Life Insurance, and Veterans Affairs Life Insurance (VALife).
- Appointment and removal of fiduciaries.
- Attorney fees for claimant representation.

Employment Law - OGC provides advice to VA management regarding human resources (Titles 5 and 38), labor relations, Equal Employment Opportunity (EEO), Merit Systems Protection Board, Office of Special Counsel (whistleblower retaliation), and immigration matters. Legal support in this area includes:

- Advice on proposed disciplinary actions taken pursuant to over 15 statutory authorities.
- Hearings and settlement of employment litigation matters nation-wide.
- Expedited review of proposed disciplinary charges and advice to Department management in VA Central Office (VACO) and across the nation on actions taken under the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 (VAAWP).
- Employee disciplinary actions appealed to the Merit Systems Protection Board, including expedited removal authority cases.
- Employee complaints of discrimination, retaliation or harassment before the Equal Employment Opportunity Commission.
- Title 38 employee actions, including reporting personnel to the National Practitioner Data Bank and State licensing boards, and disciplinary matters before Disciplinary Appeals Boards.
- Employee whistleblower and Prohibited Personnel Action complaints before the Office of Special Counsel, including stay requests.
- Labor management issues before the Federal Labor Relations Authority.
- Technical assistance and policy drafting assistance related to employment law legislation.
- Employee requests for representation by DOJ.
- Inspector General and criminal investigations.
- Labor-management relations, including arbitrations and contract negotiation advice.
- Support to DOJ of employment cases and class action cases filed in Federal Court.
- General employment issues (includes Office of Special Counsel investigations, administrative investigations and fact findings, classification, employee agreements, delegations of authority, employee benefits, including pay, awards, and leave, employee education programs and scholarships, immigration, occupational health and workers compensation, Senior Executive Service and political appointees, staffing, etc.).

Representation before the U.S. Court of Appeals for Veterans Claims (CAVC) – OGC represents the Department in all litigation before the CAVC, which provides Veterans or other claimants an impartial judicial forum for review of adverse administrative decisions issued by the Board of Veterans' Appeals (BVA) regarding entitlement to service-connected disability compensation, survivor benefits, and other benefits such as education payments and health care benefits. Legal support in this area includes:

- Representing the SECVA in all litigation brought before the CAVC. Historically, 8-10% of all BVA decisions are appealed to the CAVC.
- Handling requests for class action certifications, writ petitions, and applications for attorney fees under the Equal Access to Justice Act.

Contract Law (includes Reimbursable) - OGC serves as VA's contract litigation counsel, representing VA before the Government Accountability Office (GAO), Civilian Board of Contract Appeals (CBCA), and Federal Courts and providing litigation assistance to DOJ in matters before the Court of Federal Claims (CoFC) on the more than 500 protests and claims filed per year related to VA contracting activities. Legal support in this area includes:

- Litigation against the Department pursuant to contracts and solicitations.
- Procurement legal support (includes construction, supply, and service contracts).
- Expanded sharing of medical facilities, equipment, and information.
- Construction, acquisition, and disposition of real property (includes leases and land acquisitions by/for VA, and easements on land owned by VA, but does not include real property acquired in the administration of the loan guaranty program, which is covered under Loan Guarantee below), and energy matters.
- Enhanced-use leases of real property.
- Compliance with environmental, historic preservation, and occupational safety laws.

Tort Claim Adjudication - OGC manages VA's program to investigate and adjudicate actions filed against the Department under the Federal Tort Claims Act (including medical malpractice and non-healthcare claims). This includes providing litigation assistance when DOJ represents VA in litigation. Legal support in this area includes:

- Medical malpractice and non-medical malpractice claims.
- Guidance to VHA for liability considerations under the Federal Tort Claims Act.
- Guidance on the development of electronic medical health records and documentation concerning those records.

Information and Administrative Law - OGC provides advice regarding the Freedom of Information Act (FOIA), Privacy Act, Health Insurance Portability and Accountability Act (HIPAA), information security and technology, records and information management, data governance, copyright and trademarks, communications with Congress, appropriations law, law enforcement and public-private partnerships. Legal support in this area includes:

- Disclosure of information (e.g., Congress, *Touhy*, FOIA, Privacy Act).
- Electronic discovery of Department records in litigation matters across areas of practice.
- Federal Advisory Committee Act.
- Administrative Procedure Act.
- Organization/reorganization of VA and its component parts.
- Use of appropriated funds and other fiscal matters.
- Federal Records Act.
- Paperwork Reduction Act.
- Laws prohibiting discrimination in programs receiving Federal financial assistance (e.g., title 6 of the Civil Rights Act of 1974; title 9 of the Education Act, as amended; and Section 504 of the Rehabilitation Act, as amended).
- Law enforcement and emergency operations.

Ethics - OGC manages VA's government ethics program and provides guidance on government ethics questions from VA employees and former employees on topics such as conflicts of interest,

gift acceptance, travel expense reimbursement, attendance at widely attended gatherings, endorsements, political activities, post-government employment restrictions, seeking employment recusals, and outside activities. Legal support in this area includes:

- Management of the Agency Integrated Ethics Program to include mandatory ethics training and coordination with the Office of Government Ethics, the Office of Special Counsel and VA Office of Inspector General.
- Advice related to Government ethics and Hatch Act questions and issues.
- Review of Department Public Financial Disclosures.
- Review of Department Confidential Financial Disclosures.

Revenue (Reimbursable) - OGC recovers funds owed to the United States by using various legal-collection remedies, to include litigation in Federal and state courts. This includes revenue owed to VA from health insurance carriers, claims to recover the cost of treatment for non-VA workers' compensation and personal injury claims and support for VA's centralized debt collection program. Legal support in this area includes:

- Recovery of funds from defendant tortfeasors, workers' compensation, and auto-reparation insurance carriers.
- Negotiation of payer agreements and disputes between VA and private health insurers.
- Recovery of debt disputes owed to VA because of bankruptcy, probate, fraud, and erroneous payments.

Loan Guaranty (Reimbursable) - OGC advises on issues related to the efficient, legally compliant delivery of housing benefits to Veterans and service members. This includes providing litigation assistance when DOJ represents VA in litigation, appeals or enforcement actions related to VA's home loan programs. Legal support in this area includes:

- Advice regarding VBA's Loan Guaranty Program, including protection of the Government's and Veterans' interests in the guaranty of home loans for Veterans.
- Review of title to properties conveyed to the SECVA under foreclosure, Specially Adapted Housing Grants, approvals for use of the Department's Guaranteed Loan program for purchase of a unit in a multi-unit property, and eviction.

Recent Accomplishments

COVID-19 Pandemic Response:

- **VA Home Loans:** OGC assisted in the development of procedures to provide efficient processing of Veterans' Partial Claims requests at the end of the foreclosure forbearance periods. OGC also assisted in the formation of the COVID-19 Loan Modification Waterfall options to help Veterans retain their homes while Veterans continue to experience negative financial impact from the pandemic. Additionally, OGC provided technical assistance to Congress and drafted Departmental testimony for 14 home loan benefits-related bills in 2022; assisted in obtaining settlements in False Claims Act cases that resulted in over \$2 million in payments to the Government; and collaborated at critical points in various inter-agency efforts, such as the Property Appraisal Valuation and Equity Task Force Action Plan. OGC helped guide the agency through the completion of the first environmental analysis of VA's home loan programs in the Department's history.

- **Employment Law:** OGC provided guidance: in the drafting and implementation of VHA’s COVID-19 vaccine mandate (VHA Directive 1193.01) and the processing of religious and medical accommodation requests; on Administration and program office COVID-19 testing policies; and on various all-employee messages, relating to COVID-19 vaccination requirements, community levels and safety protocol requirements, and re-entry from maximum telework. OGC provided litigation assistance to DOJ in *Feds for Medical Freedom v. Biden, et al.*
- **Procurement Law:** OGC continued to provide critical support during the COVID-19 pandemic, advising on a myriad of novel legal issues, including contract claims and disputes arising from unprecedented supply chain challenges. OGC also continued to provide expedited legal reviews of contract actions for critically needed medical supplies, personal protective equipment, as well as expanded Information Technology (IT) equipment and services vital to VA’s ability to continue operations remotely.

Supreme Court Decision on Claim Processing and Finality: OGC collaborated with DOJ to successfully defend VA’s interpretation of the laws governing the finality of VA decisions. Although claimants whose claims were previously denied may always file a new claim to seek prospective benefits, a limited exception to finality allows VA to revise a prior decision and grant retroactive benefits if there was a “clear and unmistakable error” (CUE) in the prior decision. In *George v. McDonough*, the Supreme Court affirmed VA’s position that a court decision invalidating a VA regulation does not provide a basis for finding that prior final decisions under that regulation contained CUE warranting such retroactive revision and awards. The *George* decision comports with general principles of administrative finality and ensures that judicial decisions do not give rise to large backlogs of retroactive claims that could unduly divert VA adjudicators from addressing current benefit claims.

Veteran Suicide and Homelessness Prevention: OGC provided legal support to the Center for Diffusion of Excellence related to the implementation of the Veterans Mental Evaluation Teams (VMET). VMET dispatches VA employees, in coordination with local entities, to aid in crisis situations involving Veterans, which reduces suicides and improves outcomes in law enforcement/Veteran interactions. OGC was instrumental in the promulgation of regulations needed to support the implementation of Emergent Suicide Care (Section 201 of the COMPACT Act); the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (Section 201 of the Hannon Act); and the Legal Services for Homeless Veterans and Veterans At-Risk of Homelessness Grant Program (Section 4202 of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020).

Tiny Shelters Development and the Greater Los Angeles Healthcare System – West L.A. Campus: OGC provided critical legal support on one of the SECVA’s highest priority development projects for addressing Veteran homelessness. OGC assisted the Greater Los Angeles Healthcare System in finalizing the updated Master Plan for the West Los Angeles campus. The updated Master Plan enabled the execution of the Principal Developer Enhanced-use Lease (EUL). The EUL will serve as the umbrella to provide at least 900 permanent housing units for homeless and at-risk Veterans. OGC advised the Office of the Secretary and helped establish an innovative Tiny Shelters Project for the acquisition of the Tiny Shelters Development. A total of 127 shelters

and two dining hall structures have been placed on the campus and will serve an average of over 100 Veterans and their spouses on a daily basis.

Women's Health: Since the release of the Supreme Court decision in *Dobbs v. Jackson Women's Health Organization (Dobbs)*, OGC has helped the Department assess the impact of the decision on VA healthcare operations and ensure the safety and security of VA facilities. OGC provided guidance on responses to Congressional inquiries, all employee messages, and media inquiries following the Supreme Court decision and liaised and consulted with DOJ and the interagency in the drafting publication of an interim final rule on an expedited basis clarifying VA's reproductive health service, following *Dobbs*. This IFR protects the lives and health of pregnant Veterans and beneficiaries.

PACT Act Implementation:

- Title IX of the PACT Act, which includes significant hiring incentives and pay flexibilities and equities that are necessary for the successful implementation of the PACT Act.
- OGC provided extensive legal advice and assistance in support of the enactment and implementation of the landmark PACT Act, which significantly expanded VA benefits and health care for disabilities related to toxic exposures in service.
- Prior to PACT Act enactment, OGC provided advice regarding the extent of the SECVA's legal authority to establish, via interim-final rule, presumptions of service connection for nine rare respiratory cancers and asthma, sinusitis, and rhinitis based on presumed exposure to fine particulate matter. OGC also reviewed relevant rulemaking documents and assisted in implementation.
- OGC provided technical assistance on the draft legislation prior to enactment and has provided expedited legal guidance on numerous complex issues necessary to facilitate implementation of this important expansion of benefits.
- OGC worked closely with the Veterans Benefits Administration Contract Medical Disability Examination service to ensure continued performance and sustainment of their contracts so that Veterans can receive their benefits – potentially including those new benefits under PACT Act.
- OGC worked closely with VACO client organizations to develop significant legislative enhancements to the Department's leasing and land use authorities. The changes will accelerate the development of facilities for Veteran Health Care. The new authorities include 31 major medical facility leases (valued at approximately \$998 million), changes to how major medical facility leases are approved by Congress, explicit authority to enter into leases on a non-competitive basis with academic affiliates, an expansion of VA's authority to enter enhanced-use leases for supportive housing, and broadening Department of Defense's (DoD) authority to enter into agreements with VA for the planning, design, and construction of shared medical facilities.
- OGC provided legislative technical assistance with, among other things, the creation of the Cost of War Toxic Exposures Fund for toxic exposure health care, medical research, administrative expenses, and IT support.
- OGC provided legal support to a number of contract onramps and administrative contract actions.

Employment Law and Legislative Assistance: OGC provided legislative assistance in the drafting of the following:

- VA Workforce Improvement, Support, and Expansion Act of 2022 (WISE Act) which would provide increased pay and benefits for VA’s workforce, expand opportunities in rural VA facilities, support training for current and future VA clinicians, and provide additional oversight of VA Human Resource operations and their use of hiring authorities and VA’s Nurse and Physician Assistant Retention.
- The Income Security Enhancement Act of 2022 (RAISE Act) which would increase the pay limitation on salaries for VA nurses, advanced practice registered nurses and physician assistants.

MISSION Act Implementation Support: OGC provided significant legal support throughout 2022 that was vital to the successful sustainment of the MISSION Act. OGC provided critical legal support on all aspects of VA’s Asset and Infrastructure Review and market assessment process required by Title II of the MISSION Act. OGC worked with VACO organizations to develop and provide a final legal review of recommendations approved by the SECVA for the modernization and realignment of VHA facilities. The SECVA’s recommendations would impact hundreds of VHA facilities and require billions of dollars for leasing and major construction. The recommendations were published in the Federal Register on March 14, 2022. OGC continues to work with VACO on implementation strategies for the modernization of VHA facilities.

Litigation before the Court of Appeals for the Federal Circuit: OGC, in conjunction with DOJ, represented VA before the Court of Appeals for the Federal Circuit in the following three major cases impacting VA health care benefits:

- *Wolfe v. McDonough*: VA prevailed in an appeal to the Court of Appeals for the Federal Circuit of a CVC decision in this class action suit that required VA to pay or reimburse deductible and coinsurance amounts associated with non-VA emergency care for non-service-connected injuries.
- *Veterans Warriors, Inc. et al. v. Sec’y of Veterans Affairs*: OGC defended VA’s regulations implementing statutory changes to VA’s Program of Comprehensive Assistance for Family Caregivers. The Court set aside one of the seven regulatory provisions challenged by the movant, largely preserving VA’s structural choices in implementing the program.
- *Skaar v. McDonough*: VA prevailed in this class action suit, resulting in a significant precedent opinion defining the scope of the CAVC jurisdiction in class action litigation.

Whistleblower Protection: OGC provided technical assistance on proposed legislation to improve the Office of Accountability and Whistleblower Protection.

Electronic Health Record Modernization (EHRM):

- OGC provided guidance on EHRM to the Program Office reporting structure and provided guidance and drafting assistance in developing a Memorandum of Agreement between the Office of Electronic Health Record Modernization (OEHRM) and VHA on administrative and operational authority over Title 38 employees working in assistance of OEHRM to meet Congressional intent.

- OGC advised the Program Office in support of VA/DoD's single, seamless integrated EHRM objectives.
- OGC provided legal guidance with respect to the execution of the EHRM budget and advised VA officials with respect to necessary appropriations law changes when planning for the “future state” of the EHRM in which VA expects to shift EHRM costs and oversight responsibilities within the Department and continued to provide critical legal advice and litigation support on VA's contract with Cerner Government Services, Inc., for the procurement and deployment of the EHRM solution.
- OGC provided support to VA EHRM contracting team, regarding issues affecting scope, fiscal and intellectual property issues, small business concerns, the strategic review, and Congressional inquiries.

Authority of VA Professionals to Practice Health Care: Following the publication of VA’s interim final rule in the Federal Register confirming VA’s authority to allow VA health care providers to practice anywhere, regardless of their state license, registration, or certification, OGC provided guidance on responses to Congressional inquiries and various State Licensing Boards. OGC is continuing to provide legal review on the creation of national scopes of practice for health care positions.

Labor and Management Relations: Following execution of unprecedented global settlements with American Federation of Government Employees (AFGE), National Association of Government Employees (NAGE), National Federation of Federal Employees (NFFE), and National Nurses Union (NNU) addressing 33 pending national and local labor matters and complaints being handled by DOJ in District Court concerning VA's implementations of Executive Orders 13836 (Developing Efficient, Effective, and Cost-Reducing Approaches to Federal Sector Collective Bargaining), 13837 (Ensuring Transparency, Accountability, and Efficiency in Taxpayer-Funded Union Time Use), and 13839 (Promoting Accountability and Streamlining Removal Procedures Consistent with Merit System Principles), limitations on official time for Title 38 employees, and the renegotiation of VA's national successor collective bargaining agreements, OGC worked closely to ensure timely implementation of the settlement terms and further the President's and the SECVA's direction to more effectively work with our union and employee partners.

Tort Claim Administration: In 2022, OGC processed 333 non-medical and 1,086 medical malpractice claims and OGC reduced the pending number of requests for reconsideration by 58% and reduced average days of pending administrative tort claims by 17%. In collaboration with VHA enterprise risk management, OGC implemented new tort claim procedures: (1) updating all VHA clients with summaries of pending medical malpractice claims; and (2) providing OGC top leadership (and VA top leadership when appropriate) with real-time VHA Clinical Episode Review Team data concerning clinical cases involving potential large scale, mass disclosure and high-profile institutional disclosure. In 2023, OGC anticipates devoting resources to assisting the DoD in processing Veteran and dependent claims pursuant to the “Camp Lejeune Justice Act,” which allows civil suits against the government for injuries related to water contamination at the Marine Corps base from August 1953 to December 1987.

Representation before the Court of Appeals for Veterans Claims (CAVC): OGC represented the SECVA before the CAVC in nearly 14,000 new cases. This included handling approximately 7,500 new appeals, 300 new writ petitions, 6,200 applications for attorney fees under the Equal Access to Justice Act and presenting oral argument in 29 cases. Several significant precedent decisions validating VA's procedures under the Appeals Modernization Act (AMA) include:

- *Cowan v. McDonough*. Upheld VA's practice that 38 U.S.C. § 5104 notice of certain Secretarial decisions need not be contained in a single communication.
- *Frantzis v. McDonough*. Agreed with VA that the AMA does not mandate that the Board member conducting the claimant's hearing must ultimately decide the claim.
- *Aviles-Rivera v. McDonough*. Upheld VA's interpretation of the evidentiary restrictions contained in the Rapid Appeals Modernization Program and AMA.

Tribal Representation Expansion Project (T. REP): OGC launched the T. REP initiative, which seeks to increase Native American Veterans' access to VA benefits and services by increasing their access to qualified and competent representatives who can provide information on VA benefits and provide assistance in preparing, presenting, and prosecuting claims for those benefits. As a result of this initiative, the Secretary granted recognition to the Navajo Nation Veterans Administration, the first tribal Veterans Service Organization to be recognized in VA's history. OGC engaged with numerous other Tribal governments and other stakeholders to promote T. REP and established an agreement with Vietnam Veterans of America to provide pro bono training to prospective Tribal claims representatives.

Marginalized and At-risk Veteran Populations: OGC provided support to VA in their collaboration with the United States Department of Homeland Security (DHS). VA worked with the League of United Latin American Citizens, Repatriate Our Patriots, American GI Forum, Green Card Veterans, American Legion, Black Deported Veterans, and other organizations to identify deported Veterans. As DHS received requests for assistance through a universal mailbox that was setup after the initiative was launched, VA, after obtaining a privacy release authorization from the Veteran or his/her representative, provided DHS with information regarding the Veteran's health and benefits information, enabling DHS to make decisions on humanitarian parole requests. VA staff worked closely with the DHS team to help develop and launch the online portal and resource center that was launched in February 2022. VA's team continues to provide Veterans' cultural competency training to DHS staff. VA and DHS co-hosted two COVID-19 vaccination events at the U.S.-Mexico border to improve access to vaccine to nearly 50 deported Veterans, their families and caregivers at Ports of Entry near San Diego and El Paso. As Veterans were vaccinated, our VBA team provided benefits counseling.

Regulatory Management: OGC's Office of Regulation Policy and Management facilitated the publication of over 46 regulatory actions of significance to Veterans in 2022. This significance is reflected in the fact that two of these rulemakings, which provide a much-needed update to VA Schedule of Rating Disabilities, showed a high level of public and Veteran interest by receiving over 3,500 comments. OGC's regulatory support of Veterans and Veteran programs continued with the publication and management of comments on another 180 plus Notices in the Federal Register.

VA Innovation Ecosystem: VHA Innovation Ecosystem is the catalyst for enabling the discovery and spread of mission-driven health care innovation to advance care delivery and service. OGC provided vital legal support to VHA's growing Innovation Ecosystem which has resulted in the success of Project CONVERGENCE (which brings 5G to VA medical campuses) and VA's 3D Printing Network.

Contracting and Procurement:

- **Acquisition, Logistics and Supply Chain Support:** OGC provided timely and effective legal advice to VA's National Acquisition Center (NAC), Technology Acquisition Center (TAC), Program Contracting Activity Central (PCAC) and Strategic Acquisition Center (SAC). The NAC has over 2000+ contracts, the NAC's programs realize annual sales of over \$25.8 billion. The SAC procures millions of dollars' worth of health supplies and services, including services under the MISSION Act. The TAC procures over a billion dollars' worth of Information Technology for all of VA. OGC provided legal reviews and business advice to these Contracting Activities on all aspects of VA procurements, including pre-award acquisition planning and strategies, source selections and proposal evaluations, related contract litigation and all post-award contract administration issues and disputes.
- **Supply Chain Management Modernization:** OGC provided guidance regarding the funding of supply chain modernization, resulting in a path forward to use American Rescue Plan supply chain modernization appropriations in lieu of base IT appropriations to fund the foundational IT infrastructure and integration work supporting supply chain management, thus making base IT appropriations available for other high priority items.
- **Medical Surgical Prime Vendor (MSPV):** During 2022, OGC provided legal support to the VHA MSPV program which is a collection of contract actions ensuring timely delivery of medical and surgical supplies for the United States' largest integrated healthcare system, consisting of 1,243 health care facilities, including 172 medical centers and 1,062 outpatient sites of care of varying complexity, serving approximately 9 million enrolled Veterans each year. OGC helped support contract activities award and administer a 70,000 plus item product list while ensuring continuation of the prime vendor distribution contracts.
- **Twenty-One Total Technology Next Generation (T4NG) Solicitation:** OGC provided litigation support to the on-ramp solicitation for T4NG. This solicitation, valued at \$23B, is a Multiple Award Indefinite Delivery, Indefinite Quantity contract. This competitive acquisition was conducted pursuant to the on-ramp clause of the T4NG basic contract and awarded contracts to multiple Service-Disabled Veteran-Owned Small Businesses to provide total IT service solutions. OGC also supported the litigation concerning the award of those contracts. Ten GAO protests were received. Out of the initial 10 GAO protests, three were withdrawn (i.e., one as a result of a dispositive motion, the other two withdrew after receiving VA's Agency Report, leaving seven GAO protests). These seven protests were denied. Subsequently, four of the same protestors filed at the Court of Federal Claims (COFC) challenging the Agency's award decisions. All four COFC protests have been denied.
- **Financial Management Business Transformation (FMBT):** OGC supported multiple contracts in connection with the critical FMBT program. The purpose of the FMBT program is to modernize VA's legacy Financial Management System which is central to

many financial operations of the Agency. This included support of recent solicitations and contract awards to contract administration issues. OGC supported this effort from the acquisition planning phase to award.

- **Microsoft Enterprise Agreement Contract:** OGC provided critical support for the market research, brand-name justification, and then competitive procurement through resellers of an Enterprise Agreement for Microsoft's full suite of desktop productivity and server software products, its Azure Government Cloud tenancy, which is critical to VA's Enterprise Cloud, as well as related professional services. The resulting \$1.7 billion contract will provide critical IT services and support to VA over the next three years.

Contract Bid Protests: In 2022, OGC's District Contracting National Practice Group had a perfect record in defending against contract bid protests. Zero protests were sustained in more than 100 decisions issued by GAO. OGC's sustain rate for protests is particularly extraordinary when compared to the Federal agency-wide sustain rate of 15%. This success rate is important to VA because protest litigation slows down the acquisition process, impeding the delivery of needed resources. OGC achieved this success by collaborating with VHA leaders across the country to improve acquisitions through training and resource allocation and using annual protest data to identify recurring trends, train VHA contracting staff on high-risk issues, and prioritize legal reviews for frequently protested acquisition types. By focusing VA's limited legal and contracting resources on the highest-risk acquisitions, OGC improved the quality of VHA procurements and maintain VA's exceptional record of success in defending protests.

2022 Annual Secretary's Alternative Dispute Resolution (ADR) Excellence Awards Program Nomination: OGC's Contract Litigation Team exclusively handles contract litigation before the Civilian Board of Contract Appeals (CBCA) and Federal courts. The team typically has 65-70 active appeals, which is one of the largest caseloads in the Federal government. While ADR is not mandatory at the CBCA, OGC successfully engaged in numerous ADR efforts related to complex and contentious litigation by convincing opposing parties to participate in ADR through virtual means during a historic COVID-19 pandemic. In 2021, OGC successfully resolved 24 contract appeals with claims totaling approximately \$16.5 million and the Department paid out only \$4 million. In 2022, OGC again utilized ADR effectively to resolve 24 claims totaling \$27.9 million for only \$3.9 million paid, which amounts to a total cost savings for the agency of \$24 million. The early resolution of these litigation matters allowed the Department and its employees to focus its limited resources on the critical business of caring for Veterans. OGC's effective utilization of ADR earned them VA Secretary's annual ADR effort by a Workplace Program/Team Award.

Major Construction and Leases:

- OGC provided legal advice and support of the Super Construction Program which is a Congressionally mandated partnership with U.S. Army Corps of Engineers. In 2022, OGC has provided concurrence on 28 construction contract modifications and orders of projects totaling over \$199 million.
- OGC conducted pre-solicitation and pre-award reviews for several major construction awards and construction management (CM) services contract awards. Notable projects include: Jefferson Barracks National Cemetery – Phase 5 Development (\$51 million); Indiantown Gap National Cemetery, Phase 5 Expansion Development (\$33.1 million); Cape Canaveral National Cemetery, Phase 2 Gravesite Expansion (\$32.7 million); and,

National CM Services IDIQ awards (10 contracts with a \$50 million ceiling price/per contract).

Modernization of Federal Policing: OGC provided legal support to the Department, in revising VA Handbook/Directive 0730 and implementing Executive Order 14074, to modernize training and improve accountability of Federal law enforcement officers, including advising on the implementation of body cameras, accountability reviews, data collection, enhanced training, and discipline.

Ethics: OGC reviewed approximately 13,000 public and confidential financial disclosure reports and provided nearly 9,000 written ethics opinions to employees on a broad range of ethics issues, including conflicts of interest, outside activities, post-government employment, gifts and avoiding endorsements. OGC also advised VA researchers on avoiding conflicts of interest in VA research and worked with the Office of Academic Affiliations to reduce the potential for conflicts of interest in the administration of VA's healthcare education mission. Finally, OGC worked with VHA, VBA and NCA to establish Deputy Designated Agency Ethics Officials for each administration and trained 150 integrity and compliance officers as Deputy Ethics Officials. This leverages OGC's expertise by putting an ethics adviser at each facility to manage basic questions.

Budget Highlights

In 2024, OGC requests \$149.3 million in direct appropriations to support 757 FTE, and \$34.4 million in reimbursable authority for 169 reimbursable FTE, to provide critical legal support and representation necessary for the Department to meet the SECVA's priorities. This request excludes use of the Toxic Exposures Fund (TEF). Please refer to the TEF section at the end of the chapter for more details.

Office of General Counsel Employment and Obligation Classification (\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	300	314	315	334	19	6.0%
Field	535	559	559	592	33	6.0%
Total FTE	835	873	874	926	52	6.0%
Direct obligations						
Personnel compensation	86,200	93,751	92,630	100,824	8,194	8.8%
Personnel benefits	31,346	34,311	34,108	37,149	3,042	8.9%
Travel	376	607	703	717	14	2.0%
Transportation of things	10	16	10	10	0	2.0%
Rents, communications and utilities	1,557	2,350	1,950	2,588	639	32.8%
Printing	312	13	12	12	0	2.0%
Other services	4,310	6,067	5,225	6,238	1,013	19.4%
Supplies and materials	54	103	1,385	1,413	28	2.0%
Equipment	173	115	300	306	6	2.0%
Grants, judgements, interest and insurance		16	25	25	1	2.0%
Subtotal, direct obligations	124,338	137,347	136,347	149,283	12,936	9.5%
Reimbursable obligations						
Personnel compensation	16,677	18,518	17,059	22,201	5,141	30.1%
Personnel benefits	6,270	5,796	6,698	8,712	2,014	30.1%
Travel	165	473	535	608	73	13.7%
Transportation of things		3	3	4	1	22.4%
Rents, communications and utilities		1		1	1	-
Other services	841	906	5,322	2,737	-2,586	-48.6%
Supplies and materials		71	94	104	10	10.2%
Equipment		16	20	22	3	13.5%
Subtotal, reimbursable obligations	23,952	25,784	29,731	34,388	4,657	15.7%
Total obligations	148,290	163,131	166,078	183,671	17,593	10.6%

2024 FTE displayed differs from the Budget Appendix due to a data entry error.

OGC is requesting an additional \$17.6 million above the 2023 enacted to support a total of 926 FTE, including 169 supported through reimbursements. At the 2024 funding level, OGC will continue to manage and implement programs efficiently and deliver critical services effectively. A description of the increases in the OGC request are below:

Adjustments (Increases and Decreases)

Beginning in 2023, OGC will begin charging reimbursable clients for a proportional amount of business operations services required to support OGC's four reimbursable legal service areas – Debt Management Center (DMC), Medical Support and Compliance Act (MSCA), Credit Reform, Procurement Law, and Contract Law.

Beginning in 2023, OGC will transfer the cost of five additional Deputy Chief Counsel positions to reimbursable clients. These positions provide the Supply Fund with direct contract support and management regarding all legal aspects of Supply Fund procurements, including defending the Department against protests and are properly charged to reimbursable accounts.

Current Service adjustments. Adjustments to current services are:

- \$6.571 million increase for a 5.2% pay raise
- \$192,000 increase for non-pay inflation
- \$908,000, for steep increase in administrative costs to implement major enterprise projects, interagency agreements, and contract service costs.
- \$4.382 million increase for above pay inflation for current services to support 35 FTE hired in 2023.
- -\$406,000 for General Administration service level agreement consolidation.

Manage Surge of Claims Appeals: \$369,000 and 2 FTE; OGC anticipates a surge in appeals to the CAVC resulting from the increased output by BVA, as well as an anticipated increase in complex class action litigation. Additional staffing is required to mitigate the risk of remands and adverse precedents that may unduly burden the adjudication process and to provide more timely outcomes for Veterans.

Preventative Law: \$184,000 and 1 FTE; Preventive Law encompasses work which minimizes VA risks. As the Department's legal business partner OGC provides day-to-day guidance, support, and advice to all components of VA's healthcare system. VHA and OGC have collaborated on a preventative law program that would station an OGC attorney at each VISN office to support the Network Director and senior leadership team. The speed at which operational decisions must be made in these large healthcare networks would benefit from onsite legal support, early issue spotting, and risk mitigation. VA's need for Preventive Law has become an area of increased demand.

Employment Law Litigation: \$184,000 and 1 FTE; Employment litigation demands continue in multiple administrative forums and Federal courts. VA demand for OGC legal services continues to increase and surpass staffing levels. Additional staffing is required to support the investigation

of alleged misconduct, advise on sustainable action to discipline or remove employees, and provide litigation assistance in those cases where VA is represented by DOJ.

Expansion of Access to Care: \$184,000 and 1 FTE; The effort to increase Access to Care has created an additional workload in the Foreign Medical Program and care available outside a State, particularly in the Pacific region; telehealth, particularly as it related to prescribing Controlled Substances and 38 U.S.C § 1730C, and managing questions relating to wait time calculations, eligibility for Veterans Community Care Program. VHA is also implementing new or the expansion of several grant programs, resulting in regular reviews of Notices of Funding Availability and Grant Awards, questions concerning the administration of grants, as well as litigation. Additional workload has resulted from the enactment of several programs (e.g., Medical-Legal Partnerships) focused on increasing access to legal services for Veterans and certain other VA beneficiaries. PL 116-315 Section 4202; PL 116-283, Sec. 548.

Protecting VA Intellectual Property: \$184,000 and 1 FTE; Pursuant to 38 U.S.C § 311, the General Counsel is responsible for providing legal guidance to the SECVA concerning the programs of the Department. Historically, VHA has maintained a contract with outside law firms for purposes of providing patent prosecution and other related services. OGC must have a greater role in the administration and use of this contract to ensure the Department is receiving consistent legal guidance that also aligns with the principles and priorities of the Executive branch.

Accreditation Services: \$184,000 and 1 FTE; OGC reviews accreditation applications from organizations and individuals to determine whether they are qualified to assist Veterans with their benefit claims, investigates complaints about representation, and resolves fee disputes by determining whether fees charged for representation are reasonable.

Native Americans serve in the Armed Forces at a high rate but use VA benefits at a lower rate compared to other groups. To improve benefits access for Native American Veterans, OGC initiated the T. REP to improve access to representation within the 574 Tribes. Through T. REP, OGC promotes the General Counsel's authority to specially authorize individuals to assist on benefit claims. OGC plans to enter agreements with Tribes to identify, train, and oversee individuals authorized by the General Counsel to provide VA representation within tribal communities. Further, the number of fee-dispute cases for OGC review has grown dramatically in recent years, rising steadily from 134 cases in FY19 to 425 cases in FY22. Notwithstanding significant process and productivity improvements, the increase has outpaced OGC's ability to timely decide all cases.

Summary of Workload Indicators (Number of Cases)

Product Lines:	FY22 (Actuals)		FY23 (Projected)		FY24 (Projected)	
	Pending FY22	Open FY22	Pending FY23	Open FY23	Pending FY24	Open FY24
Employment Law	6,312	21,010	6,943	23,111	7,638	25,422
Court of Appeals (Appeal of BVA Decisions)	10,222	14,112	11,244	15,523	12,369	17,076
Contract Law (includes DCNPG, RPLG, & PRLG)	9,281	7,393	10,209	8,132	11,230	8,946
Tort Claim Adjudication	2,545	2,309	2,800	2,540	3,079	2,794
Information Law	941	1,796	1,035	1,976	1,139	2,173
Health Law	5,315	11,024	5,847	12,126	6,431	13,339
Benefits Law	6,842	14,868	7,526	16,355	8,279	17,990
Ethics	1,090	8,346	1,199	9,181	1,319	10,099
Revenue	19,975	15,105	21,973	16,616	24,170	18,277
Loan Guaranty	351	9,829	386	10,812	425	11,893
Column Totals	62,874	105,792	69,161	116,371	76,078	128,008
Overall Totals	FY22 Total: 168,666		FY23 Total: 185,533		FY24 Total: 204,086	
* Data provided by OGC MPA Informatics.						
** Data pulled 2/15/2023						

Toxic Exposures Fund Summary

Office of General Council Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126 (\$s in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$s/FTE	%
Employment			124	124	-	0.0%
Obligations			16,082	37,733	21,651	134.6%
Budgetary resources						
Unobligated balance brought forward, Oct 1			4,374	-	(4,374)	-100.0%
Budget authority:						
Appropriations, mandatory	4,374		11,708	37,733	26,025	222.3%
Total, budgetary resources	4,374	-	16,082	37,733	21,651	134.6%
Unexpired unobligated balance, end of year	4,374	-	-	-		

OGC requests \$37.73 million in 2024 to support 124 FTE and for the implementation of the following PACT Act requirements.

CAVC - (Appeal of BVA Decisions): \$32.8 million; the projected Board of Veterans Appeals output of 20,000 appeals in 2024 and 54,000 in 2025 drives a commensurate increase in workload for Court of Appeals Litigation Group (CALG), who typically receives 8-10% of BVA's output. Based on the sweeping scope of the PACT Act legislation, the OGC currently assumes a 10% appeal rate for planning purposes.

Benefits Law Group (BLG) and Health Care Law Group (HCLG): \$2.5 million; BLG and HCLG provide immediate assistance on benefits law matters that will be needed to assist in developing regulations, interpreting novel provisions of the PACT Act, developing and accessing process changes and policy proposals to address increased workload, addressing increased attorney fee disputes resulting from increased claim volume, handling litigation, and meeting other legal needs regarding implementation.

Real Property Law Group: \$1.7 million; The PACT Act appropriates \$998 million and authorizes the VA to enter into 31 major leases at locations throughout the United States. It also provides expanded leasing authority for additional leases not specifically identified or authorized under the Act. The approval process for those leases may be greatly expedited due to approval by a Congressional Committee resolution versus full authorization process. The total appropriation for all major leases would be \$1.8 billion. The Act also greatly expands and makes permanent the VA's Enhanced Use Leasing authority and appropriates \$922 million for that purpose. All these lease transactions are highly complex real estate and financing projects that require sophisticated legal transactional experience. This will be a significant workload increase for RPLG.

Procurement Law: \$1.4 million; OGC anticipates an increase in workload associated with disability claims and exams, which will impact workload in support of VBA contracts for the Medical Disability Examination Office (MDEO), due to increased volume and perhaps changes in examination types. In addition, overall portions of the PACT Act requiring improvements to VA workforce will likely drive the need for high-value support services. Many of those acquisitions will likely be handled by the Strategic Acquisition Center and also meet the threshold for contract law review. That would then entail contract law staff to provide legal support services on procurements, both contract administration and litigation, in the event of bid protests and contract disputes.

Preventative and Personnel Law: \$13.1 million; implementation of the PACT Act will require VA to hire an increased number of employees. With an increased number of employees, VA will realize an increased number of personnel cases, i.e., Equal Employment Opportunity Commission, reasonable accommodation reviews, Merit System Protection Board appeals, personnel action reviews (PARs), employee grievances, Office of Special Counsel (OSC) whistleblower reprisal, Office of Accountability and Whistleblower Protection (OAWP) investigations, and reviews of recommendations for discipline and the resulting PARs.

Management Planning and Analysis Workload Increases (MPA): \$1.1 million; OGC will require additional mission support and logistics support given the significant increase in staffing. The proposed increase to OGC staff is approximately 25% to support the increased mission support workload in the areas of human capital, budget, and information management.

Non-Pay: \$1.1 million; OGC will need additional non-pay to cover the increased cost of travel, training, and contracts needed to support the new staffing levels.



Office of Management

Mission Statement

The Office of Management (OM) provides Departmental leadership, stewardship, and oversight, with a vision for being a trusted advisor and partner in the goal of achieving budgetary, financial, long range investment planning and analysis, and capital asset management excellence. To support our primary customers including the Department's three Administrations, the Board of Veterans' Appeals, the Office of Information Technology, Staff Offices, Congress, and the Office of Management and Budget, we will initiate actions that continue to improve VA's ability to provide timely, reliable, accurate, quality, and cost-effective services. We will strive to increase business efficiencies through standardized processes, maintain effective stewardship over VA resources, increase accountability and transparency, and provide oversight of the Department's financial and business functions.

Summary of Budget Request

In 2024, the Office of Management (OM) is requesting \$89.3 million to support its mission of providing oversight, leadership, and stewardship of the Department's financial, budgetary, and capital asset management functions. Of this, \$88.4 million is in direct appropriations for 334 FTE and \$904,000 is in reimbursable authority to support 5 FTE.

OM uses a multitude of funding types to execute its mission successfully every year. General Administration (GenAd) funding provides government staff to oversee and manage the Financial Management Business Transformation (FMBT) project, as well as funding for service level agreements with other VA offices. GenAd also funds a contract to provide Digital Accountability and Transparency Act (DATA) support. OIT funding is used for IT sustainment enhancement and steady-state costs (system integration, interfaces, hosting, configuration, licenses, etc.). The shift from the Recurring Expenses Transformational Fund (RETF) to IT sustainment is due to a decision by VA leadership to use the RETF to fund infrastructure projects rather than IT software projects. Franchise Fund dollars are used for non-IT program costs, which are billed to VA Administrations and Staff Offices. The increase in the Franchise Fund request is due to changes to FMBT contracts related to the implementation roadmap and the associated change in billing to customers. Supply Fund resources are used for implementation of acquisitions functionality. The decrease in the Supply Fund request is due to changes to the implementation roadmap and the scope of each implementation wave.

(Refer to the Franchise Fund and Supply Fund chapters for additional information about these revolving funds.)

Funding for OM also includes \$720,000 from estimated Enhanced-Use Lease (EUL) receipts and \$184,000 for the Office of Budget for the Budget Line of Business (BLoB) support. Details on these receipts can be found in the Budget Highlights section of this chapter.

Office of Management Budgetary Resources (\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	73,350	78,564	86,434	88,424	1,990	2.3%
Reimbursable obligations	908	900	900	904	4	0.4%
Total obligations	74,258	79,464	87,334	89,328	1,994	2.3%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	3,546	-	8,370	-	-8,370	-100.0%
Subtotal, unobligated balance	3,546	-	8,370	-	-8,370	-100.0%
Budget authority:						
Appropriations, discretionary						
Appropriation	73,726	78,564	78,064	88,424	10,360	13.3%
Subtotal, appropriations	73,726	78,564	78,064	88,424	10,360	13.3%
Offsetting collections	908	900	900	904	4	0.4%
Subtotal, budget authority	74,634	79,464	78,964	89,328	10,364	13.1%
Total budgetary resources	78,180	79,464	87,334	89,328	1,994	2.3%
Unexpired unobligated balance	3,922	-	-	-	-	-

Office of Management
Summary of Budget Request
(\$s thousands)

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Office of the Assistant Secretary	5,903	8,575	15,678	9,830	-5,848	-37.3%
Office of Actuarial Services	736	-	767	975	208	27.1%
Office of Asset Enterprise Management	9,562	10,364	10,364	11,509	1,145	11.0%
Office of Budget	8,556	9,297	9,575	9,991	416	4.3%
Office of Business Oversight	10,953	12,091	14,791	17,208	2,417	16.3%
Office of Finance	16,333	16,479	16,479	19,079	2,600	15.8%
Office of Financial Management and Business Transformation	20,386	20,328	17,600	18,338	738	4.2%
Office of Revolving Funds - Reimbursement Team	921	1,430	1,180	1,494	314	26.6%
Subtotal, direct	73,350	78,564	86,434	88,424	1,990	2.3%
Reimbursable						
Office of Asset Enterprise Management	766	720	720	720	-	0.0%
Office of Budget	142	180	180	184	4	2.2%
Subtotal, reimbursable	908	900	900	904	4	0.4%
Total	74,258	79,464	87,334	89,328	1,994	2.3%

Note: 2023 Enacted includes pay carryover.

Office of Management Summary of FTE Request						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Direct						
Office of the Assistant Secretary	7	12	10	12	2	20.0%
Office of Actuarial Services	3	-	3	4	1	33.3%
Office of Asset Enterprise Management	47	53	53	57	4	7.5%
Office of Budget	38	42	42	42	-	0.0%
Office of Business Oversight	64	64	64	73	9	14.1%
Office of Finance	60	71	71	71	-	0.0%
Office of Financial Management and Business Transformation	37	70	52	68	16	30.8%
Office of Revolving Funds - Reimbursement Team	4	7	5	7	2	40.0%
Subtotal, direct	260	319	300	334	34	11.3%
Reimbursable						
Office of Asset Enterprise Management	5	5	5	5	-	0.0%
Subtotal, reimbursable	5	5	5	5	-	0.0%
Total	265	324	305	339	34	11.1%

Program Description and Accomplishments

OM, under the leadership of the Office of the Assistant Secretary is a multifunctional organization responsible for directing VA’s business activity compliance, budgeting, financial management, long range data-driven program analysis, and capital asset management functions. OM comprises eight organizational elements: the offices of the Assistant Secretary, Actuarial Services, Asset Enterprise Management, Budget, Business Oversight, Finance, Financial Management Business Transformation Service and Revolving funds–Reimbursement team.

The Assistant Secretary for Management is the Chief Financial Officer (CFO). The functions of the Senior Real Property Officer (SRPO) and Chief Sustainability Officer (CSO) reside within OM.

Office of the Assistant Secretary

The Office of the Assistant Secretary and Chief Financial Officer (CFO) advises the VA Secretary on financial stewardship of Department resources and oversees Departmental budgetary and financial management functions. This oversight includes budgetary and financial, budget formulation and execution monitoring, financial management for VA appropriations, revolving funds and key programs and operation.

Accomplishments:

- Winner of the 2022 FedHealthIT Innovation Award. To support the VA mission, we advanced our cloud modernization efforts and held the inaugural VA Data Science hackathon.
- Financial Management Business Transformation Service maintained 99.4% integrated Financial and Acquisition Management System (iFAMS) availability during core working hours from the first go-live in November 2020 through July 29, 2022 and onboarded approximately 2,896 unique users into iFAMS as of July 29, 2022.
- The Financial Services Center completed the data center migration to the Austin Information Technology Center (AITC). This was part of the Data Center Optimization Initiative (DCOI) across all federal government agencies to consolidate IT infrastructures into enduring federal datacenters to deliver better services to the public while increasing return on investment to taxpayers.

Office of Actuarial Services

The Office of Actuarial Services (OAS), under the direction of the Executive Director of Actuarial Services (VA's Chief Actuary), provides coordination and oversight in the development of actuarial estimates, policies and services for the Department. As part of VA's Office of Management, OAS is responsible for developing and monitoring actuarial models to support the mission of ensuring maximum transparency and accountability with respect to actuarial benefit liabilities reported in VA's financial statements. OAS also supports the Actuarial and Benefit Liability Governance Board, Office of Budget, Office of Finance, VBA and VHA with their cost projections, trend analysis, and cost estimates for proposed legislation.

OAS has enthusiastically embraced VA's I-DEA initiatives (inclusion, diversity, equity, access), and strives to make OAS a top-tier destination for qualified actuaries who are looking for a meaningful, interesting, and challenging career in a collaborative and supportive environment.

Accomplishments:

- Established VA's Actuarial and Benefits Liability Governance Board to ensure VA management ensures the reasonableness of the actuarial and benefit liability estimates

associated with VBA and VHA benefit programs that are recorded in VA's financial statements.

- Developed an actuarial surveillance model for the Disability Compensation program that tracks the model's historical performance and prioritizes assumption studies.

Office of Asset Enterprise Management

The Office of Asset Enterprise Management (OAEM) serves as VA's Departmental lead responsible for the corporate-level capital asset management function for VA's real property infrastructure. This function includes serving as the principal policy office and business advisor regarding capital investment selection, via the Strategic Capital Investment Planning (SCIP) process, portfolio management and capital asset disposition. Additionally, OAEM provides guidance, standards and technical expertise and adheres to sound business practices in supporting VA's strategic goals. Moreover, OAEM ensures compliance with all Federal real property and capital asset reporting and statutory requirements and produces a SCIP Long Range Capital Plan as part of the VA Construction and Long-Range Plan, budget Volume IV.

OAEM supports Office of Budget's responsibility to ensure the accurate and informed submission of VA's budget request to OMB and the President's Budget request to Congress by developing the Construction and Long-Range Plan, Volume IV. OAEM staff develop much of the volume resulting from the SCIP process, and coordinate input externally from the Administrations and Staff Offices, including the Office of Construction and Facilities Management.

As part of its asset management activities, OAEM serves as the policy and program office for VA's Energy, Environment, and Fleet Program (EEF), helping ensure VA meets performance and reporting mandates in the areas of energy and water management, vehicle fleet management, and environmental management. Additionally, OAEM serves as the policy, program, and application office for VA's EUL program that helps in combating homelessness for Veterans. The EUL program repurposes underutilized VA real property assets for either supportive housing for homeless Veterans or Veterans at-risk of homelessness, or for providing direct or indirect benefits to Veterans.

Accomplishments:

- OAEM led VA's Sustainability Task Force in the development, concurrence and timely submission of five White House deliverables including VA's 2022 Climate Adaptation Plan (CAP) Progress Report, VA's 2022 Sustainability Plan, and VA's first annual Zero-Emission Vehicle (ZEV), Carbon Pollution-Free Electricity and Buildings Strategic Plans.
- OAEM provided oversight on meeting VA's goals for acquiring ZEVs and installing electric vehicle supply equipment (EVSE). In fiscal year 2022, over 20% of VA's light-duty vehicle acquisitions were ZEVs, and VA purchased 140 dual-port solar charging units to be installed across 34 VA Medical Centers. With GSA providing contractual support, VA also awarded feasibility studies to assess EVSE solutions at 171 VA Medical Centers.

- VA continues to focus on disposal of its unneeded real property assets. During 2022, VA disposed of 71 owned buildings totaling 1,086,733 square feet. VA anticipates disposal of 480 buildings totaling over 4.5M SF in space (Leased & Owned) by 2027. VA's reduction efforts include internal reuse, EUL, or historic outlease where possible.
- VA's EUL program has been instrumental in providing housing to Veterans experiencing and at-risk of homelessness. Since the end of 2022, OAEM executed the first two subleases under the principal developer EUL at the Greater Los Angeles Healthcare System (GLAHS), West Los Angeles, CA Campus. These subleases are part of the largest EUL VA has ever executed. The principal developer will finance, design, develop, construct, maintain and operate at least 900 units of permanent supportive housing. The two subleases for Buildings 402 and 404 will provide 193 housing units, furthering VA's commitment to ending Veteran homelessness in West Los Angeles and nationwide.
- Since October 2022, a total of 60 renovated units became operational at the GLAHS, West Los Angeles, CA Building 207 EUL project. In addition to executing the two subleases as part of the principal developer EUL for West Los Angeles highlighted previously, VA executed the West Los Angeles, CA MacArthur Field I EUL, which will provide 75 newly constructed housing units. Renovation and construction continue on the housing units at the Vancouver I, WA and Dublin, GA EUL projects. These EUL projects will provide a total of 175 housing units.
- OAEM performed property condition assessments at all 73 operational EUL projects, establishing a physical health baseline for the portfolio. Simultaneously, future capital needs were identified, along with any potential life/safety issues needing resolution (currently being addressed). OAEM also conducted site visits at 21 of those EUL projects, engaging with all EUL stakeholders and assessing EUL best practices and needs. These two initiatives served to improve relationships with EUL stakeholders and the efficiency of the Veteran services provided at each EUL and are helping to ensure the continuing physical soundness of each EUL property.
- OAEM created performance metrics and goals to track progress and improve capital asset management in response to Recommendation #3 in GAO Report, *VA Real Property Enhanced Communication and Performance Measurement Could Improve Capital Asset Management*, GAO-22-103962. OAEM established a Metrics Working Group to fulfill GAO's priority recommendation by creating metrics and goals to measure progress and improve capital asset management. The Working Group continues to work toward implementation to reflect these metrics in the 2025 budget cycle.

Office of Budget

The Office of Budget (OB) provides strategic and operational leadership in the development and execution of the Department's budget. OB provides policy guidance, technical assistance, and Department-level oversight of all program budgets to ensure accuracy and consistency with policy,

law, and regulation. OB also provides the Department with an impartial forum to discuss and resolve budgetary issues to ensure Veterans' programs are carried out in an efficient and effective manner.

Accomplishments:

- Implemented improvements in 2019 to the Apportionment and Allowance Workflow Management System and have continued to improve the system with annual updates in capabilities, controls and reporting.
- Proof of concept was developed in July of 2019. Placed in production to support internal submission, OMB Submission and President's Budget submission. In March of 2020, the execution database played a critical role in making COVID-19 reporting from a central data source possible. With support from VA SME's the tool has been applied to also support current PACT Act reporting requirements.
- August 2021 to October 2022 successfully oversaw and managed a contract for the Department's first ever independent lifecycle cost estimate of a major VA acquisition program (the multibillion-dollar Electronic Health Record Management program). In August 2022, initiated oversight and management of a contract for a lifecycle cost estimate of the FMBT system, also referred to as the integrated Financial and Acquisition Management System (iFAMS).
- Beginning 2020 and as an ongoing effort, oversaw budget conversion from the Department's Financial Management System (FMS) to iFAMS. Ensured Staff Offices were fully trained on the new Accounting Classification Structure.
- Beginning Summer 2021 and as an ongoing effort, implemented a new budget structure for GenAd OM+ wave for iFAMS.

Office of Business Oversight

The Office of Business Oversight (OBO) provides oversight of VA's internal control program; ensures compliance with payment integrity legislation; improves prevention and detection of fraud, waste, and abuse; supports audit readiness for modernization of financial systems; provides oversight of key financial systems and processes; ensures compliance with DATA Act reporting requirements and improves grants management.

OBO provides oversight of VA's compliance with the Federal Managers' Financial Integrity Act of 1982 and the internal controls and payment integrity portions of Office of Management and Budget Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. OBO coordinates VA's internal control assessments and reporting at the enterprise-level, including testing of financial controls and preparing the VA's annual statement of assurance.

OBO supports the requirements of the Payment Integrity Information Act of 2019 through oversight of the Department's compliance with improper payment risk assessments, estimation and reporting and identifying opportunities for improvements by evaluating corrective action plans for reducing improper payments. OBO also supports intradepartmental fraud risk assessment activities, through coordination with Administrations and program offices, and conducts targeted reviews and special projects that prevent or detect fraud, waste, and abuse.

OBO ensures new financial systems incorporate internal control best practices in business process requirements and configuration and provides stakeholders with internal control documentation aligning controls to reporting risks. OBO also assesses internal controls used to ensure the accuracy and completeness of data used within key financial management processes and systems and conducts reviews of financial systems to identify potential fraud risks and determine the effectiveness of information technology general controls. OBO also ensures compliance with the DATA Act, USASpending.gov initiative, and other transparency initiatives.

OBO is enhancing grants management support to improve VA's implementation of grants legislative requirements and OMB guidance, help operationalize new grant programs, and provide timely and accurate enterprise-level reporting. In addition, OBO operates the Internal Controls Support Center, funded through the VA's Franchise Fund. The Internal Controls Support Center conducts oversight of external organizations, including grantees, serving Veterans and their families to ensure services are performed in accordance with agency agreements.

Accomplishments:

- Reported VA's largest net reduction to date of \$6.25 billion in improper and unknown payments. Since 2018, VA has reduced improper payments by \$9.6 billion total, a 65% reduction, and removed 7 programs from requirements to report improper payments through effective corrective actions that reduced improper payments below required thresholds.
- Focused on establishing and identifying internal controls in VA's target state business processes by integrating with FMBT, during system configuration for the Office of Management Plus, Enterprise Acquisition, VBA's Loan Guaranty (LGY) program, and Consolidated Wave Stack (CWS) waves.
- Conducted fraud risk survey to identify VA's highest fraud risk programs and facilitated fraud risk assessments with the top 10 high fraud risk programs.
- Performed assessments of the design and effectiveness of VA's controls over ten financial business process cycles covering approximately 99% of VA's liabilities and 25% of VA's assets to support management's assertion on the effectiveness of internal controls over reporting, including controls that prevent or detect fraud, waste, and abuse.

Office of Finance

The Office of Finance (OF), under the direction of the Deputy Assistant Secretary for Finance, currently comprises approximately 61 staff in three sub-offices located in the Washington, D.C. area: the Office of Financial Policy, Office of Financial Audit and Office of Financial Reporting. In addition, there are more than 320 staff located at the Debt Management Center (DMC) in St. Paul, Minnesota. The DMC is a non-appropriated entity funded through the VA's Franchise Fund.

OF establishes financial policy for all VA financial entities, which provides guidance on all aspects of financial management. OF coordinates and prepares the annual Agency Financial Report, which includes VA's audited financial statements. OF provides financial systems support for maintenance and modification of VA's legacy core accounting system, Financial Management System (FMS) while also supporting the implementation of iFAMS by validating standard general ledgers and transactions and managing the consolidation of data and preparation of reports from both FMS and iFAMS. OF oversees VA's debt management.

OF manages the annual financial statement audit engagement and provides Departmental leadership and assistance to VA Administrations and Staff Offices regarding financial process improvement and audit readiness, as well as remediating audit-related material weaknesses and significant deficiencies. OF also conducts Financial Management Training Initiative events to the Administrations and Staff Offices with a focus on improving financial management efficiencies related to the financial management statement audit, financial management systems and controls.

(Refer to the Franchise Fund Enterprise Centers chapter for budget information on DMC and other Franchise Fund operations.)

Accomplishments:

- Achieved VA's 24th consecutive clean audit opinion for the 2022 Financial Statement Audit.
- Received the Association of Government Accountants' Certificate of Excellence in Accountability Reporting for the third consecutive year, including a Best-in-Class award for visual presentation of information and graphic display.
- Published updates to over 70 policies to ensure VA financial practices are compliant with federal laws and regulations.
- Conducted 20 Financial Management Leadership Training events in various areas of finance and financial management across the department.
- Published a regulation change that reduced the number of Veterans referred to consumer reporting agencies by 99%, eliminating the impact of negative information on their credit reports.
- Collected \$1.6 billion in debts.

Office of Financial Management Business Transformation Service

The Financial Management Business Transformation Service (FMBTS) provides strategic and operational leadership over the efforts to replace VA's aging legacy financial and acquisition system infrastructure. FMBTS is responsible for the FMBT program, which is implementing a modern integrated financial and acquisition management solution with transformative business processes and capabilities that enable VA to meet its goals and objectives, ultimately enhancing service to those who serve Veterans VA is migrating to CGI's Momentum solution, configured for VA as iFAMS, leveraging VA's Enterprise Cloud offering. This modern, cloud-based system provides automated internal controls and edit checks to improve data quality, reduce error-prone manual data entry and eliminate manual reconciliations between legacy systems. Through iFAMS, the program is increasing the transparency, accuracy, timeliness, and reliability of financial information across VA, resulting in improved fiscal accountability to American taxpayers and increased opportunity to improve services to those who serve our Veterans.

To build greater continuity between FMBTS and iFAMS preparedness efforts at the Financial Services Center (FSC), the Deputy Assistant Secretary for FMBTS coordinates closely with FSC's Executive Director. This partnership integrates operations between the two organizations to ensure a smooth transition from delivery to operations to best serve the needs of VA Administrations and Staff Offices.

Accomplishments:

Financial Management Business Transformation Service:

- Completed and deployed iFAMS EZ Receipts module functionality, simplifying the process for end users.
- Finished VHA pre-wave activities for Accounting Classification Structure (ACS), data cleanse, and enterprise modernization coordination.
- Completed upgrade to Momentum 7.9 and began process to upgrade to Momentum 8.0
- Went live with the Enterprise Acquisition implementation wave in support of NCA.
- Updated and expanded the FMBT Life Cycle Cost Estimate to include costs through 2047, which is the projected end of life for iFAMS.
- Went live with the Office of Management Plus (OM+) implementation wave.
- Gained approval from the VA Deputy Secretary for a two-phased approach for the VHA iFAMS implementation.

- Began pre-initiation activities for the Phase 1 Interim-State VHA wave.
- Processed 2,148,046 transactions and remitted \$6.077 billion in payments to the Department of the Treasury as of February 3, 2023.

Financial Services Center:

- The iFAMS Service Desk sustained an overall 95% satisfaction rate related to the support provided to customers and resolved over 11,440 cases.
- Enhanced fraud mitigating strategies within the Customer Relationship Management (CRM) system to incorporate an Authorized Representative Validation (ARV) List, which establishes verified approving officials within a company that is authorized to request Vendor File Changes.
- Successfully conducted a G-Invoicing pilot in 2022 for internal VA agreements. As of September 30, successfully conducted a G-Invoicing pilot for internal VA agreements with 4,145 total VA users in the G-Invoicing Application.
- Offered 17 separate iFAMS courses while continuing to offer 10 FMS Operational courses. As of September 30, 2022 a total 117 sessions were facilitated with over 3,320 students participating for the fiscal year.
- Resolved over 16,000 Accounting Classification Structure related data cleanse issues for the Office of Management and Staff Offices impacting over 139,000 transaction lines.
- Processed 5.7 million medical claims for \$3.1 billion in disbursements with 99.99% paid within 30 days and an average turnaround of 14.7 days (a 39% decrease from 2021).
- Migrated two product lines from the legacy claims adjudication platform to the modernized Electronic Claims Adjudication Management System (eCAMS) platform and launched the eCAMS Provider Portal with enhanced provider enrollment security.
- Successfully transitioned 10 VHA stations (25,000 employees) under Payroll Centralization; managed a 24% increase in employees supported.
- Increased annual revenue by \$3.3 million.

Summary of FMBT Budget Request

Office of Management FMBT Summary of Budget Request (\$s millions)			
FMBT Summary of Budget Request	2023 Enacted Budget	2024 Request	2024-2023 Increase (+) Decrease (-)
Direct			
General Administration (Office of Management – FMBT)	17.6	18.3	.7
Subtotal, Direct	17.6	18.3	.7
Information and Technology:			
Information and Technology Sustainment – Enhancement	103.1	119.5	16.4
Information and Technology Sustainment – Steady State	19.8	24.7	4.9
Recurring Expenses Transformational Fund	-	-	-
Subtotal, Information and Technology	122.9	144.2	21.3
Other Fund			
Franchise Fund	145.9	175.9	30.0
Supply Fund	72.7	56.2	-16.5
Subtotal, Other Fund	218.6	232.1	13.5
Total	359.1	394.6	35.5

Note: Due to rounding table totals \$394.6, however VASEC’s budget testimony total is \$394.7

Office of Revolving Funds–Reimbursement Office:

The Reimbursement Office (RO) continues to provide Department-level support and work directly with the buyers and sellers of services through Intra-Agency Agreements. RO oversees and manages centralized functions for Staff Office agreements as the provider (seller) of services. The RO staff streamlined recordkeeping by instituting processing agreements through an in-house SharePoint site where the staff analyzes agreements for purpose, validity, fair cost distribution, and execution of funds. RO works with FMBT and VA’s FSC to ensure smooth implementation of two new financial reporting systems by identifying potential conversion risks, training and account structure. In addition, RO instructed a timeline to ensure issuance of agreements for accurate administrative processing between buyer/seller activities and timely return of unused funds to the customers. Also, RO continues to aid, provide guidance, and answer questions about navigating the Government Invoicing (G-Invoicing) system. The RO staff held several informational and navigational sessions with Staff Offices to assist the sellers’ navigation through

their various phases of the reimbursement agreement process within G-Invoicing. RO's expertise is known throughout the department and provided G-Invoicing training sessions and help desk support to other VA organizations' financial management staff members.

Accomplishments:

- Secured funds for Defensive Counterintelligence program to provide oversight to prevent a breach in patient information, and for the Veterans Experience Office program to reduce or prevent Veterans Suicide.
- Facilitated a Tiger Team to manage the separation of Alternative Dispute Resolution (ADR) services from Office of Resolution Management, Diversity, and Inclusion (ORMDI). Supported ADR in developing their accounting structure, guiding them in reflecting in corrective payroll actions and issuance of their costs for separated services. Assisted buyers needing guidance about the transition from ORMDI to ADR for services and cost changes and worked with buyers to obligate funds to pay for ADR's operations. This resulted in ADR's costs being accurately reflected in VA's accounting system and allowed ADR to fully function with no gap in services.
- In preparation for iFAMS, conducted extensive data cleanse of revenue source codes, undeliverable orders, and closure for outstanding agreements with external agency. Resulted in successful trial balance report with no outstanding transactions. Assisted in developing a Summary Agreement Table to capture costs for earned services. To understand new system conversion in comparison to business practices, participated in User Acceptance Training to crosswalk practice to new system to record financial transactions and implemented new business processes. Featured and briefed other stakeholders during the FMBT Network Channel as a Change Champion.
- Served as G-Invoicing User Administrators for the Gen Ad appropriation. Recertified super users to ensure no lapse in access to process agency agreements swiftly and timely. Managed the process to issue over 200 user accounts. Overseen database entries for 1,000+ reimbursable interfund agreements through a three-step process.
- Key influencer in the Secretary's Human Infrastructure Plan for VA which recently raised the Child Care Subsidy Program income cap to include families who earn up to \$149,000 per year. RO managed a strategic plan to inform buyers the need to fully fund agreements starting next fiscal year. Gained buy-in from requesting organizations through briefings, customer notification, and issuance of full funding memo. Guided the need to change SF-132 OMB apportionment requests for Staff Offices to secure ability to pay vendors timely, avoid financial hardships, and operate without funding constraints upon the beginning of a new fiscal year.

Budget Highlights

OM is requesting an additional \$10.4 million above the 2023 Enacted level (excluding \$8.370

unobligated balance brought forward) to support a total of 339 FTE, including 5 supported through reimbursements. At the 2024 funding level, OM will continue to manage and implement programs efficiently and deliver critical services effectively.

Office of Management Employment and Obligation Classification ((\$ thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	201	191	241	266	25	10.4%
Field	64	133	64	73	9	14.1%
Total FTE	265	324	305	339	34	11.1%
Direct obligations						
Personnel compensation	36,467	49,457	49,212	48,536	-676	-1.4%
Personnel benefits	14,530	17,140	16,940	18,086	1,146	6.8%
Travel	108	392	392	618	226	57.7%
Rents, communications and utilities		22	21		-21	-100.0%
Printing	27	11	11	33	22	200.0%
Other services	22,164	11,455	19,771	21,064	1,293	6.5%
Supplies and materials	55	53	53	66	13	24.5%
Equipment		34	35	21	-14	-40.0%
Subtotal, direct obligations	73,350	78,564	86,434	88,424	1,990	2.3%
Reimbursable obligations						
Personnel compensation	556	565	565	565	-	0.0%
Personnel benefits	210	155	155	155	-	0.0%
Other services	142	180	180	184	4	2.2%
Subtotal, reimbursable obligations	908	900	900	904	4	0.4%
Total obligations	74,258	79,464	87,334	89,328	1,994	2.3%

Note: 2023 Enacted includes pay carryover

The 2024 request of \$89.3 million in total budgetary resources will provide:

\$88.424 million in direct budget authority for:

- The Office of the Assistant Secretary with \$9.8 million and 12 FTE for management oversight and direction of critical Department-wide initiatives underway in OM. The funding will also support pay for the Workers' Compensation and State Unemployment costs for the Gen Ad Staff Offices.
- The Office of Actuarial Services with \$975,000 to support four FTE to support its mission and budget operations.
- The Office of Asset Enterprise Management with \$11.5 million to support 57 FTE, (plus reimbursable authority for five additional FTE through expected EUL proceeds for a total of 62 FTE) to continue providing services as the principal policy office and business advisor for investment selection and execution, portfolio management and disposal of VA capital assets.
- The Office of Budget with \$10 million and 42 FTE to support its mission and budget operations. This funding level supports budget formulation, justification, and execution at the Department level, as well as budgetary analysis and oversight for a complex and increasing VA budget. The request will enhance the Department's ability to make informed decisions in the most cost-effective and transparent manner.
- The Office of Business Oversight with \$17.2 million to support 73 FTE to continue providing oversight of VA's internal control program; ensuring compliance with improper payments legislation; improving prevention of fraud, waste, and abuse; supporting modernization of financial systems; providing oversight of key financial systems and processes; and improving grants management.
- The Office of Finance with \$19.1 million to support 71 FTE to continue providing financial management services to the Department. The request also supports services for financial policy, analysis, statement preparation, reporting, systems support and maintenance, operations, charge card programs, financial process improvement, conference planning and execution, audit readiness, and leadership for remediation of audit-related material weaknesses and significant deficiencies. This budget authority will also provide resources to enhance financial skills of VA employees through certification and training.
- The Office of Financial Management Business Transformation Service (FMBTS) with \$18.3 million to support 68 FTEs to provide leadership and dedicated subject matter experts to manage planning activities, develop systems requirements and configurations, perform data cleansing and data migration, perform testing activities, and deliver training in preparation for modernizing VA's financial and acquisition management systems through deploying the iFAMS solution. VA's legacy FMS is over 35 years old, and the difficulty in maintaining this legacy system presents significant risk to VA. Should FMS fail or otherwise become inoperable, it would impact the Department's ability to execute its budget, pay vendors and Veterans and produce financial statements.
 - The budget will support multiple simultaneous wave implementations across VA, including OM; OM-supported Staff Offices; VA revolving funds; VBA Loan

Guaranty and Insurance; the Office of Acquisition, Logistics, and Construction; the Office of Construction & Facilities Management: Major Construction; the Office of Information and Technology; and the VHA Central Office. Funding also supports planning for future FMBT efforts.

- The Office of Revolving Funds–Reimbursement Office with \$1.5 million and seven FTE to oversee and manage the Staff Offices’ intra-agency reimbursable agreement program, while continuing the process of communicating requirements and maintaining accountability of the reimbursement process across the Department.

\$904,000 in reimbursable authority for:

- \$720,000 in receipts from EULs to support five corporate-level capital asset management FTE in OAEM.
- \$184,000 for the Office of Budget BLoB support. This support includes the *Congressional Justification Management System Tool* used to collaborate with OMB and other VA offices on the annual budget volumes, and the *Funds Control Management System* which allows VA to process apportionments with OMB, and issue Financial Management Allowances and Transfer of Disbursing Authority documents within the Department.

Adjustments (Increases and Decreases)

The 2024 request reflects a net increase of \$10.4 million above the 2023 Enacted Budget. This increase consists of:

- \$3,463,000 for a 5.2% pay raise
- \$439,000 for non-pay inflation
- -\$762,000 for a discontinued audit data Service Level Agreement (SLA) between the Office of Actuarial Services and the FSC
- \$808,000 for above-inflation increases for current services
- \$1,770,000 for General Administration (GenAd) Service Level Agreement (SLA) Consolidation. This functional transfer among eight GenAd Staff Offices increases resources for OM and is offset by decreases in seven other GenAd Staff Offices that have direct appropriations. This consolidation reduces the current number of agreements from 78 to 26 and saves reduces the number of hours staff must dedicate to managing these agreements and increases efficiency. The agreements cover services and benefits that the various GenAd Staff Offices pay for or provide to, on a reimbursable basis, other GenAd Staff Offices. The services and benefits are: Veterans Experience Office (VEO) services provided to the Office of the Secretary of the VA (OSVA); Office of General Counsel’s payments to DoD for use of its Financial Disclosure Management (FDM) system; Human

Resources and Administration/Office of Security and Preparedness's (HRA/OSP's) Alternative Dispute Resolution (ADR) services, Child Care Subsidy Program (CCSP), payments to Washington Metro Area Transit Authority (WMATA) for mass transit benefits, the Office of Resolution, Management, Diversity & Inclusion's (ORMDI's) services, Personal Identity Verification (PIV) services and Access Identity Management (AIM) services; and the Office of Public and Intergovernmental Affairs' (OPIA's) Government Delivery services and News Media services.

- \$1,650,000 and 7 FTE to create a centralized grants management office to improve VA's implementation of statutory grants requirements and OMB guidance, help operationalize new grant programs, and provide timely and accurate enterprise-level reporting for the Office of Business Oversight
- \$219,000 for 1 FTE to support VHA actuarial analysis and modeling for the Office of Actuarial Services
- \$459,000 for 2 FTE staff assistants and 1 FTE graduate student for the Assistant Secretary for Management
- \$655,000 and 4 FTE to expand clean energy, improve efficiency, and otherwise prepare VA for responding to the climate change crisis; and develop housing for homeless Veterans at Greater Los Angeles Healthcare System, West Los Angeles, and support transition of the Strategic Capital Investment Plan system for the Office of Asset Enterprise Management
- \$1,500,000 to recompile new financial audit and financial training solicitations, as well as lease support implementation for the Statements of Federal Financial Accounting Standards (SFFAS) 54, for Office of Finance.
- \$159,000 for Training and Travel

PACT ACT

OAEM led multiple efforts supporting and following enactment of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act). The PACT Act fulfills multiple administration priorities allowing the transfer and acceptance of funds between the Departments for the planning, design and leasing of shared medical facilities; VA leasing streamlining and includes an expansion of EUL authority. OAEM is leading VA and DoD efforts identifying candidate joint project opportunities for inclusion in future VA and DoD capital plans for the benefit of Veterans, Service Members and Taxpayers. OAEM was also responsible for creating VA spend plans for both the VA leasing and the new EUL authority funds. OAEM is not seeking resources from the Toxic Exposures Fund in 2024.



Human Resources & Administration / Operations, Security & Preparedness

Mission Statement

Human Resources & Administration/Operations, Security & Preparedness (HRA/OSP) leads the development and oversight of human capital strategies, policies and practices while managing the Department's preparedness, law enforcement and security capabilities to cultivate an engaged, diversified, skilled and resilient workforce. HRA/OSP also coordinates VA's "Fourth Mission" supporting national efforts to prepare for, respond to, and recover from natural disasters, acts of terrorism, and man-made catastrophes.

Summary of Budget Request

For 2024, HRA/OSP requests \$120.9 million in direct appropriations to support 377 Full Time Equivalent (FTE) and \$273.9 million in reimbursements and 1,054 FTE to support the HRA/OSP mission. 2024 direct appropriated funding increases by \$9.5 million in comparison to the 2023 requested amount, of which approximately \$3.9 million is devoted to current service adjustments for the 2024 pay raise and increased non-personnel costs.

HRA/OSP remains committed to meeting the Department's human capital management requirements and providing for a safe workplace environment for our employees and Veterans. To that end, HRA/OSP requests enhancements in direct funding totaling \$5.6 million for the following:

- In 2024, the Office of Administration (OA) requests an additional \$3.8 million and 6 FTE to support the future of workspace initiatives, furniture and the overall facility management for eight VA Central Office (VACO) facilities and over 6,000 VA employees. The staff enhancements will ensure the campus is compliant with all Federal Emergency Management Agency (FEMA), Occupational Safety and Health Administration (OSHA), General Services Administration (GSA), and VA standards relating to safety and space management. These additional resources will also oversee and mitigate gaps in facilities management staff that addresses over 600 monthly service work orders.
- The Office of Emergency Management and Resilience (OEMR) requests an additional \$595,000 and 2 FTE. These additional resources will provide VA Leaders with a better understanding of risk, including climate risk, to essential functions, facilities, supporting

infrastructure, supply chain, and other key services/lifelines through enhanced capability and capacity to conduct geospatial and all-source intelligence activities. This enhanced senior leader decision support strengthens the Department's risk awareness, mission assurance, and overall resilience.

- The Office of Security and Law Enforcement (OSLE) requests an additional \$1.2 million to authorize the hiring of 5 FTE to enhance the Department's oversight mission of VA's police force to include its services, inspections, criminal oversight, and investigations. Additionally, VA's Office of Inspector General (OIG) recommended in 2018 and 2022 to authorize sufficient staff for OSLE to inspect the VA police forces. This request is an initial step towards addressing OIG's findings.

HRA/OSP also provides enterprise-wide services for VA customers and is requesting to collect additional resources for the following:

- To comply with section 402 of the 2023 Consolidated Appropriations Act, VA will realign VHA's Equal Employment Opportunity program managers and assistants (334 FTE) to the Office of Resolution Management, Diversity and Inclusion (ORMDI). ORMDI will collect a total of \$145.4 million for a total of 766 FTE and non-pay requirements. Besides the 334 VHA realigned FTE, ORMDI will grow by an additional 26 FTE to support the realignment. Additionally, ORMDI was identified to coordinate the Department of Veterans Affairs (VA), Section 504 Compliance Program which supports data transformation in alternate formats for the visually impaired VA employees. This effort is on-going and requires continuous collaboration with relevant stakeholders to achieve compliance. Included in ORMDI's budget, this effort is \$5.6 million in 2023 and will increase to \$5.7 million in 2024.
- Additionally, OEMR's 2024 reimbursement request includes \$1.6 million for VA's Defensive Counterintelligence (DCI) program to expand defensive counter-intelligence activities including protection of intellectual property and mitigating insider threats.
- To support the full transition from the legacy Personal Identity Verification (PIV) card system to the USAccess PIV program, the Office of Identity, Credential, and Access Management (OICAM) requests \$68.3 million to support the re-issuing of all V7 PIV cards with USAccess V8.1 PIV cards prior to the deadline of June 30, 2024. Implementing the new USAccess program requires a onetime enrollment for a PIV user including health professional trainees, workers without compensation and volunteers as well as monthly PIV maintenance for all non-terminated users.
- In the Office of Management, Planning and Analysis (MPA), reimbursements will increase for the department's Child Care Subsidy Program (CCSP) to \$8.4 million. This increase enables VA's threshold policy adjustment on annual total household income (THI) from \$90,000 to \$149,000. CCSP benefits qualifying VA employees and serves as a recruitment and retention incentive.
- In 2024, VA looks to establish a VACO HR Service Center (HRSC). A phased approach will be used to realign VACO staff office HR services from the Administrations HR services providers to HRA/OSP beginning in 2024 and into 2025. When fully transitioned, HRSC is expected to provide HR services support to approximately 18,000

VACO employees. HRSC will collect approximately \$33.5 million to resource 200 FTE for HR services provided for VACO customers.

- Alternative Dispute Resolution (ADR) will increase from \$4.6 million to \$7.8 million. ADR is replacing legacy tracker to enterprise cloud, resulting in system maintenance fees during transition period. In addition, the increased costs are needed for more personnel to support demand for onsite and virtual training sessions
- Additionally, HRA/OSP is in the process of realigning resources from the Office of Identity, Credential & Access Management, Access & Identity Management (AIM) to VA's Office of Information & Technology. This realignment is in response to OIG recommendations and will likely take place by the end of 2024.

Office of Human Resources & Administration/ Operations, Security & Preparedness						
Budgetary Resources						
(\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	102,953	111,394	111,394	120,900	9,506	8.5%
Reimbursable obligations	118,126	144,695	144,586	273,920	129,334	89.5%
Total obligations	221,079	256,089	255,980	394,820	138,840	54.2%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	514	-	-	-	-	-
Subtotal, unobligated balance	514	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	103,646	111,394	111,394	120,900	9,506	8.5%
Subtotal, appropriations	103,646	111,394	111,394	120,900	9,506	8.5%
Offsetting collections	118,126	144,695	144,586	273,920	129,334	89.5%
Subtotal, budget authority	221,772	256,089	255,980	394,820	138,840	54.2%
Total budgetary resources	222,286	256,089	255,980	394,820	138,840	54.2%
Unexpired unobligated balance	1,207	-	-	-	-	-

Office of Public & Human Resources & Administration/ Operations, Security & Preparedness
Summary of Budget Request
(\$s thousands)

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Office of Assistant Secretary	5,894	6,071	6,071	6,188	117	1.9%
Office of Chief Human Capital Officer	13,644	15,736	15,736	16,532	796	5.1%
Office of Labor-Management Relations	4,861	4,316	4,316	4,529	213	4.9%
Office of Management, Planning, and Analysis	15,048	14,442	14,442	14,859	417	2.9%
Office of Administration	31,982	35,319	35,319	39,857	4,538	12.8%
Office of Corporate Senior Executive Management Office	6,605	8,055	8,055	8,415	360	4.5%
Office of Chief Security Officer	1,106	814	814	1,362	548	67.3%
Office of Chief of Police	255	313	313	328	15	4.8%
Office of Security and Law Enforcement	11,493	11,768	11,768	13,474	1,706	14.5%
Office of Identity, Credential & Access Management	3,020	3,486	3,486	3,665	179	5.1%
Office of Emergency Management & Resilience	9,045	11,074	11,074	11,691	617	5.6%
Subtotal, direct	102,953	111,394	111,394	120,900	9,506	8.5%
Reimbursable						
Office of Assistant Secretary	55	4,576	-	-	-	-
Office of Chief Human Capital Officer	3,775	-	4,821	41,315	36,494	757.0%
Office of Management, Planning, and Analysis	5,194	7,074	6,865	8,427	1,562	22.8%
Office of Administration	5,121	8,509	8,364	8,917	553	6.6%
Office of Resolution Management, Diversity and Inclusion	71,339	86,481	86,481	145,408	58,927	68.1%
Office of Identity, Credential & Access Management	31,737	36,660	36,660	68,244	31,584	86.2%
Office of Emergency Management & Resilience	905	1,395	1,395	1,609	214	15.3%
Subtotal, reimbursable	118,126	144,695	144,586	273,920	129,334	89.5%
Adjustments	-	-2,894	-2,858	-6,204	-3,346	-
Total	221,079	256,089	255,980	394,820	138,840	54.2%
Note: 2022 Adjustments are included in the reimbursable subtotal						

**Office of Human Resources & Administration/ Operations, Security &
Preparedness
Summary of FTE Request**

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Direct						
Office of Assistant Secretary	15	19	19	19	-	0.0%
Office of Chief Human Capital Officer	74	82	82	82	-	0.0%
Office of Labor-Management Relations	19	21	21	21	-	0.0%
Office of Management, Planning, and Analysis	35	38	38	38	-	0.0%
Office of Administration	45	53	53	59	6	11.3%
Office of Corporate Senior Executive Management Office	27	35	35	35	-	0.0%
Office of Chief Security Officer	5	3	3	3	-	0.0%
Office of Chief of Police	1	1	1	1	-	0.0%
Office of Security and Law Enforcement	40	44	44	49	5	11.4%
Office of Identity, Credential and Access Management	19	20	20	20	-	0.0%
Office of Emergency Management and Resilience	41	48	48	50	2	4.2%
Subtotal, direct	321	364	364	377	13	3.6%
Reimbursable						
Office of Assistant Secretary	-	25	-	-	-	-
Office of Chief Human Capital Officer	21	-	26	230	204	784.6%
Office of Management, Planning, and Analysis	9	10	9	13	4	44.4%
Office of Administration	17	18	18	18	-	0.0%
Office of Resolution Management, Diversity and Inclusion	302	406	406	766	360	88.7%
Office of Identity, Credential and Access Management	11	19	19	19	-	0.0%
Office of Emergency Management and Resilience	8	8	8	8	-	0.0%
Subtotal, reimbursable	368	486	486	1,054	568	116.9%
Total	689	850	850	1,431	581	68.4%
Note: 2024 FTE displayed differs from the Budget Appendix due to a data entry error.						

Program Description and Accomplishments

Office of the Assistant Secretary (OAS)

OAS provides oversight and strategic direction for VA's human resources policies, programs, and practices and enables VA's mission by providing a safe environment that always protects people and assets. Additionally, the ASHRA/OSP serves as the Equal Employment Opportunity (EEO) Director for the Department, the Designated Agency Safety and Health Official (DASHO), and VA's Dispute Resolution Specialist, including Alternative Dispute Resolution policy and oversight.

Accomplishments:

- In accordance with CDC and Safer Federal Workforce Taskforce, maintained VA-wide guidance through "Charting the Course: Maintaining Continuous Services to Veterans while Supporting a COVID-19 Safe Workplace" to VA's workforce. This document provided a framework for VA to protect its workforce and safely maintain continuous services to Veterans in accordance with federal requirements.
- Continues to oversee workforce plans, personnel policies and timelines coming off maximum telework in a hybrid workforce environment. Continues to work with the Office of Personnel Management (OPM) and Office of Management and Budget (OMB).
- Continues to develop an implementation plan for VACO HR Services Center to standardize HR services and better meet the needs of all central office customers. The transition is expected to begin in 2024 and will reduce inconsistencies in delivering HR services and improve procedures and processing times.
- Integrated human capital management efforts with executive-level representation from VA Central Office HRA/OSP, the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA) and the National Cemetery Administration (NCA), through weekly meetings with a focus on enterprise priorities, The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act planning; COVID-19 management; Executive Orders implementation; Shared Services; Customer Service/Employee Engagement; and Enterprise Employee Development.
- Made significant progress towards acculturating position management and organizational structure principles driving standardization and efficiencies throughout. These efforts utilize management tools, manpower manning documents and reports, organizational design, and defensible (workload and mission based) manpower requirement determination analysis processes. As VA's workforce management capabilities continue to expand, staffing data will better position VA to identify and overcome staffing gaps with more fidelity.
- Reengaged with national unions on master level agreements and the implementation of numerous human capital and security related legislation and executive orders.

(Refer to the Revolving Franchise Fund chapter for budget information on the Human Capital Services Center (HCSC) operations, Center for Enterprise Human Resource Information Systems (CEHRIS), Personnel Security Adjudication Center (PSAC), and Law Enforcement Training Center (LETC))

Office of the Chief Human Capital Officer (OCHCO)

OCHCO provides governance, policy, and guidance regarding recruitment, staffing, enterprise-wide HR systems, classification, compensation, leave, performance management, recognition, work-life and benefits, workforce and succession planning, employee and labor relations, learning and development and ADR.

Accomplishments:

- Worked with OPM and other agencies to implement special salary rates to increase the minimum wage to \$15 per hour and pursued through the Federal Prevailing Rate Advisory Committee opportunities to improve wages for VA employees who fall under the Federal wage system.
- Assisted with helping pass the VA Nurse and Physician Assistant Retention and Income Security Enhancement (RAISE) Act (P.L. 117-103); thus, increasing the maximum salary for Physician Assistants, RNs and Advanced Practice Nurses. Implementation of the RAISE Act began in March 2022, with validation of pay adjustment requests leading the team to update pay schedules in HRSmart.
- Assisted with passing of the PACT Act of 2022. OPM approved OCHCO's request for direct hire authority (DHA) needed in response to the PACT Act. VA requested DHA on behalf of the Administrations and Staff Offices. VA and its components must fill Human Resources Management positions quickly to address the increase of new claims; approximately 3.5 million Veterans could now become eligible due to toxic exposure to toxic chemicals during their military service.
- Collaborated with VHA on submitting 38 human capital-related legislative proposals to VA's legislative review panel for consideration focused on improving compensation for physicians, pharmacists, Network Directors and Medical Center Directors, nurse executives, and clinical and administrative occupations, among other topics.
- Published 24 policies and communicated human capital information in over 70 bulletins related to work-life programs; employee relations; compensation and pay; recruitment and onboarding; classification; Coronavirus Disease (COVID-19) related extensions, expedited hiring authority for College Graduates and Post-Secondary Students, Human Capital Information Systems, and other recruitment and staffing policy- related information.
- To address critical hiring needs, obtained DHA covering 12 occupations thru December 31, 2023, in support of the VA Choice and Quality Employment Act of 2017 and 6 COVID-19-related DHAs (covering 32 occupations) through June 30, 2023.
 - Coordinated with OPM and received approval to extend the following authorities:

- 1) Extension of dual compensation (salary offset) waivers for reemployed annuitants hired in support of the COVID-19 national emergency through June 30, 2023; and
 - 2) Extension of authority to waive the 25% limit on recruitment, relocation, and individual retention incentives, and the 10% limit on group retention incentives for certain occupations responding to workload surges due to COVID-19 through April 17, 2023.
- In accordance with the Coronavirus Aid, Relief, and Economic Security Act, submitted 10 reports on waivers approved by VA to the House and Senate Committees on Veterans' Affairs. The reports included data on approved waivers for the biweekly limitation on premium pay, the annual limitation on premium pay and the aggregate limitation on pay.
- Issued two continuous and timely notices of Department of Homeland Security/Immigration and Customs Enforcement Remote I-9 Extension to allow for continued remote verification of employment eligibility and seamless hiring during maximum telework periods because of COVID-19 restrictions.
- Submitted VA's Assessment Strategy and plan to OPM and the Office of Management and Budget, outlining the Department's plan to work toward compliance with Executive Order 13932.
- Provided two quarterly reports to OPM on the use of OPM's approved authority that enabled VA to waive the dual compensation (salary off-set) restrictions to reemploy individuals needed to work in support of COVID-19 response efforts.
- Worked with OPM to develop new occupational series for Licensed Professional Mental Health Counselors and Marriage and Family Therapists in accordance with the Congressional mandate found in Public Law 116-171, § 501 (b), Commander John Scott Hannon Veterans Mental Health Care Improvement Act of 2019.
- Promoted hiring of Veterans and military spouses in VA workforce through a comprehensive outreach strategy. This strategy included collaboration with VA Administrations in support of hosting over 8,395 Veterans, transitioning Service members and military spouses at over 10 G.I. Jobs Virtual Career Expo events in addition to 15 outreach events with Veteran Service Organizations, Department of Defense Spouse Education and Career Opportunities Program and Military Spouse Employment Partnership.
 - To date, these events have produced 497 employment, training and benefits related posts on VA for Vets website in addition to one full page ad for the 2022-Armed Forces Day Magazine in support of the ChooseVA campaign.
- Implemented VA's ICT SkillBridge Program and newly revised VA Warriors to Workforce Intern Program highlighting the 1102 Contract Specialist.
- Researched and resolved 98% of the Uniformed Services Employment and Reemployment Rights Act cases throughout VA and partnered with Employment Support for the Guard and Reserves to resolve five cases (January 11, 2022, through August 26, 2022) and prevent formal violations found by the Department of Labor.
- Conducted review of seven DHA and one Schedule A data-driven reports to ensure Governmentwide and agency-specific appointing authorities do not violate regulatory

requirements for permanent and time-limited appointments in the competitive and excepted service.

- Completed a two-year succession planning pilot program implementing standardized criteria for analyzing VA leadership and mission critical positions.
- Re-instituted the National Partnership Council with the five national labor unions and established sub-committees to make recommendations to the Secretary on Pre-Decisional Involvement, Human Resources, Worker's Compensation, Information and Technology, Employee Benefits, Time and Leave and Training.
- Re-started the National Training and Education Committee meetings.
- Engaged in a limited reopening of the 2011 American Federation of Government Employees (AFGE) Collective Bargaining Agreement to address 12 articles of highest interest to AFGE and VA.
- Responded to over 65 arbitrations, national grievances, unfair labor practices, COVID-19, and other labor relations cases.
- Conducted 34 briefings and meetings with VA national unions on various VA policies and OCHCO Bulletins.
- Coordinated the mass restoration of annual leave for over 19,000 VA employees affected by the COVID-19 exigency through the Defense Finance Accounting Service and VA Financial Services Center.
- Updated and republished VA's employee occupational health services policy, to include revision of the agency's domestic violence policy.
- Developed, implemented, and provided OPM with VA's 2022 Retirement Financial Literacy and Education Program Plan designed to provide financial education opportunities to employees throughout their careers and provide HR practitioners with tools and guidance on conducting financial literacy activities at their facility.
- Successfully managed the transition of the ADR program from ORMDI to OCHCO.
 - The ADR program has conducted approximately 200 trainings across the U.S. and resolved 86% of non-EEO workplace ADR cases and has seen a 10% increase in the participation of ADR for informal EEO complaints from 55% to 65%.

Human Capital Services Center (HCSC)

HCSC provides a franchise fund capability to support learning and development across the Department. Driven by VA's strategic objectives and customer needs, HCSC transforms business operations by modernizing systems and focusing resources more efficiently, and empowering a diverse, fully staffed and highly skilled workforce that consistently delivers world-class service to Veterans and their families. HCSC provides common human capital support services on a fee-for-service basis. These products and services include learning management systems and programs, employee safety and accountability services, internship programs and learning content curation for nearly 630,000 VA employees, contractors, volunteers, and academic affiliates.

As the provider for Department-wide learning and development resources, HCSC builds and purchases customizable, scalable, and easily upgradable products and services to meet customer

needs. HCSC products and services reduce costs, streamline processes, and save VA employees time to focus on delivering the best care and service to our Veterans.

Accomplishments:

- Conducted two week-long Leadership VA virtual sessions with 70 hours of developmental content across 59 events with 41 guest speakers, including 19 Senior Executives. Initial feedback was overwhelmingly positive, 89% agreed content was relevant to their work and development, 90% agreed they gained new leadership insight and knowledge, 93% would recommend the program to others, 100% agreed information was presented in a fair and unbiased manner.
- Implemented a Talent Management System 2.0 (TMS 2.0) career development solution to support transformation initiatives in VHA's Office of Health Informatics. This solution provides a data-driven approach to help employees and managers plan the professional development that matters in current and future Informatics positions.
- Published a computer-based training module in the TMS 2.0 to provide critical information and instruction for The VA Emergency Alerting and Accountability System (VA EAAS) during new employee orientation to all new employees, contractors and affiliates. This training will aid in maintaining a 98% or higher rate of VA EAAS accounts registered for emergency notification.
- Increased growth of career development programs application submission upon assumption and oversight of programs effective October 1, 2022.
 - White House Leadership Development Program by 600%.
 - President Management Fellows Interagency Rotation Program.
 - Increased participant applications by 1525% and host applications by 163%. This increase resulted in VA submitting maximum participants and host applicants to participate.
 - Executive Management Fellowship participants increased by 100%.
- Assumed responsibility for the SES Candidate Development Program on October 1, 2021. HCSC conducted a needs assessment to inform stakeholders of the training, and updated curriculum and processes for efficiency and improved content delivery. The current cohort has 23 candidates approximately half-way complete with the program.

Center for Enterprise Human Resources Information Services (CEHRIS)

CEHRIS provides a franchise fund capability to provide Enterprise Human Capital Management (HCM) automated capabilities for the Department. Driven by VA's strategic objectives and customer needs CEHRIS transforms business operations by modernizing and deploying systems and focusing resources more efficiently, and empowering a diverse, fully staffed and highly skilled workforce that consistently delivers world-class service to Veterans and their families. CEHRIS provides common human capital support services on a fee-for-service basis. These products and services include Core HR solution, Performance Management solution, Employee Relations/Labor

Relations System and self-service capabilities for all VA Employees, Managers and HR Specialists.

Accomplishments:

- In partnership with OIT, development started in earnest on the first iteration of the Human Capital Data Warehouse (HCDW). The initial investment into the design and development will allow VA the ability to ingest data from Human Capital systems beyond HRSmart, and ultimately respond more quickly and efficiently to changes in organizational reporting requirements driven by leadership needs and legislative changes.
- Completed transition of the Drug Testing Notification Website (DTNW) functionality from an outdated, homegrown system to incorporate it into the functionality of the HRSmart system, which is the origin of the random selection process. Incorporating the DTNW into HRSmart provides VA with a sustainable platform for this critical functionality required by policy, which will greatly reduce the manual processes on a monthly basis and potential for catastrophic data loss.
- Began work on a centralized Intake & Work Management process and system. The goal is to be able to generate line of site efforts in support of proactively determining incoming and in-process work in addition to supporting request related to workload balancing and FTE requirements.
- Successfully launched the first enterprise upgrade of ePerformance, VA's web-based application for performance management. Additionally, system use has expanded from 161,000 VHA employees to 367,000 across the VA, with a target of 415,000 by 2024.
- In close partnership with the OI&T, CEHRIS successfully launched 2 critical automated functionalities within VA's Core HR system, HRSmart, automating VA employees' ability to submit Telework Agreements as well delivering employees the capability to submit or update their disability status. These ESS enhancements leverage Manager Self Service (MSS) technology to provide employees self-service functionality for managing and viewing personal and professional information.
- CEHRIS and VHA's Workforce Management Consulting office partnered to develop an extended manager and employee self service capability called MyHR (formerly known as Talent Experience Platform) for VA enterprise-wide implementation in 2023. This capability aims to provide HR support articles to assist employees with common issues and create a management dashboard, including enhanced analytics and reporting.
- In partnership with the OI&T, CEHRIS successfully launched the MSS Control Center via the existing HRSmart MSS Module, in support of improving system usability and providing a one-stop shop for VA managers.
- Strengthened data collection efforts by developing data methodology surrounding several customer satisfaction performance measures, including capability changes, mandated and internal performance enhancements, and customer feedback avenues. Additionally, survey tools were reviewed and finalized for data consistency/benchmarking and respondent ease of use.

Management, Planning and Analysis (MPA)

MPA provides budget formulation, integrated business services and mission support. MPA's priorities focus on development of policy, practices, standard reporting procedures, job aids, training, program management, strategic planning, organizational performance, internal controls and HR management and logistical support required to ensure compliance with statutory requirements and HRA/OSP mission needs.

MPA additionally provides visibility and governance of HRA/OSP functions, to include:

- Manage incoming Freedom of Information Act (FOIA) actions for HRA/OSP.
- Oversight of all funding sources – budget authority and reimbursable authority.
- Government Accountability Office, Inspector General recommendations, and Congressional inquiries.
- Risk management and internal controls.
- Strategic and operational human capital planning and organizational performance assessment.
- Reorganized Human Resources Liaison and Support into two separate divisions (Human Resources Management Liaison Service (HRMLS) and Operational Management) to meet growing business need of HRA/OSP. HRMLS serves as a combined strategic business partner to coordinate human resources operational activities, deliver employee support services, and provide consultative services to the HRA/OSP program/staff offices.
- HRA/OSP business support operations which include, logistics, office space, equipment, travel, and management of VA's CCSP.
- Acquisition and contract support; program/project management.

Accomplishments:

- Finalized and published VA's 2022-23 Human Capital Operating Plan (HCOP) ensuring human capital management efforts were aligned with the 2022-28 VA Strategic Plan and HRA/OSP Assistant Secretary priorities.
- Contributed significantly to VA's improvement on OPM's 2022 Evaluation System Assessment (ESA) review of human capital management. Compared to the previous ESA review in 2019, VA's maturity level improved in three of the five standards and remained unchanged in two with none assessed as "Reactive."
- Reported on HRA/OSP's metrics and analysis included in VA's 2021 Annual Performance Plan and Report (APP&R) as well as updated and re-aligned HRA/OSP's 2022 and 2023 Annual Performance Plan (APP) measures and targets with a goal of providing an integrated view of progress in critical areas assessing VA's human capital management and security and preparedness efforts.
- In coordination with VA's Acquisition office, ensured the timely award of over 200 procurements worth over \$180 million for HRA/OSP for 2022.
- Updated the HRA/OSP risk register and risk profile for human capital management and security areas; provided technical assistance to program office staff in anticipating risks, resolving issues, and monitoring of mitigation strategies to improve internal controls and business efficiencies.
- To directly impact VA employees who care for our Nation's Veterans, processed approximately \$3.8 million in CCSP benefits, totaling 16,000 subsidy benefit payments nationwide for 2022. Currently, CCSP supports over 3,291 eligible VA employees with

numbers growing daily due to the recent policy adjustment on annual THI permanently increasing from \$90,000 to \$149,000.

- Consistent with U.S.C. 552, collaborated with internal and external stakeholders to respond to, review and process over 120 FOIA actions.
- Coordinated, processed, and executed contracts, IAAs, and SLAs for both BA and RA 2022 actions. BA actions totaled approximately \$900,000 and RA actions totaled approximately \$26.0 million which included \$20 million for the USAccess IAA to support Homeland Security Presidential Directive 12 (HSPD-12) and Federal ICAM policy guidance provided in OMB-M-19-17.
- Managed 184 recruitment and staffing actions for HRA/OSP program/staff offices. This includes 48 of the 122 PACT Act positions. Onboarded 93 employees into HRA/OSP positions as of August 2022.
- In support of addressing identified findings from external reviews, worked to close 8 open OIG recommendations, 6 open GAO recommendations, and 2 OIG reports.

Office of Administration (OA)

OA provides quality services to VA employees both nationally and for VACO. National program responsibilities include VA Occupational Safety and Health and Workers' Compensation (WC) Programs, VA Transit Benefits Program, and Executive Correspondence. VACO responsibilities include management of leases for securing office space, minor construction projects and overall management of office space, transportation services including executive driving, rideshare and subsidized parking, mailroom operations, personal property accountability, warehouse operations, facilities management services, building safety and emergency services, records management, health and wellness center, fitness center operations, and audio/visual and media services. OA serves as the facility site manager for 1.8 million rentable square feet in 10 Washington-area leased locations and manages special projects support of the VACO community.

OA focuses on providing a corporate approach to promoting the safety and well-being of VA employees and visitors through awareness, injury/illness prevention, and programs in the workplace. Additionally, the VA workers' compensation program provides technical support and promotes best-practices workers' compensation case management processes. Activities include the advancement of VA's safety culture, dissemination of occupational health and safety information, and increased productivity and flexibility through mobile workforce strategies.

Accomplishments:

- Supported activities in VACO during the pandemic to ensure the safety of employees, contractors, and visitors. Additionally, provided crucial information and guidance to colleagues across the VA enterprise regarding workers' compensation practices and safety guidance from OSHA and CDC during the pandemic including:
 - Continued serving as the executive lead for the COVID-19 Coordination Team (CCT) which is a governance body for the entire Department as mandated by the OMB Memorandum M-21-15.

- Development of “distance learning” capability for workers’ compensation specialists in the Administrations and Staff Offices, which provided over 2,000 employees with training opportunities at a multitude of locations resulting in a significant reduction in potential travel costs across VA.
- Critical technical information and coordination for a new system (Safety Workers’ compensation Information Management System/SWIMS) to provide workers’ compensation management information.
- Developed VACO Reopening Annex that outlined tasks to prepare all VACO buildings for the return of staff.
- Cultivated a VA enterprise-wide approach to the Workers’ Compensation (WC) program through use of industry best-practices and governance from the VA WC Steering Committee. Improved WC case management and return-to-work outcomes of injured employees with work capacity as measured by the Department of Labor (DOL) Return-to-Work Ratio (RTW). The RTW result for 2022 is nearly 94% which is higher than the DOL goal for VA of 93%. For 2021, the RTW result was nearly 92%.
- Reduced workers’ compensation case backlog by aggressively returning employees with work-capacity back to work, saving VA \$7.0 million in chargeback costs from the costs in 2021 (\$179 million in 2022).
- Strengthened controls over accountable property and completed 100% of all physical inventories for over 58,000 line-items, valued at \$185.0 million.
- Offered rideshared services to all VACO organizations resulting in an estimated annual savings of \$150,000.
- Managed health and wellness centers at 5 VACO facilities. Services include health checks, annual flu shots, fitness awareness and the Employee Assistance Program.
- Continued to provide program leadership for 24,000 VA transit benefit participants in field offices in 180 VA facilities and facilitated the annual recertification of over 5,000 transit benefit participants in the National Capital Region.

Corporate Senior Executive Management Office (CSEMO)

CSEMO is the human resources servicing office for all senior leaders across VA. This includes career, noncareer, and limited- term senior executive service (SES), senior level (SL), Title 38 SES Equivalents, political appointees, consultants/experts, and Veterans Law Judges (VLJ). CSEMO services over 700 employees Department-wide. VA executives are responsible for leading 170 VA medical centers, overseeing the distribution of billions of dollars of benefits to Veterans through 56 Regional Offices, ensuring Veterans have a final resting place in national, state, or tribal cemeteries, and providing mission support in areas such as finance, human resources, information technology, acquisition, and legal services.

CSEMO services cover the entire HR life cycle to include:

- Establishing policy and guidance.
- Responding to congressional inquiries and FOIA requests.
- Management of the Department’s SES and SL allocations as approved by OPM.
- Classification of senior leadership positions.
- Recruitment to include oversight of OPM-required Executive Resources Board (ERB) panels to ensure a compliant merit staffing process, appointment, re-appointment,

extension(s) of appointment, detail assignments, reassignments, transfers, and pay adjustments.

- Oversight of recruitment/relocation/retention incentives.
- Facilitating submission and approval of Executive Core Qualifications to OPM.
- Coordination of drug testing program.
- Onboarding, career development, executive coaching, talent management and succession planning through the support of the Department's SES Candidate Development Program.
- Performance management to include coordination of Performance Review Boards responsible for recommending annual performance awards and pay adjustments.
- Processing special contribution and honor awards for executives (management of the Presidential Rank Award Program, distinguished career, meritorious services, and exceptional service awards).
- Employee relations guidance and advice, benefits processing to include retirement counseling, and offboarding.

Accomplishments:

Provided full management and resources support to senior executives, to include:

- Refined processes and procedures to more efficiently operate in a virtual environment to include providing full management and resources support to over 700 senior executives. The Policy and Programs (P&P) Division hosted the first Presidential Rank Awards Ceremony since 2012 recognizing the accomplishments of 14 Senior Executives. P&P also facilitated the semi-annual Performance Management Training and conducted a Performance Review Board where over 500 senior executive records were reviewed before submitting final rating recommendations to the Secretary for approval.
- Conducted minimum qualifications review of 5,121 applications; issued over 105 vacancy announcements and processed over 2,653 HR actions.
- Successfully onboarded 89 new senior executives in addition to facilitating three Strategic Leadership Course I (SLC I) training for approximately 81 Senior Executives.
- Conducted over 253 advisory and counseling sessions related to ER, Benefits, Separations and Leave.
- Closed out 46 FOIA backlog cases.
- Expanded outreach in 2022 by hosting 11 Communities of Practice, 11 Senior Executive Workshops and publishing 11 CSEMO Newsletters.
- Issued over 100 Probationary notices to new SES Employees and their supervisors; 52 executives completing their SES probationary period.
- Processed over 150 benefits forms and leave actions (e.g., FMLA/PPL, DVL, Restored Leave, VLTP Leave Donations, etc.)
- Coordinated and Scheduled Drug Testing for over 60 tentatively selected Senior Executive applicants in addition to completing more than 30 Backlogged Postponed Drug Tests.
- Processed more than 20 Discovery requests from various investigative offices needing information in addition to conducting over 700 Records Checks and more than 100 COVID Compliance Checks.

- Closed 26 ER Cases to include 3 Settlement Agreements despite a temporary 5-month hiatus by Office of Accountability and Whistleblower Protection while their organization was being restructured.

Office of Resolution Management, Diversity and Inclusion (ORMDI)

VA is mandated to have an EEO program. ORMDI ensures that VA is compliant with legal and statutory authorities to administer the EEO programs. Through a network of program and district offices, ORMDI delivers the following products and services to each VA organization: Harassment Prevention, Knowledge Management/Training, External Civil Rights Complaints Program, Reasonable Accommodation Services, and EEO Complaint Processing.

EEO complaint processing services include counseling, procedural determinations and investigations. Harassment Prevention Program services include developing policy, monitoring reports, training to prevent and appropriately respond to allegations of harassment. The External Civil Rights Complaint program conducted 55 veteran listening sessions and focuses on resolving Veteran discrimination complaints under Title VI and IX. The Reasonable Accommodation program provides agency oversight of the reasonable accommodation process and procedures to include policy compliance, proactive and preventative training and guidance under Title VII, the ADA, and section 501 of the Rehabilitation Act.

ORMDI provides timely and fair resolution of EEO complaints for VA employees, applicants for employment, and former employees. EEO complaints processing resolves complaints at the lowest level possible; prepares reports on allegations of discrimination; and monitors compliance with decisions when discrimination is found.

VA's diversity and inclusion program strives to ensure VA fairly represents the communities we serve. The program strives to identify and understand barriers to opportunity with a goal of providing everyone, Veterans, and employees, including those who belong to underserved communities, with equity and fair access to health care and benefits as part of a comprehensive enterprise-wide equity agenda. Diversity & Inclusion (D&I) works to foster a diverse workforce and inclusive environment that promotes equal opportunity through policy development, workforce analysis, outreach, retention, and education. This includes strategic planning and annual reporting on workforce diversity and inclusion; recruitment and retention strategies; EEO and diversity training and education; diversity-related communications; and annual reporting on relevant White House Initiatives; affirmative employment programs for the hiring, placement, and advancement of disabled Veterans, people with targeted disabilities, groups with less than expected participation rates; and special emphasis programming.

Accomplishments:

- Released VA's first Inclusion Diversity Equity and Access Strategic Plan.
- Developed in concert with the Secretary of Veterans Affairs, the VA Inclusion, Diversity, Equity and Access subgroup to establish governance in the execution of Executive Order

13985 Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.

- Received 4,718 (2022 through 3rd quarter) pre-complaints in which 23% opted for ADR participation. As a result of the 45% resolution rate, VA-wide 2022 through 3rd quarter cost avoidance for EEO complaint processing: \$30 million.
- Modernized and improved the visibility of critical data. The new Microsoft Equal Employment Opportunity Ecosystem will focus on the implementation of new functionality to address Congressional Mandates, specifically the Deborah Sampson Act and the Elijah Cummings Federal Employees Antidiscrimination Act of 2020. The consolidation of and combining existing disparate systems will expedite EEO investigation processing and add a public-facing portal which is designed to offer an accessible way for anyone inside or outside the VA network to file and track a claim. This system also adds Reasonable Accommodation Management System and the Harassment Prevention Program, further standardizing and heightening visibility/sharing of data from these functions across VA, Office of Employment Discrimination and Complaint Adjudication, law enforcement agencies, and to Congress.
- Continued to administer both mandatory compliance training on Workplace Harassment and NoFEAR for 400,000 employees and training on EEO, Diversity, Inclusion and Conflict Management for 60,000 executives, managers, and supervisors.
- Strengthened the Community of Practice for Reasonable Accommodation and Personal Assistant Services and their governance frameworks by providing training and guidance to 3,258 (2022 through 3rd quarter) managers/supervisors within VHA, VBA, NCA and VACO.
- ORMDI provides broad disability guidance to the VA including Section 504 policy guidance to assist VA offices in meeting the need for data transformation into alternate formats for visually impaired Veterans. ORMDI's budget in 2023 for this effort is \$5.6 million and will increase to \$5.7 million in 2024.
- Provided direct support for Veterans (including family members, care givers, fiduciaries, etc.), via the External Civil Rights Program, regarding claims or allegations of discrimination through its intake process. Additionally, the program routinely addressed and referred various grievances concerning Veterans benefits and healthcare to the White House VA Hotline, VHA Office of Patient Advocacy, VHA Office of Client Services and other appropriate points of contacts within each respective administration.
- Developed Applicant Flow data for Management Directive 715 (MD 715) and prepared and submitted VA's annual MD 715 Report to the EEO Commission. The purpose of the report is to provide an assessment of the Department's EEO program and prepare plans for corrective action.
- Administered the Diversity and Inclusion VA Council, the body supporting effective governance and implementing strategic initiatives as well as administered the Secretary of Veterans Affairs Awards Program honoring excellence in diversity and inclusion.
- Published VA's Diversity@Work newsletter, VA's primary communications vehicle for D&I currently distributed to over 10,000 internal subscribers including Senior Executives and Title 38 Executives.
- Released mandatory training course on EEO, Diversity, Equity and Inclusion, RA, conflict management, harassment/assault accountability training as a biennial requirement for all executives, managers and supervisors.

- Served as a joint venture partner for the League of United Latin American Citizens Federal Training Institute.
- Partnered with Federal Asian Pacific American Council (FAPAC) to recognize nominated military and civilian champions.
- Partnered with the White House Initiatives on Historically Black Colleges and Universities (HBCU) to plan the National HBCU Week Conference September 20-23, 2022.
- Conducted ten technical assistance reviews to evaluate the impact of EEO programs in VA facilities.

Office of Operations, Security, and Preparedness (OSP)

OSP is responsible for managing the Department’s Preparedness, National Security Operations, Security Administration, Law Enforcement, Credential Management, and Intelligence policies and provides oversight of these portfolios across the enterprise. OSP enhances the capability of the VA to continuously provide an environment conducive to delivery of VA benefits and services in a safe environment.

OSP, in partnership with VA Administrations and Staff Offices, implements guidance and procedures to ensure the Department can continue to perform mission-essential functions under all circumstances across the spectrum of threat. OSP is responsible for policy and development of a myriad of training initiatives to ensure the safety and security of Veterans, volunteers, employees, and visitors at VA facilities. OSP integrates safety into VA operations and improves VA’s readiness to execute emergency management operations in coordination with the Intelligence Community, Department of Defense contingency support, and Department of Homeland Security support missions under the National Response Framework and National Continuity Policy. Additionally, OSP trains and credentials VA police officers located at VA facilities and establishes VA-wide law enforcement policy and program direction. OSP also manages the Department’s compliance with numerous federal laws, regulations, OMB mandates, Homeland Security Presidential Directives ((HSPDs) (e.g., HSPD-5, 12, and 40)) and Presidential Policy Directives 8 and 40. Further, OSP is responsible for VA’s implementation of the Insider Threat program. In addition, OSP enables mission delivery by providing oversight and governance for VA’s identity, credential, and access management suite of activities and initiatives.

OSP comprises four program offices that coordinates across the VA and represents VA within the interagency national security community. These offices provide oversight for emergency management and resilience, national security, identity credential and access management, resource management, and security, and law enforcement, police governance and accountability. The component offices within OSP serve the larger mission in the following ways:

Office of Chief of Police (OCOP)

OCOP provides accountability and oversight of the VA enterprise police program to increase safety and security, maintain law and order, and protect the personnel and property of the Department. OCOP facilitates the standardization of police operations enterprise wide, facilitates communications between the field level police services and headquarters; aid in compliance with

police program oversight requirements; provides advice and counsel to senior VHA, NCA and VBA leaders; and collects, analyzes, and disseminates data to drive enhanced security measures. OCOOP partners with Federal law enforcement agencies and Department administrations to maximize information exchange, training, planning and policy development. A major component of this office is the Law Enforcement Training Center (LETC), funded via the Franchise Fund. The LETC provides basic and sustainment training for more than 4,000 VA Police Officers. In addition, the LETC provides the US Air Force with a customized initial entry police academy for their Civilian Defenders.

Accomplishments:

- To improve infrastructure across the Department, developed training modules to support MIST automating tools and physical security courses.
- Enhancement of the PACT Act.
 - Established Annual Suicide Prevention and Awareness Training.
 - Developed and Strengthened Current CIT Training in the Acadis Readiness Suite for Police.
 - Developed and provided a training plan for annual suicide prevention and awareness training to VHA for field implementation.
- Graduated 426 policers officers from LETC's Police Officer Standardized Training program with a graduation rate of 88.57%, as of September 2022.

Office of Security and Law Enforcement (OSLE)

OSLE develops all police policies, procedures and standards governing VA's infrastructure protection, personal security, and law enforcement programs. These programs enable the protection of Veterans, visitors, and staff at VA facilities. OSLE provides accountability and oversight of the VA enterprise police program to increase safety and security, maintain law and order, and protect the personnel and property of the Department. OSLE partners with several Federal law enforcement agencies to maximize information exchange, training, planning and policy development.

Police Services:

OSLE Police Services includes four divisions: Law Enforcement Oversight & Criminal Investigations Division, Executive Protection Division, Policy & Infrastructure Protection Division, and the Intelligence and Crime Analysis Division. Collectively, OSLE does the following:

- Conducts program inspections of 144 Police units around the nation and criminal investigations of serious incidents, which occur on VA- controlled property.
- Provides personal protection for the Secretary and Deputy Secretary.
- Develops Infrastructure Protection policy; interface with Federal Protective Services for Campus Security and represent VA on Federal steering committees.
- Conducts ongoing criminal analyses to identify and track trends.
- Collects, analyzes, and disseminates data working in conjunction with Federal partners to enhance security posture across the nation.

- Staffs a 24/7 VA Integrated Operations Center (IOC) in providing intelligence and analysis to 4,200 police officers.
- Designs, develops, implements, and maintains a critical vulnerability assessment capability. Works with field units in mitigating threats before they happen.

Accomplishments:

- Successfully conducted 72 police program inspections in 2022, enhancing the safety and security for Veterans, visitors, employees, and patients at VA facilities across the Nation.
- Published over 350 threat analyses that ensured the personal safety of the Secretary and Deputy Secretary during their business travels. In addition, OSLE provided over 100 intelligence reports to police units across the enterprise, assisting with the ability to plan security postures in accordance with the potential threat a unit may encounter.
- Conducted 82 criminal misconduct investigations of VA police officers ensuring accountability for a 4,200 person police force.
- Led initiative to publish a new staffing model for VA Police to determine police unit staffing levels.
- Implemented an infrastructure protection system named the Modified Infrastructure Survey Tool (MIST). The MIST will centralize all vulnerabilities assessment across the enterprise and give field leaders the additional information they need to plan mitigation efforts to enhance safety.

Office of Identity, Credential, and Access Management (OICAM)

OICAM contributes to a safe and secure environment by ensuring trust in VA’s workforce and its affiliates by providing central coordination and oversight of personnel security and vetting; coordination, oversight, and governance for identity, credential, and access management; and enforcing VA compliance with Federal statutes, regulations, and policies.

OICAM is the Department’s lead for personnel security, suitability, credentialing, as well as identity and access management requirements. OICAM is comprised of a Personnel Security & Credential Management (PSCM) Program Management Office (PMO), the Access & Identity Management (AIM) PMO, and the Personnel Suitability Adjudication Center (PSAC). OICAM’s oversight ensures alignment, accountability, and transparency of VA’s personnel security, suitability, identity, access management, and credentialing programs. As required by numerous requirements, including OMB M-19-17, “Enabling Mission Delivery Through Improved Identity, Credential, and Access Management”, OICAM and OIT jointly ensure that,” the VA ICAM efforts ensure that the right person with the right privileges can access the right information at the right time while maintaining compliance with the Federal ICAM (FICAM) architecture and technology roadmap.

Accomplishments:

- To meet the requirements for the next transitional state of TW 1.5, OICAM successfully rolled out the National Background Investigation Services (NBIS) which will serve in the

future as the primary method of initiating background investigations with the Defense Counterintelligence and Security Agency.

- Led and provided support to initiatives, including rollouts of the VA ICAM On/Offboarding Service and the GSA USAccess shared service for PIV card management.
- Successfully implemented the initial increments of the VA ICAM On/Offboarding Service for members of the VA workforce. The service is currently being utilized by nearly 230 Contracting Officer Representatives (CORs) to manage identity and access management requirements, including on and offboarding and lifecycle management activities, for nearly 8,000 contractors. It is also being used at all VHA facilities to manage over 28,300 volunteers. System enhance efforts are underway to expand the service for the rest of the VA workforce, including employees and affiliates.
- Collaborated with stakeholders on the development of business requirements to meet recent ICAM guidance for the implementation of numerous ICAM projects, including Identity Governance and Administration (IGA) and Enterprise Physical Access Control Systems (EPACS).
- Led Department-wide efforts to test PIV-enabled Physical Access Control Systems testing requirements and coordination with over 800 facilities to support the rollout of USAccess and VA's transition to Version 8.1 series PIV cards, in advance of the June 2024 deadline.
- Collaborated and coordinated with Department of Defense and with the Federal Electronic Health Record Modernization program to support an interoperable, Joint Electronic Health Record and address the Joint Executive Committee tasking to identify the long-term solution for a common unique identifier for the users of the Joint Electronic Health Record Modernization system and accommodate future Federal entities.

Office of Emergency Management and Resilience (OEMR)

OEMR oversees and unifies VA's National Security portfolio. This includes coordination, policy oversight, and management of Federal Mission Resilience implementation, National Preparedness and Emergency Management; Continuity of Operations and Government; Classified National Security Information Management; Industrial Security, Insider Threat, Information Sharing and Management; Integrated Common Operating Picture management; Federal Intelligence Coordination; and Defensive Counterintelligence programs. In doing this, OEMR provides a resilient operational environment intended to manage risk and support a swift return to normal operations following disruption through effective crisis and consequence management.

OEMR is also the Department lead for VA's Fourth Mission, serving as the command integration layer for leveraging VA capabilities to prepare for and manage emergencies at the Federal, state, local, or tribal levels.

Accomplishments:

- Hosted recurring incident specific VA Crisis Action Team coordination calls with VA's executive leadership ensuring a shared situational understanding of threat analyses, impacts to mission, workforce, and Veterans, operational actions to address impacts, and other critical decision support information. Significant incidents affecting VA included major wildfires, significant floods, Hurricanes Ian and Nicole, extreme winter weather, tornado outbreaks, and a series of atmospheric rivers in the northwest.

- Enhanced and began operationalizing data-driven place-based risk assessment methods and tools to establish a shared understanding of risk to VA’s missions, workforce, and Veteran Communities. This effort further developed and tested key indices for understanding potential risks to Veterans – Veterans Vulnerability Index and Veterans Hazard Exposure Index.
- Modernized the Department’s devolution protocols to implement components of Federal Mission Resilience and strengthen our capability and capacity to continue Primary Mission Essential and National Essential Functions essential for providing Veteran health care and benefits and supporting national disaster operations through our Fourth Mission.
- Received initial certification of a key Alternate Operating Locations (AOL) in accordance with Presidential Policy Directive 40 and Federal Continuity Directive 1. This AOL provides facilities and communications for Out of Area Successors and distributed leadership, supporting continuous operations during emergencies, including pandemics.
- Enhanced the Department’s emergency and secure communications capabilities in accordance with directive, OSTP/OMB D-16-1. These communications resources ensure Senior Leadership can continue command and coordination of Mission Essential Functions while in transit.
- Continued coordination of the Department’s outreach efforts for Pacific Islands Campaign.
- Coordinated VA’s support to national recovery efforts through the Surge Capacity Force volunteer program.
- Conducted 24 insider threat inquiries, 19 of which were foreign nexus inquiries and conducted five joint investigations with the National Counterintelligence Task Force.
- Conducted Defensive Counterintelligence (DCI) Program briefings to the FBI National Counterintelligence Task Force consisting of over 250 people in support of furthering interagency/IC collaboration and coordination.
- Continually assessed vulnerabilities to VA’s research and development activities and adjusted DCI Program focus as appropriate.
- Maintained measures for continuous tracking, gathering, and filing of Interagency Policy Committees efforts to assist VA Senior leadership with a nexus of current and historical data for decision points.

Budget Highlights

For 2024, HRA/OSP requests \$120.9 million in direct appropriations to support 377 FTE and \$273.9 million in reimbursements and 1,054 FTE to support the HRA/OSP mission.

Office of Human Resources & Administration/ Operations, Security & Preparedness						
Employment and Obligation Classification						
(\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	332	358	361	551	190	52.6%
Field	357	489	489	880	391	80.0%
Total FTE	689	847	850	1,431	581	68.4%
Direct obligations						
Personnel compensation	44,629	50,893	50,971	55,610	4,639	9.1%
Personnel benefits	15,680	17,950	17,872	19,712	1,840	10.3%
Travel	1,419	957	957	1,047	90	9.4%
Rents, communications and utilities	19,342	21,555	21,555	22,487	932	4.3%
Printing	37	95	95	97	2	2.1%
Other services	21,232	19,336	19,336	21,255	1,919	9.9%
Supplies and materials	239	320	320	325	5	1.6%
Equipment	17	195	195	199	4	2.1%
Grants, judgements, interest and insurance	358	93	93	168	75	80.6%
Subtotal, direct obligations	102,953	111,394	111,394	120,900	9,506	8.5%
Reimbursable obligations						
Personnel compensation	38,485	52,001	53,983	122,066	68,083	126.1%
Personnel benefits	18,397	26,047	26,209	49,929	23,720	90.5%
Travel	79	1,955	1,924	3,113	1,189	61.8%
Rents, communications and utilities	1,986	3,063	3,063	3,042	-21	-0.7%
Printing	235	1,033	1,033	1,033	-	0.0%
Other services	58,474	59,810	57,592	91,632	34,040	59.1%
Supplies and materials	42	629	626	811	185	29.6%
Equipment	-	103	103	2,241	2,138	2075.7%
Grants, judgements, interest and insurance	428	53	53	53	-	0.0%
Subtotal, reimbursable obligations	118,126	144,694	144,586	273,920	129,334	89.5%
Adjustments	-	-2,894	-2,858	-6,204	-3,346	-
Total obligations	221,079	253,194	253,122	388,616	135,494	53.5%
Note: 2022 Adjustments are included in the reimbursable subtotal						

Adjustments (Increases and Decreases)

The 2024 request reflects a net increase of \$9.506 million above the 2023 Enacted Budget. This increase consists of:

2024 Current Service Adjustments

- \$3.579 million for a 5.2% pay increase
- \$849,000 for non-pay inflation
- -\$548,000 for the General Administration service level agreement consolidation

Office of Emergency Management and Resilience

- \$391,000 to support two additional FTE to conduct all-source and geospatial intelligence and an additional FTE to. Support is needed to enhance the capability and capacity to conduct geospatial intelligence activities that provide decision support to Senior Leaders and key officials before, during, and post-incident (i.e., natural hazards).
- \$204,000 to support travel to manage continuity of Alternate Operating Locations (AOL), AOL alarm monitoring, parts and materials to maintain contingency communications at VA AOLs, maintenance and service of the secure communications/classified information circuits in Personnel Access Control System and maintaining state-of-the-art equipment at VA AOLs.

Office of Security and Law Enforcement

- \$1.121 million to support five additional FTE for the Police Services Inspections and Criminal Oversight and Investigations Divisions.
- \$75,000 for travel and training to support the development of policies, procedures, and standards that govern VA's infrastructure protection, personal security, and law enforcement programs.

Office of Administration

- \$943,000 to support six additional FTE. The additional FTE will manage indoor air quality, facility services, building safety, and a variety of essential VACO Building Operations.
- \$2.000 million for new furniture and to manage, disassemble and remove existing furniture throughout VACO.
- \$242,000 is needed for the VACO future of workspace change management initiative.
- \$150,000 to support the Future of Workspace Planning initiative, which will assess space needs, enforce space standards and explore strategies to optimize the use of existing space.
- \$500,000 to acquire swing space for tenants in preparation for VACO's space consolidation and renovation efforts.

Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act)

Implementation is expected to grow VA’s workforce and significantly increase human capital management and security requirements. To meet the increased workload and new implementation requirements, HRA/OSP is requesting \$37.3 million in PACT Act for 100 permanent FTE and contract support. Based on the sweeping scope of the PACT Act legislation, the requested funds will support implementation requirements to include, but not limited to, develop or revise policies; analyze data and provide reporting; standardize performance standards and metrics for HR Specialists; cover increase in workload as the need to respond to the VA’s HR community increases; establish or modify processes for awards and bonuses; manpower management to include modeling; identity and credential management; recruit Veterans and military spouses; increase in labor relations requirements; oversight of VA police in response to expected increase in security requirements; respond to periodic Departmental or Congressional reporting requirements; and necessary mission support.

Office of Human Resources and Administration / Operations Security and Preparedness						
Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126						
(\$s in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$s/FTE	%
Employment			100	100	-	0.0%
Obligations			22,821	37,347	14,526	63.7%
Budgetary resources						
Unobligated balance brought forward, Oct 1			11,551	-	(11,551)	-100.0%
Budget authority:						
Appropriations, mandatory	11,551		11,270	37,347	26,077	231.4%
Total, budgetary resources	11,551	-	22,821	37,347	14,526	63.7%
Unexpired unobligated balance, end of year	11,551	-	-	-	-	



Office of Enterprise Integration

Mission Statement

The Office of Enterprise Integration (OEI) drives unity of effort across the Department in support of Veterans. OEI uses evidence, policy, and governance to create an integrated Department where strategy and resources are aligned to improve outcomes for Veterans.

Summary of Budget Request

In 2024, OEI requests \$38.9 million in appropriations to support 109 FTE, and reimbursement authority of \$4 million to support its mission requirements.

Office of Enterprise Integration Budgetary Resources (\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	34,274	36,229	36,229	38,941	2,712	7.5%
Reimbursable obligations	2,781	4,000	4,000	4,080	80	2.0%
Total obligations	37,055	40,229	40,229	43,021	2,792	6.9%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	1,300	-	-	-	-	-
Subtotal, unobligated balance	1,300	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	33,636	36,229	36,229	38,941	2,712	7.5%
Subtotal, appropriations	33,636	36,229	36,229	38,941	2,712	7.5%
Offsetting collections	2,781	4,000	4,000	4,080	80	2.0%
Subtotal, budget authority	36,417	40,229	40,229	43,021	2,792	6.9%
Total budgetary resources	37,717	40,229	40,229	43,021	2,792	6.9%
Unexpired unobligated balance	662	-	-	-	-	-

Note: total obligations include \$1.3 million in 2021/2022 Carryover.

Office of Enterprise Integration Summary of Budget Request (\$s thousands)						
Office	2022	2023	2023	2024	2024 Request vs 2023 Enacted	
	Actual	Request	Enacted	Request	\$	%
Direct						
Office of the AS/PDAS	1,939	3,748	3,748	4,875	1,127	30.1%
Office of Enterprise Policy and Governance 1/	2,650	2,356	2,356	2,700	344	14.6%
Office of Data Governance and Analytics	10,780	12,967	12,967	13,575	608	4.7%
Office of Planning and Performance Management	9,873	6,215	6,215	6,761	546	8.8%
Office of Enterprise Program Integration	9,032	10,943	10,943	11,030	87	0.8%
Subtotal, direct 2/	34,274	36,229	36,229	38,941	2,712	7.5%
Reimbursable						
Enterprise Data Contracts	2,781	4,000	4,000	4,080	80	2.0%
Subtotal, reimbursable	2,781	4,000	4,000	4,080	80	2.0%
Total	37,055	40,229	40,229	43,021	2,792	6.9%

1/ Office of Policy and Interagency Collaboration was renamed the Office of Enterprise Policy and Governance in 2022.

2/ 2022 direct obligations include \$1.3 million in carryover.

Office of Enterprise Integration Summary of FTE Request						
Office	2022	2023	2023	2024	2024 Request vs 2023 Enacted	
	Actual	Request	Enacted	Request	FTE	%
Direct						
Office of the AS/PDAS	12	12	12	13	1	8.3%
Office of Enterprise Policy and Governance 1/	8	12	12	15	3	25.0%
Office of Data Governance and Analytics	26	30	28	33	5	17.9%
Office of Planning and Performance Management	18	28	25	28	3	12.0%
Office of Enterprise Program Integration	8	20	8	20	12	150.0%
Subtotal, direct	72	102	85	109	24	28.2%
Total	72	102	85	109	24	28.2%

1/ Office of Policy and Interagency Collaboration was renamed the Office of Enterprise Policy and Governance in 2022.

Program Description and Accomplishments

OEI drives unity of effort across the Department in support of Veterans through the use of evidence, policy, and governance to create an integrated Department where strategy and resources are aligned to improve outcomes for Veterans.

Enterprise Policy and Governance (EPG)

In 2022, the Office of Policy and Interagency Collaboration (OPIC) was rebranded as the Office of Enterprise Policy and Governance (EPG) to reflect its mission and functions more accurately. The office gained the responsibility for VA enterprise governance functions, retained oversight of enterprise policy functions, and transferred responsibility for interagency collaboration to another business line. As a result, OPIC was rebranded as EPG and is responsible for leading and managing the Department’s policy analysis and policy management process, providing policy analysis to the Secretary and VA senior leadership, managing VA’s enterprise governance process, and integrating policy and governance functions within the Department. EPG carries out the following functions and activities:

- Manages enterprise directives, handbooks, notices, delegation authority and enterprise designations, assisting authors in writing, staffing, publishing, and rescinding enterprise policy.
- Coordinates and leads VA’s integrated governance approach to proactively manage and integrate key enterprise issues and enable evidence-based decision-making by senior leaders.

- Empowers excellence by providing integrated enterprise policy analysis, using a structured framework to identify key issues, evaluate proposed solutions, provide oversight and identify success criteria for senior leaders.
- Publishes and maintains the Department's Functional Organization Manual, which serves as the authoritative source for the functions and organization of each of the major offices of the enterprise.

Office of Data Governance and Analytics (DGA)

DGA provides data management policy, governance, and statistical analysis. It also provides business intelligence capabilities to inform VA-wide evidence-based strategy and policy analysis, and operational decision-making support. DGA acts as a clearinghouse for the collection, analysis, and dissemination of statistics about Veterans and VA programs. It provides predictive analysis, statistical services, and data-driven forecasting capabilities to inform decision-making and support evidence-based policymaking in the Department. DGA carries out the following functions and activities:

- Conducts data analytic services and develops data products to support VA planning, policy analysis, financial reporting and decision-making activities.
- Drives implementation of the VA Data Strategy and Roadmap with partners across VA via federated data governance to support accountable collaboration towards targeted objectives and key results.
- Drives implementation of the VA side of the Joint Data and Analytics Strategy with the Department of Defense (DoD), including joint capstone governance with DoD and the Federal Electronic Health Record Manager.
- Directs the establishment and use of VA's modern data analytic infrastructure, the Common Operating Platform (COP), in partnership with the Office of Information and Technology, including establishment of key data stewardship and analytic requirements management processes.
- Guides the development and implementation of a strategic approach towards data and analytics workforce development including training, collaboration, and engagement initiatives, in partnership with the Office of Human Resources and Administration.
- Coordinates, governs, and sets authoritative data sources including transactional primary collections, data shared from other federal agencies, and curates analytic and operational master data.
- Manages the collection and dissemination of official Veteran statistics for the Department via the VA website and the government-wide Open Data web portal.

- Leads the Department's effort to implement and manage VA's data governance, data stewardship programs and open data initiatives.
- Matures and maintains the VA's authoritative business architecture and business reference model to inform and support data architecture, system architecture, planning, resources management and business operations in the Department.
- Coordinates and manages the Department's Paperwork Reduction Act/Information Collection Request process and the Data Quality and Influential Information Quality process.

Office of Planning and Performance Management (OPPM)

PPM provides leadership, guidance, and consulting services throughout the Department on strategic planning, performance assessment and reporting, risk management program evaluations, evidence policy, procedures and organizational processes. The office also serves as the VA lead on issues requiring close coordination and collaboration with the DoD. The goals of the office are to facilitate alignment between these activities and the Department's strategic plan and performance management framework; increase programmatic effectiveness and efficiency; support operational planning and resource allocation decision-making with data, analysis, and evidence; and ensure transparency and accountability at all levels of the organization. PPM carries out the following functions and activities:

- Leads the development of VA's Strategic Plan and associated Annual Performance Plan and Reports.
- Manages the development, refinement and execution of the Department's Quadrennial Strategic Planning Process.
- Develops bi-annual Department Agency Priority Goals (APGs) and facilitates the use of APGs by VA Administrations and Staff Offices to guide mission execution and conduct quarterly performance reviews.
- Develops Capacity Assessment and Annual Evaluation Plans as required by the foundations for Evidence-Based Policymaking Act and supports the Department's Learning Agenda to inform decision-making at all levels of the organization.
- Facilitates collection, dissemination and use of evidence and evaluation through an integrated planning learning cycle.
- Establishes and implements all aspects of OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.
- Facilitates the development and integration of joint policies and programs between VA and DoD, including the development of the VA-DoD Joint Strategic Plan and Annual Report to Congress aligned to VA's Strategic Plan and mutually agreed upon interagency objectives.

- Provides oversight for coordination and implementation of joint VA-DoD programs and policies as they relate to activities of the VA-DoD Joint Executive Committee.

Enterprise Program Integration Office (EPIO)

The Enterprise Program Integration Office (EPIO) serves as the VA's strategic integrator, enabling effective synchronization, integration, and coordination of people, processes, technology, and resources to implement VA's transformation initiatives. Efforts include providing strategic support for cross-administration legislation (such as the Sergeant First Class Health Robinson Honoring Our Promise to Address Comprehensive Toxics (PACT Act) and major transformation efforts (such as Electronic Health Record Modernization (EHRM), Caregivers, and Financial Management Business Transformation (FMBT)). EPIO carries out the following functions and activities:

- Provides oversight of transformation initiatives' integration, planning, and execution in support of the Secretary, Deputy Secretary, and Principal leaders.
- Analyzes strategic drivers (legislation, executive orders, strategic plan, and emergent priorities) to identify stakeholders and impact on the transformation initiatives.
- Establishes enterprise integration tools such as the Enterprise Integrated Master Schedule (EIMS) to track schedules, interdependencies, and transition points.
- Establishes and implements the framework for bridging functional gaps among Administrations and Staff Offices to ensure alignment of transformation initiatives, project plans, and outcomes to Department goals and objectives.

Recent Accomplishments

In 2022, OEI achieved the following:

- Led the planning, coordination, and identification of implementation activities for the PACT Act to drive cross-organizational synchronization and compliance with legislative requirements.
- Identified critical actions and cross-cutting dependencies and incorporated them into a PACT Act Integrated Master Schedule and a legislative integration tool to provide implementation status, reporting, and risk management hosted in a centralized portal with an executive dashboard that presents a holistic view to support data-driven decisions.
- Coordinated and stood up the PACT Act Program Management Office to include resource analysis.

- Directed the strategic review of the EHRM Program to identify opportunities for improvement covering all aspects of its implementation.
- Coordinated EHRM activities to address operational, programmatic, and governance deficiencies to ensure the new electronic health record provides a unified, seamless, trusted information flow between VA and DoD and enhances VA's ability to advance Veteran care and services.
- Developed an approach to identify projects, activities and programs that align to the 2022-2028 Strategic Plan and SECVA Lessons Learned Placemat and laid a foundation to incorporate feedback from critical internal and external stakeholders.
- Linked the VA Strategic Plan to a wide range of optimized outcomes for Veterans through implementing the VA-wide 'Strategy to Action' initiative that will support the realization of new opportunity areas and the delivery of our core requirements.
- Guided VA-wide implementation of the Foundations for Evidence-Based Policymaking Act's requirements, which coordinate and highlight VA's advocacy for underserved, at risk, and marginalized Veterans in areas such as pain management and opioids, ending Veteran suicide, access to care and benefits, and preventing and ending homelessness.
- Produced more than 100 statistical and analytic products on Veteran demographics and socioeconomics and use of VA benefits and services for internal and external customers. These include: Utilization of VA Benefits & Services Data Story, Profiles of Veterans by Period of Service (Vietnam, Pre-9/11 and Post 9/11), Veterans Day and Memorial Day Data Stories, Disability Compensation & Pension Benefit Recipients by County/State, Quarterly VA Statistical Cards, Veteran Population Projection (VetPop), Geographic Distribution of VA Expenditures by County, and Veteran related statistical summaries for every State and Territory.
- Led the VA Data Governance Council (DGC) to establish departmental guidance for the selection and implementation of authoritative data sources, ensuring quality of information disseminated by VA, and establishing data standards for the Department.
- Published both the VA Data Strategy implementation Roadmap and the Joint VA-DoD Data and Analytics Strategy; coordinated and supported VA-wide implementation of both via federated governance anchored on the VA DGC.
- Managed a cross-VA integration project team to pilot and scale a Common Operating Platform (COP) for use by VHA and supply chain communities to support evidence-based strategy and policy analysis and operational decision support. The COP is being used across applications as distinct as Caregivers, Integrated Veteran Care, Connected Care, Foundational Equity, Dual Electronic Health Record, Cross-Station Medication Data Quality and Acquisition Category Management.

- Provided programmatic and integrated course of action to ensure individuals who sought appeals under the Program of Comprehensive Assistance for Family Caregivers (PCFAC) were notified of appeals decision.
- Developed Enterprise Data Catalog (EDC) requirements, and roles and responsibilities for implementation. Including: guidance for the use of the EDC, the role of the data steward as an integral component of VA's data strategy, and expansion of the EDC to include information about essential data sets.
- Successfully ingested and delivered metadata for two Enterprise Information Model data domains, Acquisition and Veteran. This enabled the establishment of discoverable Veteran and Acquisition data standards.
- Demonstrated metadata interoperability between VA and DoD enterprise data catalogs to improve discovery, understanding, and ethically supportable access to authoritative data products in the joint space.

Budget Highlights

The 2024 request includes \$43 million in total planned obligations and 109 FTE necessary for OEI to continue providing comprehensive management support to the Secretary and senior leaders and to strengthen existing capabilities to support effective and efficient delivery of benefits and services to our Nation's Veterans and eligible beneficiaries.

The highlights of the budget request include:

- \$6.5 million in contract dollars, \$4 million in reimbursement dollars, and a total of 33 FTE will support the **Office of Data Governance and Analytics** to provide Veteran statistics, data analysis, data and information quality policy, data analytics infrastructure oversight and management, statistical policy, statistical analytics, and predictive modeling to inform VA-wide decision making. This effort continues to support VA's integrated strategy for Department-wide data-driven decision management capability. This includes funding for maintaining and improving an Integrated Enterprise Architecture which supports major systems implementation planning for systems such as FMBT and EHRM.
- \$1.5 million in contract dollars and a total of 28 FTE to support the **Office of Planning and Performance Management (OPPM)** to develop business strategies, establish mission requirements, conduct strategic planning, integrate risk management strategies to achieve agency goals, mature VA's business architecture modeling, and develop concept analysis capabilities to identify long-range issues and ensure integration of business solutions across the Department. OPPM resources will also be used to lead and coordinate VA's implementation of the Program Management Improvement Accountability Act and the Foundations for

Evidence-Based Policymaking Act, including two evaluation analyst positions to support the Evaluation Officer and other, cross-agency evaluation activities.

- \$7 million in contract dollars and a total of 20 FTE will support the **Office of Enterprise Program Integration** to lead and manage transformation initiatives across the Department.

Total resources in the 2024 request include \$4 million in reimbursable authority to support contracts supporting VA-wide data collection, data analytics, enterprise data governance, and data management efforts.

Increases

In 2023, OEI started the year with fewer employees on board than originally planned, which enabled OEI to reallocate funding internally from payroll to contract support in the 2023 Enacted Budget. OEI will increase its hiring effort in 2023 with an end-of-year on board goal of 104 employees (85 FTE).

The 2024 budget request of \$38.941 million is \$2.7 million over the 2023 Enacted Budget. The increase includes \$4.7 million in payroll to fully fund 109 FTE consisting of 104 FTE from 2023, and 5 additional FTE in 2024 to establish an integrated solutions and validation capability.

Payroll increases in 2024 are offset by a \$2 million decrease in net, one-time other services requirements. However, OEI will continue to fund contract support for an integrated solutions and validation capability that includes:

- Provide analysis, advice, and recommendations to the Secretary and Deputy Secretary on VA plans, programs, and resource estimates, including alternative solutions.
- Leverage data and evidence to facilitate VA's understanding of major challenges and validate mission needs.
- Support VA Administrations and Staff Offices in developing business cases to address major problems across a broad spectrum of materiel and non-materiel solutions.
- Use risk to prioritize mission needs which may require major financial investments within the constraints of the budget.

Office of Enterprise Integration Employment and Obligation Classification (\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	72	102	85	109	24	28.2%
Field	-	-	-	-	-	-
Total FTE	72	102	85	109	24	28.2%
Direct obligations						
Personnel compensation	11,253	15,648	13,322	16,792	3,470	26.0%
Personnel benefits	3,922	5,418	4,725	6,000	1,275	27.0%
Travel	23	88	41	40	-1	-2.4%
Rents, communications and utilities	24		24	24	-	0.0%
Printing		10	10	10	-	0.0%
Other services	19,048	15,050	18,091	16,070	-2,021	-11.2%
Supplies and materials	4	15	16	5	-11	-68.8%
Subtotal, direct obligations	34,274	36,229	36,229	38,941	2,712	7.5%
Reimbursable obligations						
Other services	2,781	4,000	4,000	4,080	80	2.0%
Subtotal, reimbursable obligations	2,781	4,000	4,000	4,080	80	2.0%
Total obligations	37,055	40,229	40,229	43,021	2,792	6.9%

Note: total obligations include \$1.3 million in carryover.

PACT Act Funding

OEI requests \$3.3 million in 2024 for the implementation of the PACT Act. OEI projects an increase in integration, coordination, monitoring, and reporting due to the PACT Act. It will need contract support in program management and administration, policy and strategic analysis, enterprise synchronization, data engineering and qualitative data analysis.

OEI requests \$7.8 million in 2024 for the PACT Act Project Management Office. The office will centralize strategic functions to integrate and support all PACT Act activities:

- Ensures legislative objectives to expand benefits and enhance access to care are met.
- Tracks risk, scope, schedule, requirements and cost.
- Provides traceability and transparency for senior leaders on implementation progress, including timely identification of implementation roadblocks.

Office of Enterprise Integration						
Summary of Employment, Obligations and Budgetary Resources - Toxic Exposure Fund 1126						
(\$s in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$s/FTE	%
Employment			3	3	-	0.0%
Obligations			5,000	4,142	(858)	-17.2%
Budgetary resources						
Unobligated balance brought forward, Oct 1			3,378	888	(2,490)	-73.7%
Budget authority:						
Appropriations, mandatory	3,378		2,510	3,254	744	29.6%
Total, budgetary resources	3,378	-	5,888	4,142	(1,746)	-29.7%
Unexpired unobligated balance, end of year	3,378	-	888	-		

PACT Act Program Management Office						
Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126						
(\$s in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$s/FTE	%
Employment			9	9	-	0.0%
Obligations			10,703	13,315	2,612	24.4%
Budgetary resources						
Unobligated balance brought forward, Oct 1			6,030	5,540	(490)	-8.1%
Budget authority:						
Appropriations, mandatory	6,030		10,213	7,775	(2,438)	-23.9%
Total, budgetary resources	6,030	-	16,243	13,315	(2,928)	-18.0%
Unexpired unobligated balance, end of year	6,030	-	5,540	-		

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Public and Intergovernmental Affairs

Mission Statement

The Office of Public and Intergovernmental Affairs (OPIA) helps build and maintain public confidence in the Department of Veterans Affairs (VA) by positively reinforcing its commitment and readiness to serve America's Veterans of all generations. OPIA accomplishes this by developing, routinely updating, and communicating the Department's key messages to many audiences through media relations, public affairs, intergovernmental affairs, outreach, and Veteran engagement to reach Veterans and their families, other beneficiaries, and other stakeholders. Under VA's modernization effort, OPIA is designated as the enterprise policy and functional coordinator of internal employee and external communications as the unified voice of the department.

Summary of Budget Request

In 2024, OPIA is requesting budget authority of \$18.0 million and 81 FTE to support its mission. OPIA is requesting reimbursement authority of \$18.2 million for enterprise cost-shared contracts and 5 FTE for publication and outreach to rural Veterans support. The request in 2024 will allow VA to:

- Enhance its public affairs and outreach capabilities and training.
- Ensure VA's position and key messages are received by Veterans, their family members, and the public.
- Ensure more Veterans are aware of and can access the benefits and services they have earned.
- Advance VA's digital media engagement capabilities and impact.
- Maintain and develop partnerships with state Veterans Affairs directors.
- Bolster VA's reputation among Veterans, key stakeholders, and the American people.
- Maintain and develop partnerships with state governors, county leaders, state legislators, mayors and other state and local leaders.

- Maintain and develop outreach and partnerships with tribal governments.

Office of Public & Intergovernmental Affairs						
Budgetary Resources						
(\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	15,829	16,264	15,764	17,985	2,221	14.1%
Reimbursable obligations	17,155	17,110	19,068	18,187	-881	-4.6%
Total obligations	32,984	33,374	34,832	36,172	1,340	3.8%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	1,600	-	-	-	-	-
Subtotal, unobligated balance	1,600	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	14,435	16,264	15,764	17,985	2,221	14.1%
Subtotal, appropriations	14,435	16,264	15,764	17,985	2,221	14.1%
Offsetting collections		17,110			(881)	-4.6%
	17,155		19,068	18,187		
Subtotal, budget authority	31,590	33,374	34,832	36,172	2,221	14.1%
Total budgetary resources	33,190	33,374	34,832	36,172	1,340	3.8%
Unexpired unobligated balance	206					

Office of Public & Intergovernmental Affairs						
Summary of Budget Request						
(\$s thousands)						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Office of Assistant Secretary	3,415	2,727	2,227	3,921	1,694	76.1%
Office of Public Affairs	5,210	7,828	7,828	7,659	-169	-2.2%
Office of Intergovernmental Affairs	4,245	3,286	3,286	3,634	348	10.6%
Office of Internal Communications	1,472	814	814	791	-23	-2.8%
Office of National Veteran Outreach	841	875	875	1,059	184	21.0%
Office of Executive Speechwriters	646	734	734	921	187	25.5%
Subtotal, direct	15,829	16,264	15,764	17,985	2,221	14.1%
Reimbursable						
Enterprise E-mail Service	3,696	3,696	3,696	3,696	-	0.0%
Media Clips Contract	390	394	390	390	-	0.0%
VA Branding Contract	12,375	12,310	14,274	13,387	-887	-6.2%
Homeless Veteran Outreach Contract	625	601	601	601	-	0.0%
Publication Support	69	109	107	113	6	5.6%
Subtotal, reimbursable	17,155	17,110	19,068	18,187	-881	-5%
Total	32,984	33,374	34,832	36,172	1,340	3.8%

Office of Public & Intergovernmental Affairs						
Summary of FTE Request						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs	
					FTE	%
Direct						
Office of Assistant Secretary	6	6	6	6	-	0.0%
Office of Public Affairs	42	43	44	44	-	0.0%
Office of Intergovernmental Affairs	18	17	17	19	2	11.8%
Office of Internal Communications	5	4	4	4	-	0.0%
Office of National Veteran Outreach	3	3	3	4	1	33.3%
Office of Executive Speechwriters	3	3	3	4	1	33.3%
Subtotal, direct	77	76	77	81	4	5.2%
Reimbursable						
Office of Rural Engagement	-	-	2	4	-	-
Publication Support	-	1	1	1	-	-
Subtotal, reimbursable	-	1	3	5	-	-
Total	77	77	80	86	6	7.5%

*2023 Enacted FTE displayed differs from the Budget Appendix due to a data entry error.

Program Description and Accomplishments

The Office of the Assistant Secretary provides executive oversight, management, and direction to OPIA. The Assistant Secretary oversees VA's communications and outreach programs including media relations, internal communications and media products, social media, and intergovernmental affairs. The Office of the Assistant Secretary includes the Principal Deputy Assistant Secretary, the Chief of Staff, Special Assistant, Executive Assistant, and other program analysts and assistants. The Principal Deputy Assistant Secretary and the Chief of Staff report directly to the Assistant Secretary.

Principal Deputy Assistant Secretary, OPIA

The Principal Deputy is the senior-ranking federal employee within OPIA and serves as the Assistant Secretary's and Deputy Assistant Secretaries' senior advisor on matters pertaining to development of Department-wide communications policy, paid advertising, enterprise-level employee engagement and career staff development and training. The Principal Deputy is responsible for providing oversight, guidance and to the Office of National Veterans Outreach, the Office of Internal Communications, and the Office of the Executive Speechwriters. The Principal Deputy also serves as the responsible executive in OPIA to lead and manage OPIA's portion of VA's Continuity of Operations (COOP) program, National Level Exercise (NLE) and emergency response program, and inter-agency coordination for Emergency Support Function (ESF) 15 functions. During administration transition periods, or in the event of an absence of a confirmed Assistant Secretary, the Principal Deputy performs the duties of the Assistant Secretary.

Office of Internal Communications

The Office of Internal Communications is the lead VA office charged with improving and spreading employee communications across the enterprise. The goal of the office is to increase employee awareness of VA and its initiatives, programs, and achievements, and to increase employee engagement and productivity.

National Veterans Outreach Office

The National Veterans Outreach Office (NVO) is responsible for assessing, coordinating, planning, and reporting outreach activities for VA. NVO develops outreach plans and web resources to help VA administrations and program offices plan their outreach and marketing efforts. In addition, NVO is responsible, by law, for preparing the biennial outreach report to Congress on the outcomes of VA's outreach activities.

Office of Executive Speechwriters

The Office of Executive Speechwriters (OES) works in direct support of the Secretary of Veterans Affairs, the Deputy Secretary, and the Chief of Staff to research, write, revise, and edit high-quality executive speeches, audio-visual presentations, opening statements

for congressional testimony, messages, talking points, video scripts, correspondence, and other strategic communications products such as op-eds, reports, presentations.

Deputy Assistant Secretary for Intergovernmental Affairs

The Deputy Assistant Secretary for Intergovernmental Affairs is responsible for all relations between VA and international, state, county, municipal, and tribal governments. The primary function of the office is to provide strategic advice, guidance, and information to the Office of the Secretary, Under Secretaries for Health, Benefits, and Memorial Affairs, and all other VA Staff Offices by fostering and enhancing government partnerships and acting as a liaison between VA and the White House, federal, state, county, municipal, tribal, insular, and international governments, and faith-based leaders. The Deputy Assistant Secretary for Intergovernmental Affairs has oversight of the Office of Tribal Government Relations, the Center for Faith and Opportunity Initiative, the Office of State, Local and International Engagement and the Office of Rural Engagement.

Senior Advisor for Pacific Strategy

The Senior Advisor (SA) for Pacific Strategy advises the SECVA and VA's leadership and engages intergovernmental and inter-agency stakeholders to build relationships across the Pacific Island region where VA has or plans to expand its presence to support the needs of Veterans. The SA independently initiates and defines projects to establish partnerships in the remote western Pacific Islands. The SA develops strategies, coordinates, and oversees VA's engagement in external relationships with stakeholders and other federal, state, and territorial agencies to further VA's mission to support all Veterans.

Office of Tribal Government Relations

The Office of Tribal Government Relations (OTGR) works to strengthen and build closer relations between the VA, tribal governments and other key federal, state, private and non-profit partners to serve Veterans across Indian Country effectively and respectfully. This work is done in the spirit of government-to-government consultation and collaboration, respectful of the political relationship that exists between the United States and tribal governments. OTGR efforts focus on three important goals: facilitating VA's Tribal Consultation Policy; facilitating increased access to health care and promoting economic sustainability by highlighting opportunities for Veterans to access fiscal, educational, housing, and other special programs and benefits through the VA.

Office of State, Local and International Engagement

Office of State, Local and International Engagement (SL&I) mission manages VA's collaborative participation in intergovernmental affairs activities and policy initiatives, including White House-sponsored policy and outreach events; provide assessment the policy issues and concerns of state, local, and municipal elected officials regarding the impact on VA's operations and policies affecting in their jurisdictions. SL&I serves as

VA's primary liaison for all matters of intergovernmental affairs and is the primary point of contact (POC) with federal IGA partners, states (governors' offices and State Veterans Affairs Departments), and local government officials (mayors' offices & county officials). SL&I facilitates government-to-government relations with State and Local leaders on VA policy initiatives to develop partnerships that enhance access to services and benefits for Veterans and their families. The SL&I office manages the VA's International Affairs program and is the primary POC with the State Department and foreign governments/entities.

Center for Faith-Based and Neighborhood Partnerships

The Department of Veterans Affairs Center for Faith-Based and Neighborhood Partnerships (CFBNP) mission is to provide faith-based and community organizations (FBCOs) and stakeholders with an opportunity to collaborate to support the needs of Veterans, their families, survivors, and caregivers. CFBNP works with the White House and other federal agency faith and partnership directors to empower faith-based and secular organizations by assisting in the delivery of vital services in neighborhoods across the nation. Additionally, CFBNP promotes awareness among diverse civil society leaders of opportunities to partner, both financially and otherwise, with the federal government to serve people in need and to build institutional capacity.

Office of Rural Engagement

The Office of Rural Engagement (ORE) works to strengthen and build closer relations between the VA and Veterans in rural America. ORE leads the enterprise effort in rural America where it impacts Veterans by building stakeholder and inter-agency relationships across the federal government including with other cabinet-level agencies, the White House and the Domestic Policy Council. ORE focuses on initiating projects to support VA's role in identifying, supporting, and providing for the unique needs of rural Veterans. ORE represents VA as a member of the White House's Rural Partners Network (RPN). The RPN provides technical assistance to rural communities; established the rural.gov web site for access to federal resources; and created the rural community of practice.

Deputy Assistant Secretary for Public Affairs

The Deputy Assistant Secretary of Public Affairs is responsible for coordinating and orchestrating the release of external public affairs communication and information for VA. The primary mission of this Office is to coordinate with VA's three Administrations (VBA, VHA and NCA) and other offices throughout VA to ensure Veterans and their families, other beneficiaries, and stakeholders receive accurate and timely information about VA benefits and programs as well as information on many other topics using all forms of traditional and new media.

Office of Media Relations

The Office of Media Relations (OMR) serves as VA's main channel for interfacing with the news media. OMR plans and directs the department's public affairs and news media

program. OMR staffers help develop issue-driven public affairs campaigns, manage and execute media events (press conferences, interviews, media roundtables, media support to major VA events, etc.), coordinate public affairs events with the department's three administrations and key program offices, draft, distribute and maintain news releases and fact sheets, communications plans, white papers, responses to queries, talking points, media advisories and similar products.

Office of Field Operations

OPA's Field Operations Service consists of six district public affairs offices that serve as the public relations conduit between 171 VA Medical Centers, 153 National Cemeteries, 56 Regional Benefits Offices and 300 Vet Centers and the VA Central Office, coordinating the release of external and internal public affairs information. The Field team conducts communications training for public affairs officers and leaders at the facility level, provides communications advice and counsel, coordinates media relations and provides support to VA senior leaders during their visits to local facilities. Field Operations play an integral part in synchronizing local facility and department-level communications efforts that help make Veterans aware of the care and benefits for which they may be eligible.

Office of Digital Media Engagement

The Office of Digital Media Engagement (DME) is the component within the Office of Public and Intergovernmental Affairs that engages with Veterans, their dependents, survivors, and caregivers. DME continues to reach more Veterans across the digital landscape by leveraging web-based technologies to provide the right information at the right time. Additionally, DME creates and distributes numerous communication products through online media designed to inform external audiences of the many benefits, services, and programs available to Veterans and how they may access those benefits.

Recent Accomplishments

- The National Veterans Outreach Office managed the ChooseVA national advertising campaign to expand awareness of VA benefits and services that Veterans have earned and deserve. The campaign's ads were viewed more than 3.2 billion times by targeted audiences through paid digital and printed ad placements, public service announcements, and donated media space. At a cost of just over \$9.4 million, the 2021-2022 ChooseVA ads had a market value of more than \$40 million.
- ChooseVA advertisements resulted in more than 3.8 million visits to choose.va.gov and other relevant VA websites, enabling Veterans to learn more about VA benefits and begin the application process. More than 23,000 completed applications for VA benefits and services were directly attributable to the ChooseVA ad campaign in 2022.
- Led the planning and execution of the National Veterans Day Observance at Arlington National Cemetery in collaboration with the White House, U.S. Department of Defense, Military District of Washington, and VSOs. Established more than 30 regional site

programs for Veterans and families to observe Veterans Day at VA-sanctioned events in their local communities.

- Wrote and submitted to Congress a feasibility study for the creation of a VA Center for Asian American, Native Hawaiian and US-Affiliated Pacific Islander Health, which is now under consideration for funding. Reestablished and invigorated the VA Pacific Strategy Workgroup to coordinate actions among VA administrations, improve the common understanding of issues affecting Veterans in the Indo-Pacific, and make recommendations to VA governance.
- Coordinated and carried out numerous meetings between Pacific area leaders and VA leadership for productive dialogue to build relations and support for Veterans. Leaders included members of Congress, territorial governors and legislative leaders, the President of Palau, and Speaker of the Marshall Islands legislature.
- OTGR coordinated efforts with the Veterans Benefits Administration/Outreach, Transition, and Economic Development, State Departments of Veterans Affairs and Tribal Governments to conduct 27 claims clinics throughout Indian Country. Outcomes included increases in service-connected ratings, retroactive payments, VHA health care enrollments, access to on-site services and reaching a population of 358 Veterans previously underserved by VA and other service organizations.
- ORE developed VA content on the Rural Partners Network (RPN). Posted three Veterans symposiums with topics covering rural areas, Black Veterans and Women Veterans with an emphasis on the PACT Act. This information was posted on rural.gov.
- VA published more than 1,820 articles on VA News providing vital information about VA benefits and services directly to Veterans, Caregivers and Survivors resulting in 18.1 million page views. Most of the content also directed stakeholders to the department's main website with 103.9 million views during FY 2022.
- In 2022, VA reached more than 216 million people on VA's Department-level Facebook account and had 11.5 million total engagements. Through the Mental Health and Veterans Crisis Line (VCL) campaigns generated 115 million views.
 - 675K website visits
 - 22 million social engagements
 - 10.5 million YouTube video views
 - Facebook posts on VA's main account generated 40% of all VCL call volume and 62% of call volume generated from paid media efforts (including all channels) specifically
 - OPIA's social media interns made 18 referrals to the VCL for suicidal comments posted to social media
- Office of Internal Communications Managed *VA Insider*, VA's flagship all-employee blog portal. *VA Insider* visits grew from 38,065,816 in 2021 to 42,247,551 in 2022, an 11% increase.

- Office of Media Relations provided communication support for the rollout of the PACT ACT to include editing and clearing related communication plans, news releases, talking points, media advisories, response to queries and interviews. Provided same support for other topics. Continued to assist in efforts to inform Veterans about the seriousness of COVID-19 and importance of getting vaccinated, tested and related safety protocols. Informed Veterans about new toxic exposure screening and benefits — along with information about mental health issues, PTSD, suicide prevention and the availability of the multitude of services to address them. Other accomplishments include responding to more than 1050 media queries; processing and posting 110+ news releases and 10 media advisories and management of 10 SECVA press conferences.
- Throughout the year, the Office of Field Operations team advised facility directors, senior leaders, and public affairs officers during more than 5,000 individual interactions. This was especially critical as local facilities were queried about their continued response to the COVID-19 pandemic. As the situation evolved, local engagement was invaluable to getting information to stakeholders about how facilities were adapting to changing conditions on the ground. It was of paramount concern that Veterans understood the precautions VA was taking to provide them safe, high-quality health care in the face of the pandemic.

Budget Highlights

Adjustments (Increases and Decreases)

The 2024 appropriation request of \$18 million reflects a net increase of \$2.2 million over the 2023 enacted budget:

- \$787,000 for 5.2% pay raise
- \$23,000 for non-pay inflation
- \$265,000 for above-inflation increases for current services
- \$464,000 decrease for the following service level agreements that will be processed on behalf of OPIA by the Office of Management:
 - Office of Resolution Management, Diversity and Inclusion (ORMDI)
 - Alternative Dispute Resolution (ADR)
 - Washington Metropolitan Area Transit Authority (WMATA)
 - VA Personal Identity Verification (PIV) card
 - Access, Identity Management (AIM)
 - GovDelivery
- \$997,000 for 5 additional FTE, to support VA and Tribal government relations, establish Pacific Island partnerships, assess, coordinate, plan and report outreach activities, and for speechwriting and management analysis

- \$405,000 for Tribal Government Conferences and Public Affairs Training Academy support
- \$153,000 to support Secretary, Deputy Secretary, and Chief of Staff travel
- \$55,000 for audio and video equipment replacement

Office of Public & Intergovernmental Affairs Employment and Obligation Classification (\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	44	44	43	46	3	7.0%
Field	33	32	33	35	2	6.1%
Total FTE	77	76	76	81	5	6.6%
Direct obligations						
Personnel compensation	9,291	9,902	9,646	10,904	1,258	13.0%
Personnel benefits	4,275	5,213	5,369	5,416	47	0.9%
Travel	551	151	151	465	314	207.6%
Rents, communications and utilities	576	30	30	30	-	0.0%
Printing	50	75	25	105	80	320.0%
Other services	1,075	849	528	975	447	84.7%
Supplies and materials	11	24	15	35	20	133.3%
Equipment		20		55	55	-
Subtotal, direct obligations	15,829	16,264	15,764	17,985	2,221	14.1%
Reimbursable obligations						
Personnel compensation		67				-
Personnel benefits		30				-
Rents, communications and utilities	1,617	3,696	3,696	3,696		-
Other services	15,538	13,317	15,372	14,491	-881	-5.7%
Subtotal, reimbursable obligations	17,155	17,110	19,068	18,187	-881	-4.6%
Total obligations	32,984	33,374	34,832	36,172	1,340	3.8%

PACT Act Funding

The funding received to support the PACT Act will expand communications and outreach functions. Utilizing existing FTE, OPIA will conduct coordination, planning, implementation and measurement for several complex communications actions associated with implementing the

PACT Act. This cross-Departmental and Veterans Service Organization engagement will synchronize the development and execution of communications plans. The funding for advertisement will inform Veterans, the families and caregivers of the specifics of the Act and the benefits they may be entitled to.

Office of Public and Intergovernmental Affairs						
Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126						
(\$s in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$s/FTE	%
Employment					-	-
Obligations			4,770	3,692	(1,078)	-22.6%
Budgetary resources						
Unobligated balance brought forward, Oct 1			4,270	192	(4,078)	-95.5%
Budget authority:						
Appropriations, mandatory	4,270		692	3,500	2,808	405.8%
Total, budgetary resources	4,270	-	4,962	3,692	(1,270)	-25.6%
Unexpired unobligated balance, end of year	4,270	-	192	-		

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Office of Congressional and Legislative Affairs

Mission Statement

The mission of the Office of the Congressional and Legislative Affairs (OCLA) is to engage proactively and collaborate with the United States Congress to improve the lives and outcomes—including excellent care and benefits—for all Veterans, their families, and survivors. OCLA serves as the political knowledge base of the Department and is responsible for the relationship and interactions with the Congress, who has a VA-presence in nearly every congressional district and state. Lastly, OCLA works to align VA’s strategic and legislative priorities with the Administration.

Summary of Budget Request

The Office of the Congressional and Legislative Affairs (OCLA) requests \$9.9 million and 51 FTE to fund all OCLA activities in 2024. The 51 FTE includes personnel assigned to the Central Office and OCLA’s Outreach and Congressional Liaison Service offices on Capitol Hill. This funding will continue to advance and bolster responsive and effective congressional communications (i.e., briefings, information requests, meetings, hearings, roundtables, site visits, and constituent services) to ensure transparency and enhance the knowledge of VA for Members of Congress and staff. OCLA supports each of the Department’s Legislative Proposals included in the President’s budget as well as the VA Secretary’s Priorities and Strategic Goals in the 2023-2029 Strategic Plan by engaging Congress for needed resources and legislative authorities and shaping external market forces to favor Veteran outcomes as outlined this plan. Also, OCLA provides technical assistance—including views and estimates—on draft legislation and supports the development and execution of the Department’s legislative priorities.

Office of Congressional & Legislative Affairs						
Budgetary Resources						
(\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	8,109	9,545	9,545	9,975	430	4.5%
Total obligations	8,109	9,545	9,545	9,975	430	4.5%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	645	-	-	-	-	-
Subtotal, unobligated balance	645	-	-	-	-	-
Budget authority:						
Appropriations, discretionary						
Appropriation	7,480	9,545	9,545	9,975	430	4.5%
Subtotal, appropriations	7,480	9,545	9,545	9,975	430	4.5%
Subtotal, budget authority	7,480	9,545	9,545	9,975	430	4.5%
Total budgetary resources	8,125	9,545	9,545	9,975	430	4.5%
Unexpired unobligated balance	16	-	-	-	-	-

¹ The 2022 amount includes \$645,000 in General Administration carryover funding to support on-boarding FTE.

Office of Congressional & Legislative Affairs
Summary of Budget Request
(\$s thousands)

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Office of Congressional and Legislative Affairs	8,109	9,545	9,545	9,975	430	4.5%
Subtotal, direct	8,109	9,545	9,545	9,975	430	4.5%
Total	8,109	9,545	9,545	9,975	430	4.5%

Office of Congressional & Legislative Affairs
Summary of FTE Request

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Direct						
Office of Congressional and Legislative Affairs	42	51	51	51	-	0.0%
Subtotal, direct	42	51	51	51	-	0.0%
Total	42	51	51	51	-	0.0%

Program Description and Accomplishments

OCLA coordinates the Department’s activities with Congress. It is the Department’s focal point for all interactions and engagements with Members of Congress, authorization committees and personal staff. Additionally, the Office is the Department’s liaison with the Government Accountability Office (GAO). The Assistant Secretary advises the Secretary of the Department of Veterans Affairs (VA) and serves as the Department’s primary point of contact with Congress. The Assistant Secretary also serves as the Department’s principal point of contact between OCLA and the White House Office of Legislative Affairs as well as other Federal agency legislative operations.

OCLA also provides strategic customer service to members of Congress and their Washington, D.C. office staff through congressional liaison team. The liaison team serves as a point of contact for congressional staff on constituent casework issues. The liaison team supports local facilities in processing constituent casework.

OCLA also educates and trains selected VA employees through the Congressional Fellows outreach program established in 2018 in all aspects of congressional activities, emphasizing those matters regarding the VA. These Fellows will continue to serve as full-time legislative aides in the House of Representatives or Senate for the duration of a single session of Congress. In 2023, 5 VA employees are currently participating in the program.

Additionally, OCLA carries out the following functions and activities:

- Maintains responsive communications with Congress through briefings, hearings, correspondence, reports, site visits, requests for information (RFIs), and other requested services from Members of Congress.
- Develops and executes the Secretary and Department's legislative strategy and priorities and champions them before Congress.
- Leads the preparation and management of the Department's participation in Congressional hearings and briefings, and accompanies VA personnel in meetings with Members of Congress, Congressional committees and staff.
- Coordinates both the development of pro-Veteran legislation and requests for views and technical support of the Department on pending or proposed legislation to benefit Veterans and improve the operations and efficiency of the Department.
- Manages the Department's Title 38 U.S.C. Congressionally Mandated Reports (CMR) process and transmits those reports to Congress. These reports do not include reports mandated by appropriations acts.
- Leads, coordinates, and works with the Office of Management and Budget (OMB) on comments on, and reviews of, pending authorizing legislation, oversight and authorizing legislation testimony, and draft Statements of Administration Policy.
- In close consultation with the White House, supports hearings for VA nominees.
- Coordinates with the Department on responses to Congressional Budget Office (CBO) requests.
- Advises VA senior leadership, in coordination with program office and legal staff, on all legislative matters, including serving as the primary legislative and Congressional representative for strategy and working group efforts within VA leadership.
- Receives and processes Member requests for assistance with constituent and policy inquiries.
- Receives, resolves, and responds to Veteran case inquiries from Congressional offices.
- Prepares responses to GAO draft and final reports and provides updates to open recommendations. Ensures responses are provided to GAO in a timely manner and keeps VA leadership apprised of GAO recommendation implementations.

Recent Accomplishments

In 2022, the Office of the Congressional and Legislative Affairs achieved the following:

- Supported 52 hearings and roundtables.
- Conducted 599 congressional briefings, including educational seminars.
- Responded to 3,450 requests for information and 328 questions for the record.
- OCLA supported 157 GAO entrance and exit conferences and coordinated the Department's response to 214 GAO draft and final reports.
- OCLA's liaison team fielded 34,382 telephone inquiries and letters in support of constituent casework, in addition to managing Secretarial and senior leader policy and informational correspondence.
- Proactively coordinated and sent 1,171 VA notifications or press releases to the Hill.
- OCLA's legislation team provided technical assistance on more than 500 draft pieces of legislation and completed 201 Congressional Mandated Reports.
- OCLA personnel directly supported congressional oversight visits to VA facilities throughout the Nation and supported the Secretary and Deputy Secretary for congressional meetings and travel.

Budget Highlights

The 2024 request includes \$9.5 million in total planned pay obligations for 51 FTE necessary for OCLA to continue providing comprehensive management and support. Also, \$489,000 in planned obligations are for contracts and services directly supporting OCLA and its mission.

Office of Congressional & Legislative Affairs Employment and Obligation Classification (\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	42	51	51	51	-	0.0%
Field	-	-	-	-	-	-
Total FTE	42	51	51	51	-	0.0%
Direct obligations						
Personnel compensation	5,670	7,100	7,100	7,184	84	1.2%
Personnel benefits	2,011	1,928	1,928	2,302	374	19.4%
Travel	39	57	57	68	11	19.3%
Rents, communications and utilities	82					-
Printing		5	5	5	-	0.0%
Other services	267	445	445	401	-44	-9.9%
Supplies and materials		10	10	15	5	50.0%
Grants, judgements, interest and insurance	40					-
Subtotal, direct obligations	8,109	9,545	9,545	9,975	430	4.5%
Total obligations	8,109	9,545	9,545	9,975	430	4.5%

¹ The 2022 amount excludes \$645,000 in General Administration carryover funding to support on-boarding FTE

Increases

In 2024, OCLA is requesting additional \$430,000 above 2023 Enacted for pay raises and for personnel benefits to support the current and expected workload. At the 2024 funding level, OCLA will continue to manage and implement programs efficiently and deliver critical services effectively.

In 2022, OCLA saw an increase in overall workload. OCLA relied on the support of details and interns to assist with workload and burnout, which were top areas of concern in VA's 2022 All

Employee Survey. The requested 2024 funding level would support OCLA in better addressing these concerns, while ensuring timely, responsive, and thorough communication is shared with Congress.

PACT Act

OCLA anticipates a significant increase of Congressional casework, oversight, and engagement because of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 and throughout its implementation. OCLA requested 1 FTE as part of the PACT Act Fund. OCLA will hire for this position in 2023 at GS13 level or below to ensure OCLA is responsible in its support to Veterans and Congress.

Office of Congressional and Legislative Affairs Summary of Employment, Obligations and Budgetary Resources - Toxic Exposures Fund 1126 (\$s in thousands, FTE)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$s/FTE	%
Employment			1	1	-	0.0%
Obligations			194	201	7	3.6%
Budgetary resources						
Unobligated balance brought forward, Oct 1			80	-	(80)	-100.0%
Budget authority:						
Appropriations, mandatory	80		114	201	87	76.3%
Total, budgetary resources	80	-	194	201	7	3.6%
Unexpired unobligated balance, end of year	80	-	-	-		

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Acquisition, Logistics, and Construction

Mission Statement

The mission of the Department of Veterans Affairs' (VA) Office of Acquisition, Logistics, and Construction (OALC) is to support America's Veterans by delivering and enabling business solutions that meet the ongoing and emerging needs of our customers. We do this by delivering services, communicating, and being transparent; optimizing business operations that facilitate informed decision making; and being a learning, agile organization that provides employee professional growth aligned with OALC's mission. The office provides acquisition and logistics services to VA Administration and Staff Offices, as well as overseeing management with planning, design, construction and associated activities of the Department's major construction and leasing projects.

Summary of Budget Request

Included under OALC is the Office of Acquisition and Logistics (OAL), the Office of Procurement, Acquisition and Logistics (OPAL), and the Office of Construction and Facilities Management (CFM). This chapter provides information for OALC enterprise oversight and management functions and CFM. Detailed information on OAL and OPAL is included in the Office of Acquisition and Logistics/Office of Acquisition Operations: Supply Fund Chapter. The Department spends approximately \$38 billion annually through contracts to support VA's mission of serving our Veterans. This includes national contracts for all government agencies to use and agreements for the acquisition and direct delivery of pharmaceuticals; medical, equipment/supplies, and IT services. OALC, through its component offices, oversees these contracts and 6,528,110 or more procurement transactions per year. OALC is leading vital efforts in modernizing the VA's Supply Chain business processes and procedures impacting resource allocations on goods and services across the enterprise, including the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), VA Central Office (VACO), and the Office of Information and Technology (OIT), each of which is responsible for logistics and asset management activities and functions specific to VA's mission.

In support of these activities, and surge capabilities in response to its Fourth Mission, VA requires an integrated and comprehensive supply chain, equipment, and facilities management capability. Additionally, OALC is supporting the Electronic Health Record Modernization Integration

Office's efforts to provide seamless healthcare for our Nation's Veterans through its award and administration of an Indefinite Delivery/Indefinite Quantity contract for an Electronic Health Record with Cerner Government Services.

Through the Major Construction account, CFM provides national-level program oversight as well as regional and local support for Major Construction, Seismic and Lease projects by funding on-site supervision of those projects in addition to a variety of support services. Funding supports multiple position types including engineers/architects, program/project managers, historic preservation specialists, realty specialists, planners, contracting officers and management support staff.

Office of Acquisition, Logistics, and Construction 2024 Funding

OALC is requesting \$179.5 million and 618 FTE in reimbursable funding. This includes \$170.7 million from the Major Construction Appropriation for 573 construction and leasing-related FTE. Of the \$170.7 million, \$153 million is requested to support 550 FTE. Balances from Major Construction will be utilized in the amount of \$17.7 million to cover the remainder and will support 23 of the 573 FTE. Also included is \$4.2 million from the Major Construction Appropriation for 21 Seismic FTE and \$4.6 million for 24 FTE for management oversight of functions funded through the Supply Revolving Fund. Funding will cover costs of salaries, rent, contract support, training, travel, and permanent change of station. Staff will be located at the VA Central Office and throughout the contiguous United States, Hawaii, Alaska, Puerto Rico, and Guam.

The Major Construction Appropriation amount includes funding for three FTE for the VA History Office (VAHO). VAHO is the principal enterprise-wide management office for centralized VA historical initiatives. The mission of VAHO is to establish an overarching program to collect, preserve and provide access to the organization's relevant historical records and artifacts to tell a comprehensive story of VA and its predecessor organizations. The VAHO's 2024 budget request is \$3 million. This includes funding for its curator and archivist that are based in Dayton, Ohio.

Office of Acquisition, Logistics & Construction

Budgetary Resources

(\$s in thousands)

Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Reimbursable obligations	104,291	154,353	154,353	179,523	25,170	16.3%
Total obligations	104,291	154,353	154,353	179,523	25,170	16.3%
Budgetary resources						
Budget authority:						
Offsetting collections	104,291	154,353	154,353	179,523	25,170	16.3%
Subtotal, budget authority	104,291	154,353	154,353	179,523	25,170	16.3%
Total budgetary resources	104,291	154,353	154,353	179,523	25,170	16.3%

Office of Acquisition, Logistics & Construction

Summary of FTE Request

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Reimbursable						
From Major Construction	411	531	533	573	40	7.5%
From Supply Fund	13	19	19	24	5	26.3%
From Major Construction Seismic	9	21	21	21	-	0.0%
VHA Fund	-	2	-	-	-	-
Subtotal, reimbursable	433	573	573	618	45	7.9%
Total	433	573	573	618	45	7.9%

Note: The 573 shown in 2024 from Major Construction includes 550 FTE funded by current-year dollars and 23 FTE funded from prior-year balances.

Office of Acquisition, Logistics & Construction

Summary of Budget Request

(\$s thousands)

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Reimbursable						
From Major Construction	99,425	146,108	146,554	170,668	24,114	16.5%
From Supply Fund	2,822	3,933	3,933	4,647	714	18.2%
From Major Construction Seismic	2,045	3,866	3,866	4,208	342	8.8%
VHA Fund	-	446	-	-	-	-
Subtotal, reimbursable	104,291	154,353	154,353	179,523	25,170	16.3%
Total	104,291	154,353	154,353	179,523	25,170	16.3%

Note: The \$170.7 million shown in 2024 from the Major Construction Reimbursable includes \$153 million in current-year dollars and \$17.7 million from prior-year balances.

Stakeholders

OALC stakeholders include Veterans, Congress, Veterans Service Organizations, the Office of Federal Procurement Policy, the Departments of Defense, Health and Human Services and other Federal agencies. Internal stakeholders or customers include the VA Administrations (VHA, VBA, and NCA) and Staff Offices. OALC also provides direct assistance at regional and local levels, including Veterans Integrated Service Networks (VISN), VHA Area Offices, Memorial Service Networks (MSN), local medical centers and VBA Regional Benefit Offices.

Program Description and Accomplishments

OALC oversees the OAL, OPAL, and CFM. CFM responsibilities include managing the planning, design, and construction of the Department's major construction projects. CFM consolidates and standardizes processes governing construction and leasing activities throughout VA. Program oversight is provided, and enterprise-wide performance metrics are developed that assess various aspects of construction. CFM develops and monitors sustainability, environmental and historic preservation policy for VA to deliver high-quality, cost-effective facilities that support our Nation's Veterans.

Major Construction

CFM is responsible for providing on-site supervision for design and construction of VA's Major Construction projects, as well as projects associated with the 2019 Seismic Corrections line item to address all seismic construction projects across VA facilities. Major Construction encompasses projects greater than \$20 million.

Responsibilities for large projects (projects exceeding \$100 million) include selecting, negotiating and working with a non-Departmental Federal Agency. CFM engineers actively engage with the VA Medical Center and a non-Departmental Federal Agency to solve project issues. These can include project planning, scope selection, modifications, equipment planning, utility shutdowns, space utilization, safety, and continuity of operations. In addition, CFM personnel ensure VA buildings are designed and constructed by the non-Departmental Federal Agency to VA standards.

Duties for all other Major Construction, including projects exceeding \$100 million authorized prior to 2015, include managing, negotiating, awarding, and administering design, construction, and other related contracts. CFM provides support in project scheduling, claims analysis, and risk management; and provides oversight and execution of all Brooks Act Architect and Engineer evaluation and selection processes.

Duties for the Seismic Corrections line item include management/administration, planning/studies, design and construction of projects which meet the criteria for funding.

Real Property and Leasing Services

CFM supports VA by acquiring land for VHA and NCA and by leasing space for construction of medical and medical-related facilities; facilitating intergovernmental transfers, exchanges, disposals, and the acquisition of and granting of easements, licenses, and permits. The office also provides guidance to regional and local VA offices regarding real property. CFM also oversees and administers the Lease Certification Program and Lease Warrant Program for VA.

Specific to leases, CFM is responsible for the procurement of delegated Major Leases and some Minor Leases on behalf of the Department. In addition, CFM is responsible for the execution of lease construction from award through acceptance and develops and facilitates effective, standard lease construction management and implementation strategies. The current, active lease portfolio totals approximately 4.7 million net usable square feet supporting more than 4.8 million projected enrolled Veterans in respective markets of these leases. Finally, CFM is responsible for VA's Lease Certification and Lease Warrant Programs for ensuring appropriately warranted Lease Contracting Officers across the Department.

For these leased facilities, VA's goal is to provide modern, well-designed healthcare facilities that enable delivery of high-quality care and a positive patient experience to our Veterans.

Facility Engineering Support

CFM provides support regarding compliance with laws, codes, regulations, standards, historic preservation, cultural resource laws, and Executive Orders. CFM provides planning, environmental, historic, seismic, architectural and engineering services to VA facilities, and oversees Facility Condition Assessments and Electrical Studies. CFM also conducts technical quality reviews for the State Home Construction Grant program.

Facility Planning Support

CFM is responsible for VA's national quality design and construction standards, including master specifications, design guides, technical manuals, and design alerts. CFM also manages several national programs such as the seismic and natural or manmade disaster preparedness program, various sustainability compliance programs, construction cost budgeting and estimating programs, environmental protection and historic preservation programs, and supports the Fisher House and State Home Construction Grant programs. CFM provides master planning, feasibility and other due diligence studies and project planning expertise, resources, and tools to facilitate facility planning for VA Administrations and Staff Offices. CFM provides healthcare service delivery and facility planning expertise supporting VA's enterprise-wide Strategic Capital Investment Plan (SCIP) and VHA's market studies (96) and national service realignment strategy featured in the MISSION Act.

CFM Program Overview

CFM currently manages 69 Major Construction projects valued over \$15 billion for the acquisition, design, construction, renovation, and modernization of medical centers, as well as building new cemeteries and expanding existing ones. Additionally, CFM is managing the Seismic Corrections

line item established to correct more than \$7 billion in critical seismic issues identified across VA facilities.

CFM's Leasing Program increased in Total Lease Contract Value from \$4.5 billion in 2016 to over \$7.1 billion in 2021, a 58% increase in lease needs. Due to acceptances of previously authorized Major Leases and the lack of new authorization for requested leases between VA's 2019 Budget Request and August 2022, the current Total Lease Contract Value is now just over \$5.8 billion, supporting 54 active leases. This includes 31 Major Leases authorized through the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (Public Law 117-168) included in VA's 2023 Budget Request.

The staffing levels included in this budget request are critical to CFM's ability to address the additional workload imposed by Choice Act leases, State Home Grant funding, MISSION Act requirements to assess, develop and implement VA's National Realignment Strategy, and the Financial Management Business Transformation (FMBT) migration to the Integrated Financial and Account Management System (IFAMS).

CFM continues to enhance our programs to address a wide range of opportunities:

- Maturing a working relationship with the U.S. Army Corps of Engineers (USACE), which became the VA's construction agent for projects over \$100 million in 2016. New leadership at both agency Program Management Offices (PMOs) will improve project execution oversight resulting in speed and agility through enhanced partnering, collaboration, and transparency.
- Partnering with our customers and stakeholders to apply the necessary rigor to project planning and development early and as needed to improve capital program execution outcomes in support of our Nation's Veterans.
- Implementing sophisticated project controls in response to USACE, Office of Inspector General (OIG), Government Accountability Office (GAO), and internal reviews. Efforts are underway to map VA and USACE project execution processes to identify touchpoints and critical gaps that will help inform updates needed for processes, policy, and the VA/USACE Enterprise Program Management Plan (Epp) ultimately improving the speed, agility, and costs of project delivery.
- Preparing to execute 30 of the 31 Major Leases that were recently authorized through the PACT Act of 2022 included in VA's 2023 Budget Request. The remaining Major Lease will be executed by General Services Administration due to it being an administrative lease. CFM will utilize the processes built through the successful execution of Choice Act 1.0 and 2.0 leases to ensure these leases get to acceptance as expeditiously as possible.

Recent Accomplishments

- Obligated \$631.8 million in the Major Construction program, including \$67.1 million in funds transferred to USACE for four Major Construction super projects and \$48.2 million in the Seismic Corrections Program.
- Delivered nine major construction project phases at Manhattan, New York (two phases); North Chicago, Illinois; Pittsburgh, Pennsylvania; St. Louis, Missouri; Tampa, Florida; and Walla Walla, Washington; and two national cemetery phases at Bourne, Massachusetts; and Jacksonville, Florida.
- Managed a large and complex inventory of 69 Major Construction projects valued over \$16 billion; 42 VHA Major Construction projects valued over \$15 billion, which includes the first two projects under the Communities Helping Invest through Property (CHIP) and Improvements Needed for Veterans Act of 2016 (CHIP In Act) in Omaha, Nebraska, and Tulsa, Oklahoma, and 27 NCA Major Construction projects valued over \$1 billion.
- Managed a large and complex inventory of Seismic Correction projects valued over \$2.4 billion.
- Accepted one 2012 authorized Major Lease; seven Choice Act 1.0 (2014) Major Leases; ten Choice Act 2.0 (2017), including one executed by GSA as a pilot; and five Minor Leases providing over 1.4 million square feet of clinical and domiciliary space to support almost two million projected Veteran enrollees in the respective markets.
- CFM is continuing to improve the Major Lease Acquisition Lifecycle by initiating upfront designs and collaborating with Brokers with an intent to reduce the timeline for acquisition, delivery, and acceptance.
- CFM created leasing resources to improve the Minor Lease Acquisition Lifecycle, including a Lease Toolkit, which is a quick reference guide on VA's leasing authorities; national broker contract; and guidance and assistance in acquiring bridge leases to mitigate short-term demand.
- CFM staff was engaged in more than 150 land transactions to support VHA and NCA's Construction programs; VHA's Fisher House program; and acquiring land for Major Construction projects; managing VA-Department of Defense (DoD) cemeteries from DoD to NCA; managing a pilot for the CHIP-In authority; executing land management actions (e.g., easements, permits); and disposing of unneeded VA property.

Leasing Services

CFM supports VA by acquiring land for VHA and NCA and by leasing space for construction of medical and medical-related facilities; facilitating intergovernmental transfers, exchanges, disposals, and the acquisition of and granting of easements, licenses, and permits. The office also provides guidance to regional and local VA offices regarding real property. CFM also oversees and administers the Lease Certification Program and Lease Warrant Program for VA.

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lease construction management and implementation strategies. The current, active lease portfolio totals approximately 4.7 million net usable square feet supporting more than 4.8 million projected enrolled Veterans in respective markets of these leases. Finally, CFM is responsible for VA's Lease Certification and Lease Warrant Programs for ensuring appropriately warranted Lease Contracting Officers across the Department.

For these leased facilities, VA's goal is to provide modern, well-designed healthcare facilities that enable delivery of high-quality care and a positive patient experience to our Veterans.

Budget Highlights

In 2024, OALC requests \$179.5 million in reimbursable authority to support 618 FTE.

Office of Acquisition, Logistics & Construction Employment and Obligation Classification (\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	239	304	304	336	32	10.5%
Field	194	269	269	282	13	4.8%
Total FTE	433	573	573	618	45	7.9%
Reimbursable obligations						
Personnel compensation	58,099	74,506	74,506	84,529	10,023	13.5%
Personnel benefits	21,594	27,094	27,317	31,437	4,120	15.1%
Travel	1,699	5,289	5,289	5,132	-157	-3.0%
Transportation of things	162	329	329	336	7	2.1%
Rents, communications and utilities	8,087	5,585	5,585	5,926	341	6.1%
Printing	12	29	29	7	-22	-75.9%
Other services	13,847	41,146	40,923	51,774	10,851	26.5%
Supplies and materials	168	334	334	340	6	1.8%
Equipment	434	41	41	42	1	2.4%
Grants, judgements, interest and insurance	190					-
Subtotal, reimbursable obligations	104,291	154,353	154,353	179,523	25,170	16.3%
Total obligations	104,291	154,353	154,353	179,523	25,170	16.3%

Analysis of Increases and Decreases - Obligations or Outlays

FTE Increases	2023	2024	(+/-)
Major Construction – Construction Staff	533	573	40
Major Construction - Seismic	21	21	0
Supply Reimbursement – OALC Front Office	19	24	5
TOTAL	573	618	45

- The budget request includes 45 additional FTE compared with 2023:
 - Forty FTE are under the Major Construction reimbursement including two FTE to cover a portion of the seven FTE realigned from OAL to the OALC Front Office and two FTE moved from VHA reimbursement.
 - Five FTE are for the Supply reimbursement to cover a portion of the seven FTE realigned from OAL to the OALC Front Office.

\$ millions	2023	2024	(+/-)
Major Construction – Construction Staff	\$146.6	\$170.7	\$24.1
Major Construction - Seismic	\$3.9	\$4.2	\$0.3
Supply Reimbursement – OALC Front Office	\$3.9	\$4.6	\$0.7
TOTAL	\$154.4	\$179.5	\$25.1

- The funding request includes an increase of \$25.1 million compared with 2023:
 - Additional funding in the amount of \$24.1 million in the Major Construction reimbursement to cover 42 additional FTE, as well as supplemental funding for contracts and training. Reductions in rent and travel are included.
 - Increase in Supply reimbursement funding to cover the cost of additional FTE.
 - Removal of VHA reimbursement.

2024 FTE Breakout by Appropriation

Position	Reimbursable Funding Sources		Total
	Major Construction	Supply Fund	
Resident Engineers/Admin Support	236	0	236
Project/Program Managers	92	0	92
Realty Specialists	61	0	61
Planners	57	0	57
Contracting Officers	61	0	61
Architect/Engineers	29	0	29
Management Support	58	24	82
Total	594	24	618

The FTE distribution aligns with the budget resources in the 2024 request. Funds are included in the request to ensure that employees maintain adequate expertise relating to industry standards and best practices for the acquisition of design and construction services. FTE and contract dollars are also included to manage funding received to address critical seismic corrections at various locations.

Other CFM Activities

- Managed all technical reviews for VA's State Home Construction Grant Program for 31 grants valued at \$770.4 million on VA's 2022 Priority List, and 17 grants valued at \$307.6 million on VA's Priority List 2021 Conditional Approvals. CFM provides continuous programming, design, environmental, historical, budget and construction subject matter expert consultation to VHA's Office of Geriatrics and Extended Care and states requesting the construction grants.
- Ongoing accessibility, life/safety, codes/standards, environmental and historical subject matter expertise to ensure grantees technical compliance to support VHA's Office of Grants and Per Diem's 56 Coronavirus Aid, Relief, and Economic Security (CARES) Act capital grants valued at \$50 million, and 34 American Rescue Plan (ARP) Act grants valued at \$75 million. As of December 1, 2022, 60% of the CARES Act grants and 15% of the ARP Act grants have completed all technical grant requirements. CFM provides continuous accessibility, life/safety, codes/standards, design, environmental and historical subject matter expert consultation to Grant and Per Diem (GPD) grantees requesting the capital grants.
- Provided extensive architectural, engineering, scheduling, and other technical consultant services to VA Medical Centers for budget development; review of capital projects, operations and maintenance issues, scheduling and estimating for the preparation of VA's Major Construction budget, environmental compliance, historic preservation consultation, and cost control assistance for projects under design with a value of \$5 billion. Supported MISSION Act Implementation by providing contract execution and master planning expertise for the VA Market Assessments required to develop VA's National Realignment Strategy. Exceeded MISSION Act training requirements, with 100% of staff receiving Facility Engineering and Construction Certification.



Veterans Experience Office

Mission

The Veterans Experience Office (VEO) supports the Department of Veterans Affairs (VA) as the Secretary's customer experience (CX) insight engine and shared service to partner with, support, and enable VA Administrations and Staff Offices to provide the highest quality CX in the delivery of care, benefits, and memorial services to Service members, Veterans, their families, caregivers, and survivors.

Vision

To leverage CX data, tools, technology, and engagement to enable VA to be the leading CX organization in government, so Service members, Veterans, their families, caregivers, and survivors choose VA.

Core CX Principles

As codified in VA's Core Values, Characteristics and Customer Experience Principles in 38 C.F.R. § 0.603, VA measures CX along the core CX principles:

- **Ease.** VA will make access to VA care, benefits, and memorial services smooth and easy.
- **Effectiveness.** VA will deliver care, benefits, and memorial services to the customer's satisfaction.
- **Emotion.** VA will deliver care, benefits and memorial services in a manner that makes customers feel honored and valued in their interactions with VA.

These factors combined affect the overall trust customers have in VA.

Prioritizing CX Across the Enterprise

The VA Secretary identified CX as a priority, and the Department remains committed to providing world class CX. VA established CX as a core competency and permanently codified CX Principles as part of VA's Core Values and Characteristics in 38 C.F.R. § 0.603 and VA Directive 0010.

VEO reports directly to the Secretary and leads VA CX efforts. VEO supports VA modernization to become a premier CX organization by bringing industry best practices to service design and delivery. VEO leverages its four core CX capabilities—real-time CX **data**, tangible CX **tools**, modern CX **technology**, and targeted CX **engagement**—to empower employees to deliver outstanding experiences to Service members, Veterans, their families, caregivers, and survivors.

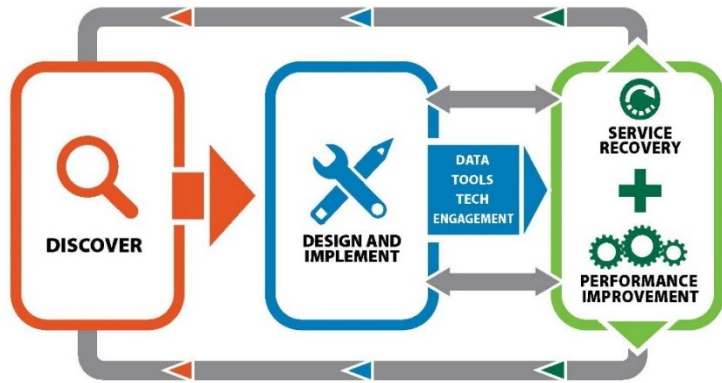


Figure 1: VA's CX Framework and Core Capabilities

VA's leadership in CX resulted in numerous achievements, including designations as:

- Lead Agency Partner for the 2018-2020 President's Management Agenda (PMA) Cross-Agency Priority Goal on Improving Customer Experience with Federal Services
- Priority Area Leader for Priority Area 2, Delivering Excellent, Equitable, and Secure Federal Services and Customer Experience, for the PMA launched in March 2022. VEO Priority Area 2 support includes:
 - Helping establish a government-wide CX capacity,
 - Harnessing industry best practices,
 - Sharing lessons learned,
 - Advising on standard CX metrics,
 - Contributing to a federal CX framework to institutionalize CX throughout Government, and
 - Providing human-centered design (HCD) expertise to map the Veteran journey across Federal agencies.

VEO will continue to help advance public experiences with Government and applicable Executive Orders (EO) that seek to achieve similar goals, such as EO 14058, Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government, and EO 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government.

Summary of 2024 Budget Request

VEO is requesting \$128.9 million in reimbursable authority (RA) to support 445 full-time equivalent (FTE) employees to accomplish its mission in 2024. This request does not include reimbursements from the Toxic Exposures Fund (TEF). Please also refer to the TEF section at the end of the chapter.

Office of Veterans Experience
Summary of Budget Request
(\$s thousands)

Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Reimbursable						
National HQ VEO Staff	13,653	10,509	11,259	14,647	3,388	30.1%
Veterans Experience Data Enterprise Measurement & Design	16,411	21,405	21,405	19,617	-1,788	-8.4%
Veterans Experience Tools and Implementation	9,966	10,426	10,426	8,379	-2,047	-19.6%
Multichannel Technology	57,204	64,132	64,218	82,764	18,546	28.19%
Veterans, Family, and Community Engagement	5,921	5,283	5,283	3,528	-1,755	-33.2%
Subtotal, reimbursable	103,155	111,755	112,591	128,935	16,344	14.5%
Total	103,155	111,755	112,591	128,935	16,344	14.5%

National HQ VEO Staff category in table above includes 27 FTE in the newly formed Employee Experience and Organizational Management (EXOM) directorate, focused on program execution in building the Department level employee experience capability. In addition, it includes 16 Chief of Staff employees with responsibility for external customer communications and strategic partnerships. EXOM will be listed separately from HQ in the 2025 budget chapter.

Office of Veterans Experience Budgetary Resources (\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Reimbursable obligations	103,155	111,755	112,591	128,935	16,344	14.5%
Total obligations	103,155	111,755	112,591	128,935	16,344	14.5%
Budgetary resources						
Budget authority:						
Offsetting collections	103,155	111,755	112,591	128,935	16,344	14.5%
Subtotal, budget authority	103,155	111,755	112,591	128,935	16,344	14.5%
Total budgetary resources	103,155	111,755	112,591	128,935	16,344	14.5%

Office of Veterans Experience Summary of FTE Request						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Reimbursable						
National HQ VEO Staff	47	41	47	44	-3	-6.4%
Veterans Experience Data Enterprise Measurement & Design	50	48	50	58	8	16.0%
Veterans Experience Tools and Implementation	51	48	51	57	6	11.8%
Multichannel Technology	177	181	177	264	87	49.2%
Veteran, Family, and Community Engagement	27	25	27	22	-5	-18.5%
Subtotal, reimbursable	240	343	352	445	93	26.4%
Total	240	343	352	445	93	26.4%

Program Description and Accomplishments

VEO collaborates throughout the Department and uses its CX capabilities to identify customer needs and pain points, design customer-centric service delivery improvements, and deploy tangible solutions. On this front, VEO supports VA modernization by hardwiring CX into VA strategy and decision-making. In 2024, VEO aims to continue enhancing CX through its four core CX capabilities—data, tools, technology, and engagement.

CX Data

VEO's CX data capability captures and analyzes the voices of Veterans, their families, caregivers, and survivors. VEO turns qualitative and quantitative data into actionable insights, designing and improving experiences based on customer needs.

For qualitative data, VEO applies HCD methodology and direct interviews with customers to understand unmet needs and identify opportunities to improve their experiences. This qualitative data also creates a consistent shared understanding about VA's customers and how they feel about their interactions with VA, thus bringing the voice of the Veteran to the forefront. These data capabilities also provide quantitative information about Veterans' interactions with VA by capturing and analyzing CX input in real-time using the Veterans Signals (VSignals) CX survey platform. VSignals was modeled after an industry best-in-class framework and a modern, web-based platform used by leading customer service companies in the private sector. This allows the Department to view VA's performance from the Veteran's perspective and holds VA accountable to Veterans, their families, caregivers and survivors. Continuing to follow industry best practices, VEO gathers multiple tiers of CX input to drive improved service delivery based on customer input through two types of surveys:

- **VA Enterprise Trends:** a snapshot of VA's overall performance across all service lines, measuring ease, effectiveness, emotion and trust, and used to monitor VA's progress towards increasing Veterans' trust.
- **Service-Level Patterns:** tracking and analyzing CX by service line in real-time to improve VA performance and provide transparency in service areas in need of improvement; consists of an online survey pushed to customers after service delivery.

Since inception in 2017, the VSignals platform has deployed surveys for 29 different business lines and distributed more than 59 million surveys. Over 9.8 million surveys have been received (including 3.2 million free-text responses) from Veterans through 143 VSignals surveys designed to capture CX feedback regarding VA care, benefits, service recovery, accountability, and program improvements.

VEO also leads a first-of-its kind VA program designed to help spread and scale CX best practices. The VA Customer Experience Institute (VACXi) is a platform that, through training, shared knowledge, and resources, empowers the VA community to solve problems together using a human-centered approach. In 2022, VEO launched its first pilot VACXi's CX Certificate Program, a 4-week program that provided more than 13 hours of learning to 21 cohort learner graduates,

who were selected from more than 200 applicants. VEO will continue to improve and expand learning opportunities for CX through VACXi.

In 2024, VEO will continue providing near real-time, proactive customer insights to stakeholders across VA, maintaining a diverse portfolio of projects requested throughout the year, and supporting several complex, long-term initiatives such as improving the military to civilian transition process for transitioning Service members, understanding the customer's journey through the disability compensation process, and access to care.

CX Tools

VEO's tools and implementation arm deploys VA-wide products and services designed to enhance enterprise overall CX as well as the patient experience (PX). Learning key best practices from a broad spectrum of industry leaders—such as the Beryl Institute, Disney, Mayo Clinic, Nike, Toyota, UCLA Medical Center, and USAA—to understand how pain points, bright spots, and data can be employed better to improve. In 2024, VEO will continue infusing CX best practices into scalable, tangible tools and training to help improve culture and operations at VA facilities nationwide with projects such as:

- **Inpatient Solutions.** A suite of PX toolkits developed to improve the inpatient stay and discharge process at VA Medical Centers with acute care. A one-hour inpatient experience eLearning webinar is available through VA's Talent Management System, educating employees on the toolkits, why facilities should use them, and how to employ change management principles to implement them. As of 2022, 354 VHA facility representatives attended the webinar. VEO is in partnership with the Office of Enterprise Integration to develop interactive virtual reality training.
- **Own the Moment Training.** Training that encourages delivering positive CX by emotionally connecting VA staff and customers. A 2.5-hour self-paced virtual option was released in 2021. As of August 4, 2022, more than 89% (346,158) of VHA FTEs completed the workshop and train-the-trainer sessions have been conducted at five sites with 55 participants. Conducted PX engagements with 71% of VA Medical Centers, providing targeted and location specific consultations, coaching, Own the Moment training, strategic planning, and training. Of those VAMCs, 90 sites (64%) noted improved trust scores by an average of 1.6%
- **Patient Experience University (PXU).** Included courses, currently offered virtually and in-person, designed to equip VA employees with the knowledge, skills, and abilities to serve as PX champions. As of 2022, 186 students completed PXU 101 sessions, 48 students completed PXU 201, and monthly PXU webinars averaged 70 attendees.
- **PX Action Planning.** These events (held on-site or virtually) include establishing Specific, Measurable, Achievable, Relevant, and Time-based (SMART) goals and objectives; reviewing applicable journeys mapped to customer moments that matter and influential Survey of Healthcare Experiences of Patients (SHEP) domains, developing key performance indicators, identifying an executive sponsor and champion leads, designating

team members and necessary resources, and outlining necessary key actions. As of 2022, VEO completed four virtual PX Action Planning sessions.

- **PX Consultation.** An on-site visit with a catered agenda (based on scores and facility interest), the consultation begins with a PX Data Deep Dive and follows with employee and Veteran focus groups, interviews, and observations to capture a large-scale PX picture at a VA health care system. The consultation includes an optional third day at a Community-Based Outpatient Clinic. As of 2022 Q4, 10 facilities with 1,061 attendees received on-site PX consultations.
- **PX Data Deep Dives.** A comprehensive crosswalk on all experience scores to identify bright spots and improvement opportunities. In 2022, VEO completed 29 sessions with 880 attendees.
- **PX Self-Assessment.** An annual, easy-to-use tool that allows VHA facilities to determine top areas for targeted PX improvement efforts. As of 2022, 114 VHA facilities conducted PX self-assessments.
- **Red Coat Ambassador Program.** Volunteers and employees across VA health care facilities wear red coats or vests and assist Veterans, their families, and caregivers with wayfinding information. Since 2020, the Red Coat Ambassador program has contributed to a 7.7% increase (95% of respondents being satisfied or very satisfied) in the “ease of navigation” for Veterans getting to their outpatient appointments.
- **Tour of Duty Training.** A military culture competency training designed for VA employees to create a connection through common language, this training is being piloted and is approved for 3.4 credit hours.
- **VA Welcome Kit.** An onboarding guide designed with Veterans for Veterans using the Journeys of Veterans Map that outlines steps to access VA care, benefits, and services in an easy-to-follow layout. Its numerous quick start guides provide information on key VA benefits and services topics, such as VA health care, mental health services, disability ratings, education benefits, caregiver benefits, and survivor benefits. In 2022, 584,138 copies were downloaded.
- **Voice of the Veteran Presentations.** Tool to crosswalk data on key experience drivers and raise awareness about moments that matter most to Veterans. As of 2022, Voice of the Veteran presentations were delivered at 11 sites to approximately 600 attendees.

VEO’s tools are instrumental in improving service delivery and Veteran trust in VA. In a recent Hospital Consumer Assessment of Healthcare Providers and Systems and Consumer Assessment of Healthcare Providers and Systems survey which captures patients’ perspectives of hospital care, 30.7% of the most improved facilities worked with VEO. And since 2017, overall trust in VA increased by 21%.

CX Technology

VEO's multi-channel technology capability delivers easy and effective CX through all communication channels. VEO drives VA CX transformation through integrated technology solutions that allow Veterans and their families to interact with VA online and by phone with multiple personalized, responsive options—a practice that is on par with the private sector.

To create seamless CX, VEO works in partnership with OIT to deliver self-service options allowing customers to update contact information and preferences on VA.gov. A critical component of the self-service portal is the development of VA Profile. VA Profile is a data management initiative that synchronizes Veteran data across VA's systems, thereby creating a comprehensive Veteran customer profile and a more unified customer experience. From their first interaction with VA, Veterans are "known" because of VA Profile, which now stores contact information for more than 17.5 million Veterans. VA Profile contact data enabled VA outreach to more than 28,000 Montana Veterans impacted by historic flooding—supplying vital information about available disaster resources. VA Profile data also enabled notifying more than 18,000 Kentucky Veterans about an upcoming local Veteran resource event and informing 28,000 Boise, Idaho VA Medical Center Veterans about the transition to the new Electronic Health Record system, which helped mitigate Veteran health care risks and promote continuity of care.

VA.gov website improvements continue with updates such as:

- VA medical center website consolidation on VA.gov, providing Veterans with consistent messaging as well as facility information and updates.
- VBA's Debt Management Center Veteran-facing webpage fully transitioned to VA.gov. Overpayment notifications promptly resumed, resulting in 130,000 electronic notifications to users and 222,000 webpage views.
- Automatic redirects from the legacy VA eBenefits website to VA.gov and Veteran disability compensation application migration to VA.gov help acclimate website visitors and continue movement in fulfilling VA's goal to migrate all eBenefits features to VA's central website.
- Implemented Login.gov as the fourth approved login credential for VA.gov and VA mobile app, offering Veterans convenient, secure access to their accounts using the same username and password potentially used when accessing other government agency platforms. There were more than 40,000 successful logins to VA.gov using Login.gov within its first week.
- Enhanced VA health care service capabilities on VA.gov enabling Veterans to view and make copayments, view current debts; access instructions on paying balances in full, request help, dispute charges, and download patient statements from the last six months.

- The new Ask VA online inquiry website, launched October 18, 2021, delivers a faster, more convenient way for Veterans to securely message VA and obtain answers to questions and offers employees a cost-effective solution that facilitates Veteran information retrieval and inquiry resolution. Through 2022 Q3, Ask VA received over 270,000 inquiries.
- Launched a VA Virtual Agent Chatbot pilot that leverages an artificial intelligence conversational interface to assist Veterans with answers to general questions on such topics as health, education, burial services, career-related benefits, COVID-19 information, homelessness resources, and VA facility locations. The Chatbot has responded to over 20,000 inquiries since March 2022.

VEO operates VA’s telephonic “front door” through MyVA411 (800-698-2411), providing information and customer assistance 24 hours a day, 365 days a year. VEO leads innovations in service recovery and CX performance improvement and enhances customer data interoperability across the enterprise to reduce administrative burdens on VA customers and employees alike. In 2022, VEO provided COVID-19 guidance and information to callers through MyVA411, which included frequently asked questions, which are continuously updated in both English and Spanish, to help supply Veterans with such resources as current Centers for Disease Control and Prevention COVID-19 guidance and VA medical center operating statuses.

In 2024, VEO, in collaboration with other VA lines of business, will use HCD methodologies to continue expanding technology capabilities across VA.gov, the mobile app, contact centers, customer data management, to include expanded integration with VA Profile and maturing collaborations between VA and the Department of Defense (DoD) on sources of Veteran data, including Veterans Affairs/DoD Identity Repository and Cerner health records and Registration, Eligibility and Enrollment.

CX Engagement

VEO’s community engagement capability connects with neighboring establishments and partners to improve the coordination of organizations, governmental and non-governmental, with serving Veterans and their families where they are. VEO does this through Veterans Experience Action Centers (VEACs), Veteran Experience Live Question and Answer (VetXL: Q&A), community partnerships and products such as the VetResources newsletter.

VEACs are comprehensive Veteran resource events scheduled in collaboration with local VA facilities and local communities. These collaborative events include representation from VHA, VBA, NCA, BVA, State Departments of Veterans Affairs and community partners working together to offer one-on-one personalized assistance for: VA benefits, VA health care, crisis resources, memorial affairs, community services and peer to peer connection. VEAC events are designed to reach Veterans where they are and provide a personal connection to VA. In 2020 VEO pivoted from in-person VEACs to virtual VEACs in response to the COVID-19 pandemic. Due to the success of the virtual format and the positive interaction that Veterans, their families, caregivers and survivors have from the convenience of talking to a subject matter expert from wherever they choose, these events continue virtually. Subject matter experts engage directly with Veterans to evaluate and remedy a myriad of issues. VEAC events allow claims to be filed, updated and

adjudicated; VA health care enrollments and appointments scheduled; other assistance with care, benefits and memorial services provided depending on the needs of the individual; and connection to a local peer-to-peer support network, if needed—all at one time. In 2024, VEO will continue to build this capability and deploy a Train-the-Trainer model. This model will help scale the VEAC program for VA facilities and build VEAC capabilities nationwide by training local facilities how to conduct an event on their own, with VEO providing guidance and best practices along the way.

Since July 2021, VEO hosted 18 VEACs across the country serving 7,138 customers, including 507 Veterans at-risk of homelessness. During these events, VEO referred 780 Veterans to VHA for healthcare eligibility and enrollment while also assisting 866 VA customers with submitting their intent to file with VBA. The Customer Experience (CX) surveys show high satisfaction from VEAC participants, with nearly 90% of survey participants stating they would recommend a VEAC to someone else.

VetXL: Q&A events are virtual chats on the RallyPoint platform with the intent for VA and community experts to address questions and resolve challenges from the Veteran community on resources, benefits, information, and referrals. These events are intended to engage with the community by typed chat and augment specific VEAC events by serving those who may not need the more robust services of the VEAC. Between 2020 and 2021, VetXL: Q&A events yielded over 3.75 million views and over 11,000 questions and answers addressing Veteran challenges. In 2022, VEO held multiple national events such as: Survivors Together, Women Veterans Together, Families Together, and Minority Veterans Together.

In support of the current VA Secretary's priorities, VEO coordinates across the Department to meet the health and benefits needs of our Veteran customers by establishing community-level, public and private partnerships to bridge gaps in services, foster knowledge exchange, and conduct outreach with underserved communities to support Veterans experiences. One of VEO's goals is to create a community of practice with community partners allowing Veterans and their families across all eras and demographics to access community resources and care, improve the Veteran's experience, and create a coordinated support system to make services easier, more effective, and delivered with positive emotion. To that end, VEO also produces a weekly newsletter, #VetResources, which is sent to 11.6 million subscribers highlighting VA and non-VA resources for Veterans, their families, caregivers and survivors. VA's #VetResources newsletter reached 632 million Veterans in calendar year 2021 with an open ratio of 17.2% and click ratio of 19.8%.

Employee Experience (EX)

VEO's EX capability leads VA efforts to establish a world-class EX program, one that provides inclusive, responsive, equitable, and empathy-driven experiences for employees throughout the employee life cycle. Aligned with VA's core values, characteristics and CX principles, VEO aims to strengthen EX. This, in turn, directly impacts CX—an organizational achievement on two fronts.

In 2021, VEO, alongside VA's Office of Human Resources and Administration/Operations, Security, and Preparedness (HRA/OSP), created its first-ever [Employee Experience Journey Map](#). The map, a step toward improving the experiences of VA's 420,000 employees, is modeled after the [Journeys of Veterans Map](#). Harnessing HCD principles, the EX Journey Map captured more

than 11,000 insights from a diverse set of VA employees nationwide. This effort identified five phases (and 23 stages within) and 30 moments that matter (bright spots and pain points) a VA employee may encounter throughout the employee life cycle—from interest in VA employment through separation.

Leveraging insights from the EX Journey-Map, VEO launched several EX projects and prototype pilots including redesigning two prioritized moments that matter—onboarding and career development. The prototypes in development are being tested to ensure the designs can be scaled and customized according to individual VA office needs.

VEO, in close coordination with ORMDI, leads the Identity Insights project, an I-DEA focused initiative to examine the experiences of identity groups across the six EX relationships—work, people, place, technology, organization, well-being—to understand employee challenges, needs, pain points, and opportunities. Based on first-round success, the team was asked to continue research into additional identity groups: employees who are Veterans; individuals born between 1965 and 1980 (Generation X); individuals born between 1981 and 1996 (Millennials); Middle Eastern/North African; Caucasian; and individuals practicing a minority religion.

VEO also launched Employee Signals (ESignals), a parallel listening platform to VSignals that captures the voice of employees. ESignals will serve as a complementary system to other surveys and listening platforms within VA, including VSignals, the All-Employee Survey (AES), and the Office of Management and Budget’s Federal workplace surveys. ESignals is already actively used to measure key moments across the employee journey, including employee onboarding and entrance experiences and exit and transfer experiences.

In 2024, VEO will continue to refine VA’s EX infrastructure and leverage HCD methodology in designing EX capabilities and services. The ESignals platform will help ensure standard measurements in program evaluations and use employee feedback to determine impact and opportunities for improvement for all EX-efforts across the enterprise.

Budget Highlights

VEO is requesting \$128.9 million in reimbursable authority (RA) to support 445 full-time equivalent (FTE) employees to accomplish its mission in 2024. This request does not include reimbursements from the Toxic Exposures Fund (TEF). Please also refer to the TEF section at the end of the chapter. VEO’s request is derived from VA Administrations—Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), and National Cemetery Administration (NCA)—the Board of Veterans’ Appeals (BVA), and applicable Staff Offices, including the Office of the Secretary.

VEO’s 2024 budget request allocation is based on enterprise-wide and direct costs as well as expenses related to call center volume. VEO’s 2024 budget request includes:

- **Labor:** \$11.4 million to cover 93 additional FTEs and a pay raise of 5.2% (estimated cost of \$1.9 million). Approximately 80% of the requested FTEs are directly related to call centers—

operations, quality and data management oversight, and modernization. The other additional FTEs will support increased demand in both digital modernization and service recovery modernization, along with increased demand for qualitative (HCD research) and quantitative (survey) CX data and creating and implementing CX tools.

- **Contracts:** An increase of \$4.4 million is attributed to 2% inflation or \$1.2 million; \$3.2 million for CX technology, including va.gov helpdesk and call center modernization.
- **Other:** The increase of \$580,000 is attributed to \$140,000 for software to support VEAC events; \$100,000 for training; \$100,000 for rent; and \$240,000 for professional resources, such as memberships and supplies.

Since inception, VEO's budget trajectory has been on a steady incline driven by increasing customer demand in both budget and execution years. VEO remains flexible and agile, employing various reimbursable vehicles to transform initiatives into actionable items that enhance CX, including Memorandums of Understanding, Memorandums of Agreement, and Interagency Agreements. VEO's budget trajectory has increased since 2016 (\$49 million), while allocation requests were essentially flatlined from 2017 through 2020 (2017-\$59 million, 2018-\$60.4 million, 2019-\$60.6 million, 2020-\$60.6 million), VEO saw a dramatic increase in demand beginning in 2021.

- **2021** Original Allocation: \$83.8 million (RA). Adjusted allocation: \$94.3 million (RA). Additional RA funding received in 2021 totaled \$10.5 million, of which \$2.8 million funded COVID-19 contact center support; \$3 million for additional Salt Lake City MyVA411 call center requirements (VHA funded), \$3.3 million Office of Patient Advocacy (OPA) (VHA funded), \$1 million VetsCorps (VHA Funded); and \$400,000 for other contact center support as well as the Employee Experience (EX) Identity Insights pilot project.
- **2022** Original Allocation: \$99.5 million (RA). Adjusted allocation: \$103.3 million (RA). Additional RA funding received in 2022 (year to date): \$3.8 million, of which \$1.4 million VHA OPA (Patient Advocate Tracking System-Replacement), \$1.1 million VetsCorps, \$950,000 Center for Enterprise Human Resources Information Services (CEHRIS), \$197,000 Office of Small and Disadvantaged Business Utilization, \$190,000 Office of Resolution Management, Diversity, and Inclusion (ORMDI), and \$34,000 Office of Information and Technology (OIT).
- **2023** Original Allocation: \$112.6 million (RA), of which: \$48.1 million labor, \$58.6 million contracts, \$1.2 million Travel, and \$4.7 million other, including shared services, training, rent, and licensing.

VEO continues to see increases in demand for several services. VEO will continue delivering key CX programs including the development and sustainment of VA-wide real-time CX surveys, HCD research and journey maps. VEO will also deliver training, implement best practices, and use VA-wide technology modernization to support VA.gov and the mobile app. A unified contact center will provide a single integrated view of Veteran contacts and concerns which will include a 24/7

call center to connect Veterans, their families, caregivers, and survivors with local community partners and resources.

Office of Veterans Experience
Employment and Obligation Classification
(\$s thousands)

	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	33	41	33	32	-1	-3.0%
Field	207	302	319	413	94	29.5%
Total FTE	240	343	352	445	93	26.4%
Reimbursable obligations						
Personnel compensation	37,272	36,975	36,975	44,043	7,068	19.1%
Personnel benefits	13,028	12,924	12,924	15,397	2,473	19.1%
Travel	1,434	1,789	1,789	1,686	-103	-5.8%
Rents, communications, and utilities		755	755	1,557	802	106.3%
Printing				150	150	-
Other services	51,422	59,312	60,148	66,059	5,911	9.8%
Supplies and materials				37	37	-
Equipment				5	5	-
Subtotal, reimbursable obligations	103,155	111,755	112,591	128,935	16,344	14.5%
Total obligations	103,155	111,755	112,591	128,935	16,344	14.5%

Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act) Activities

Toxic Exposures Fund					
Summary of Employment, Obligations and Budgetary Resources					
(\$s in thousands, FTE)	2022 Actual	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
				\$s/FTE	%
Reimbursable employment	-	26	26	-	0.0%
Reimbursable obligations	-	29,998 ¹	22,886 ¹	(7,112)	-23.7%
Budgetary resources					
Unobligated balance brought forward, Oct 1	-		-	-	
Budget authority:					
Appropriations, mandatory		-	-	-	
Mandatory offsetting collections		29,998	22,886	(7,112)	-23.7%
Subtotal, budget authority	-	29,998	22,886	(7,112)	-23.7%
Total, budgetary resources	-	29,998	22,886	(7,112)	-23.7%
Unexpired unobligated balance, end of year	-	-	-		

¹ Funding to support VEO activities related to the PACT Act are provided by VBA and VHA TEF

2023 Activities to Date (March 2023)³¹

- \$13,643,266 has been executed to augment VEO Contact Center staffing and introduce needed technology enhancements when projected PACT ACT related call volume increases.
- VEO’s Contact Center has supported PACT Act call volume, and fiscal year to date has answered more than 44,000 calls via the PACT Act sub-menu on 1-800-MyVA411.
- Identified contact information and military deployment records for Veterans serving in several eras, allowing VEO to conduct outreach to Veterans about newly expanded eligibility for benefits and care under the PACT Act.
- New PACT Act-eligible Veteran data has been migrated from the VA/Department of Defense Identity Repository (VADIR), into the Customer Experience Data Warehouse (CxDW), a centralized data analytics environment. 4.6 million PACT- eligible Veterans have been identified, reducing time and effort for VA employees to identify and contact potentially eligible Veterans.

³¹ Some of these activities are funded via TEF reimbursements, while others are funded via reimbursements from other accounts.

- Enabled live sharing of Service member Medals and Awards data from Department of Defense (DoD) systems to VA Profile, a collaborative effort between VEO and the Defense Manpower Data Center (DMDC) to identify PACT Act-eligible Veterans. This data sharing solution provides more consistent, timely data than previous one-time exports of this data from DoD to VA, helping demonstrate Veterans' eligibility for various VA benefits.

2024 Planned Activities

VEO will continue to leverage **TEF funding** to provide support for VEO-sponsored PACT IT deliverables in areas such as business analysis, data analysis, testing support, user acceptance facilitation, and Human-Centered Design (HCD) and User Experience (UX) Research and Design.

2024 PACT Act deliverables include:

- VA's goal of a single 'digital front door' will continue as net new VA.gov features continue to be created and other legacy systems like E-Benefits are decommissioned, in accordance with PACT Act mandates.
- Modernization of Contact Centers to support the intake of specialized information that Veterans will be providing due to the implementation of the PACT Act. Enhancements continue to provide a consistent customer experience (CX) across digital and live agent points of contact by providing consolidated enterprise tools and secure access to Veteran information. More robust interaction history will drive a faster and more efficient experience to support Veterans.
- Establish and sustain PACT Act customer surveys while also identifying new technical solutions like SMS/Text to enable Veteran voices to be heard regarding PACT Act experiences across VA services.
- VA Profile and Summit Data Platform platforms both support VA customer common data synchronization and sharing across the VA, regardless of the channel used to update the information and provide a centralized location to house multiple data sources, to efficiently detail the Veteran journey experience.
- TEF funding will enhance enrollment capability in the Enrollment System and create reports regarding toxic exposure eligibility and enrollment. The funding will provide seamless, effective, and efficient access to Veterans' eligibility and benefits by adding PACT Act eligibility functionality.
- Pilot launch Voice bot capability with the VBA National Call Center (NCC) and MyVA411. Leverage Conversational Interactive Voice Response with natural language processing and understanding to transform the current NCC decision phone tree to improve the Veteran's experience. Providing self-service capabilities for status of claims and PACT Act related information.



Office of Accountability and Whistleblower Protection

Mission Statement

The Office of Accountability and Whistleblower Protection (OAWP) protects whistleblowers and promotes and improves accountability within the Department of Veterans Affairs (VA). OAWP is led by the Assistant Secretary for Accountability and Whistleblower Protection.

OAWP was established in 2017 and its functions are codified at 38 U.S.C. § 323. OAWP advises the Secretary of Veterans Affairs on all matters related to accountability within VA. OAWP improves and promotes accountability in VA by investigating allegations of VA senior leader misconduct and poor performance, and allegations of whistleblower retaliation. OAWP confidentially receives whistleblower disclosures from VA employees and applicants for VA employment. OAWP tracks and confirms the implementation of recommendations from audits and investigations conducted by several internal and external investigative entities. OAWP identifies trends so that VA can proactively address concerns and improve accountability.

Summary of Budget Request

In 2024, OAWP requests \$30.3 million in appropriations to support 146 full-time equivalent employees (FTE) and mission requirements.

Office of Accountability & Whistleblower Protection						
Budgetary Resources						
(\$s in thousands)						
Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Obligations						
Direct obligations	22,965	28,333	28,333	30,327	1,994	7.0%
Total obligations	22,965	28,333	28,333	30,327	1,994	7.0%
Budgetary resources						
Budget authority:						
Appropriations, discretionary						
Appropriation	26,502	28,333	28,333	30,327	1,994	7.0%
Subtotal, appropriations	26,502	28,333	28,333	30,327	1,994	7.0%
Subtotal, budget authority	26,502	28,333	28,333	30,327	1,994	7.0%
Total budgetary resources	26,502	28,333	28,333	30,327	1,994	7.0%
Unexpired unobligated balance	3,537	-	-	-	-	-

Office of Accountability & Whistleblower Protection Summary of Budget Request (\$s thousands)						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Direct						
Office of Accountability and Whistleblower Protection	22,965	28,333	28,333	30,327	1,994	7.0%
Subtotal, direct	22,965	28,333	28,333	30,327	1,994	7.0%
Total	22,965	28,333	28,333	30,327	1,994	7.0%

Office of Accountability & Whistleblower Protection Summary of FTE Request						
Office	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE	%
Direct						
Office of Accountability and Whistleblower Protection	118	141	141	146	5	3.5%
Subtotal, direct	118	141	141	146	5	3.5%
Total	118	141	141	146	5	3.5%

Program Description

OAWP protects whistleblowers and promotes and improves accountability within VA by:

- Advising the Secretary on all matters relating to accountability at VA.
- Receiving whistleblower disclosures from VA employees and applicants for employment.

- Referring whistleblower disclosures for investigation to VA Administrations or Staff Offices, if the disclosure does not involve VA senior leader misconduct or poor performance or allegations of whistleblower retaliation.
- Receiving, reviewing, and investigating allegations of VA senior leader misconduct or poor performance and makes recommendations for action, if appropriate.
- Receiving, reviewing, and investigating allegations of whistleblower retaliation by VA supervisors and makes recommendations for action, if appropriate.
- Receiving and referring disclosures from the U.S. Office of Special Counsel (OSC) for investigation within VA.
- Recording, tracking, reviewing, and confirming the implementation and recommendations from audits and investigations carried out by VA's Office of Inspector General (OIG), VA's Office of the Medical Inspector (OMI), OSC, and the Government Accountability Office (GAO).
- Analyzing data to identify trends and issue reports to the Secretary.
- Delegating authority to develop and conduct whistleblower rights and protections training required under 38 U.S.C. § 733 and 5 U.S.C. § 2302(c).
- Obtaining and maintaining 5 U.S.C. § 2302(c) certification from the Office of Special Counsel which ensures the VA meets the statutory obligation to inform their workforces about the rights and remedies available to them under the Whistleblower Protection Act (WPA), the Whistleblower Protection and Enhancement Act (WPEA), and related civil service laws.

Investigations Directorate

The Investigations Directorate is led by an Executive Director for Investigations who reports to the Deputy Assistant Secretary for Accountability and Whistleblower Protection. The Investigations Directorate consists of the following divisions: Intake and Referral Division, Investigations Division, Investigative Attorney Division, and contains an Operations and Training Section.

- Intake and Referral Division: Primary entity within VA that receives, reviews and records all incoming matters involving allegations of senior leader misconduct and poor performance, whistleblower retaliation, and whistleblower disclosures submitted by VA employees or applicants for employment. Whistleblower disclosures that involve allegations of whistleblower retaliation or allegations of senior leader misconduct or poor performance are referred to the Investigations Division for further review and possible investigation. As required by law, other whistleblower disclosures are referred for investigation to the VA Administrations or Staff Offices. The division receives and refers

disclosures from OSC for investigation within VA. The division implements whistleblower protection holds on disciplinary actions taken under 38 U.S.C. § 714.

- Investigations Division: Primary entity within VA that investigates allegations of VA senior leader misconduct and poor performance and allegations of whistleblower retaliation by VA supervisors. If allegations are substantiated, the Executive Director for Investigations (or designee), makes recommendations for disciplinary, corrective, and other action on behalf of the Assistant Secretary.
- Investigative Attorney Division: Provides legal advice and assistance to OAWP administrative (non-criminal) investigators, reviews investigative work-products, and prepares reports of investigation and recommendations, including recommendations for disciplinary action against VA senior leaders and supervisors. Provides legal advice and assistance to OAWP investigators and staff related to the collection and documentation of facts, documents, witness testimony, and other information necessary to develop a complete investigative record. Conducts extensive legal research and evaluation of various theories and subjects and applies such legal analysis to the facts memorialized in the investigative record. Provides legal advice and assistance to OAWP on establishing and revising standard operating procedures, policies, and regulations related to investigations.
- Operations and Training Section: Develops and provides mandatory and supplemental education and training in whistleblower rights and protections as required by 38 U.S.C. § 733 and 5 U.S.C. § 2302(c). Oversees VA's certification under OSC's 5 U.S.C. § 2302(c) whistleblower certification program.

Compliance and Oversight Directorate

The Compliance and Oversight Directorate is led by an Executive Director for Compliance and Oversight who reports to the Deputy Assistant Secretary for Accountability and Whistleblower Protection. The Compliance and Oversight Directorate consists of two divisions:

- Compliance Analytics and Reporting Division: Records, tracks, and reviews the implementation of recommendations from audits and investigations carried out by OIG, OMI, GAO and OSC. The Division analyzes data from OAWP, the OIG telephone hotlines, other whistleblower disclosures, disaggregated by facility and area of health care if appropriate, and relevant audits and investigations to identify trends and issue reports to the Secretary so that VA can proactively address areas of concern. Notifies Congress when certain OAWP disciplinary recommendations are not taken.
- Special Reviews Division: Conducts audits, evaluations and special reviews of issues relating to accountability and as otherwise requested by the Secretary. Advises the Secretary on all matters of the Department relating to accountability, including accountability of employees of the Department, retaliation against whistleblowers, and such matters as the Secretary considers similar and affect public trust in the Department. It provides reports and recommendations regarding the same and confirms the effectiveness

of corrective actions taken in response to audits and investigations carried out by OIG, OMI, GAO and OSC.

Management and Operations Directorate

The Management and Operations Directorate is led by the Chief of Staff who reports directly to the Assistant Secretary. The Management and Operations Directorate consists of two divisions:

- Resource Management and Operations Division: Has primary responsibility for overseeing Budget Operations; and Human Resources Operations.
 - Budget Operations: Oversees, manages, and advises on OAWP's budget, contracting and acquisitions, facilities, equipment, supplies and travel.
 - Human Resources Operations: Oversees, manages, and advises on all OAWP human capital matters (i.e., recruitment initiatives, classification and position management, workforce planning, employee relations, performance management, awards and recognition, telework, etc.), employee learning and professional development, and employee engagement.
- Information Systems Management Division: Implements and maintains OAWP information systems. Supports OAWP's portfolio of products, services and processes from research and ideation through detailed design and delivery. Information Systems Collaborates with OAWP's divisions to develop metrics and provide statistical information in support of identifying trends or issues that provide VA insights to address areas of concerns proactively.

Executive Support Divisions:

- Stakeholder Engagement Division: Manages OAWP relationships with key internal and external stakeholders, including Members of Congress, Congressional staff, other government agencies, Veterans Service Organizations, whistleblower advocacy groups and the media. Oversees OAWP's Freedom of Information Act (FOIA) and Privacy Act (PA) programs.
- Quality Division: Manages OAWP's Quality Assurance Program and conducts audits and quality control reviews on OAWP's investigative processes, policies, and procedures. Identifies gaps and deficiencies in how OAWP receives, reviews, refers, and investigates cases, and makes recommendations to leadership on corrective actions to improve OAWP investigative operations.

Recent Accomplishments:

Investigations

- During the last fiscal year, OAWP received more than 2,010 allegations. OAWP investigated more than 1,056 cases and referred more than 430 cases to VA offices for investigation. OAWP issued 83 recommendations, including 76 disciplinary recommendations for senior leader misconduct and 7 disciplinary recommendations for supervisors involving whistleblower retaliation.
- OAWP completed development of and launched the Complainant Status Portal that provides immediate case updates for complainants who contact our office.
- The Investigation's Directorate focused on upgrading data integrity. This involved extensive data validation, accuracy, expanded range of data captured based on allegation categories, added estimated dates of completion, and updated to PowerBI data metrics.
- The Investigative Attorneys Division (IAD) was established in April 2022, with the hiring of a Supervisory Attorney. Since May 2022, IAD reviewed and revised 29 draft Reports of Investigation.
- OAWP trained more than 373,000 employees and more than 39,000 supervisors on whistleblower rights and protections. During 2022, OAWP also trained more than 4,700 employees on whistleblower rights and protections during interactive live sessions.

Compliance and Oversight

- Facilitated the issuance of Congressional notification letters on behalf of the Secretary when the recommended disciplinary action was not taken.
- Recorded and tracked 1,153 audit and investigative reports issued by GAO, OIG, OMI, and OSC with 6,707 individual recommendations.

Resource Management and Operations Division

- Developed improved hiring processes leading to successful recruitment of individuals possessing the necessary skills to enhance OAWP's mission accomplishment.
- Established organizational structure improvements, leading to an increase in efficiency, effectiveness, and collaboration within the organization and with stakeholders.
- Enhanced OAWP's New Employee Orientation (NEO) and onboarding processes, improving employee understanding of the organization's functions and mission while also increasing effectiveness of the onboarding experience for new hires.

- Developed and coordinated employee and supervisory briefing on Human Capital and Employee Engagement topics leading to better communication, understandings of policies and collaboration.

Information Systems Management Division

- Developed and Released the Complainant Status Portal (for both Disclosed and Anonymous Users), a self-service portal showing transparency into the status of a complainant's case.
- Developed and Released the Portal Administration Module, which established and developed Executive Dashboards and Reports (i.e., Trending, Heat Maps, Division Reports, and MTS Data Dictionary).

Budget Highlights

OAWP requests \$30.3 million, which includes funding for 146 FTE.

The VA Accountability and Whistleblower Protection Act of 2017, Public Law 115-41, codified under 38 United States Code (U.S.C.) § 323 identifies multiple tools by which VA can address accountability. To date, VA has focused on developing OAWP's investigative function, which currently uses the majority of OAWP resources. OAWP's non-investigative functions include providing advice to the Secretary on matters that are particular to public trust (and the ability to issue reports and recommendations regarding same), providing the authority to "record, track, review and confirm implementation of recommendations from audits and investigations" of OIG, GAO, OMI and OSC, and providing the ability for OAWP to conduct trend analysis regarding the same. Effective use of these tools has the potential for OAWP to address accountability and whistleblower protection proactively, and to provide information to VA management regarding potential issues that can be addressed before they create problems. OAWP's 2024 request represents a measured, strategic growth strategy to identify and operationalize the best use of these tools.

Adjustments (Increases and Decreases)

The 2024 request reflects a net increase of \$2 million above the 2023 Enacted Budget. This increase consists of:

- \$1.313 million for 5.2% pay raise
- -\$261,000 for decreases in current services
- -\$50,000 for General Administration consolidation of service level agreements

- \$931,000 to support an additional 5 FTE, which will allow OAWP to implement oversight and compliance requirements of the Accountability and Whistleblower Protection Act by conducting timely investigations.

Office of Accountability & Whistleblower Protection Employment and Obligation Classification (\$s thousands)						
	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					FTE/\$	%
Full Time Equivalent (FTE)						
Central Office	10	10	10	10	-	-
Field	108	131	131	136	5	3.8%
Total FTE	118	141	141	146	5	3.8%
Direct obligations						
Personnel compensation	15,804	18,667	18,667	20,085	1,418	7.6%
Personnel benefits	5,705	6,577	6,577	7,091	514	7.8%
Travel	38	442	100	102	2	1.9%
Transportation of things	30	5	5	5	-	2.0%
Rents, communications, and utilities	247	173	194	198	4	2.0%
Printing	1	5	5	6	1	16.9%
Other services	954	2,330	2,653	2,706	53	2.0%
Supplies and materials	10	72	72	74	2	2.1%
Equipment		60	9	9	-	2.0%
Grants, judgements, interest, and insurance	175		50	51	1	2.0%
Subtotal, direct obligations	22,965	28,333	28,333	30,327	1,994	7.0%
Total obligations	22,965	28,333	28,333	30,327	1,994	7.0%

Totals may not add due to rounding.

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Asset and Infrastructure Review Commission

Appropriation Language

No Appropriations are requested for 2024

Program Description

VA MISSION Act of 2018 (P.L. 115–182), Title II, section 202 established an independent commission, the "Asset and Infrastructure Review Commission" (the Commission). Members were to be appointed by the President with the consent of the Senate. The Commission was intended to review recommendations made by the Secretary to modernize or realign Veterans Health Administration (VHA) facilities, including leased facilities, on the basis of criteria published in the Federal Register in accordance with Title II of the VA MISSION Act. Funding in this account was intended to provide for support staff to conduct in-depth field hearings and receive input from Veterans, Veterans Service Organizations, local VA providers, local governments, and the public. In 2022, the Senate declined to confirm members of the Commission.

Budget Detail

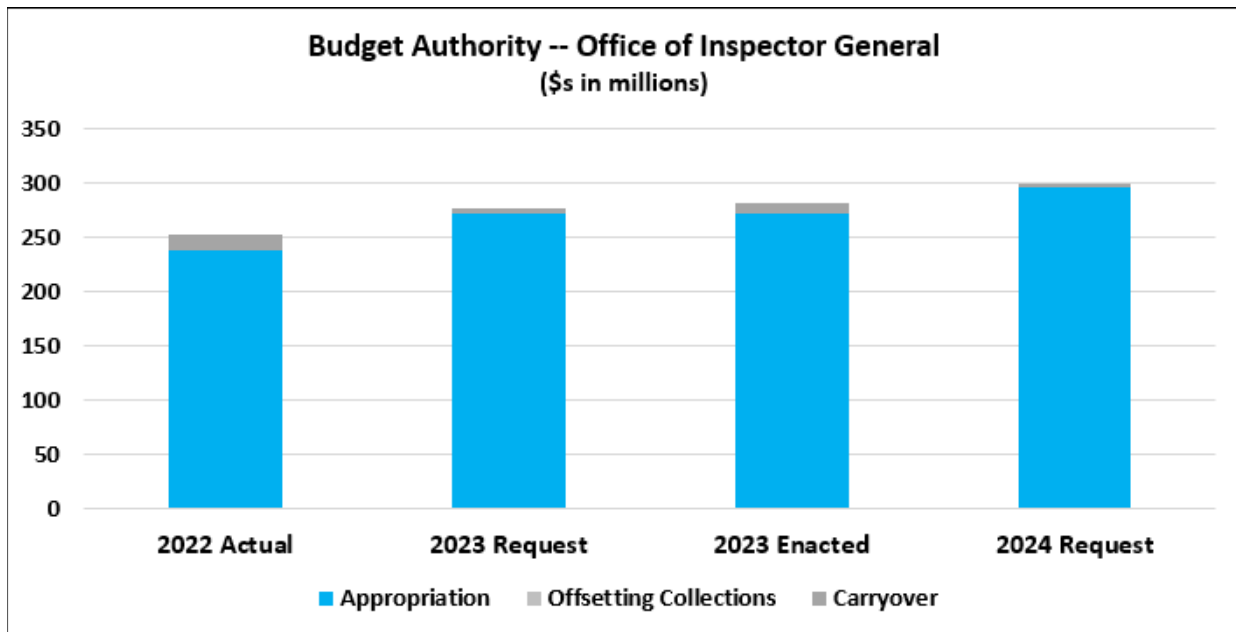
No funds are requested in 2024. The Consolidated Appropriations Act of 2023 rescinded 2022 funding and provided no funding in 2023 for the Commission.

Asset and Infrastructure Review Commission
Budgetary Resources
(\$s in thousands)

Budgetary Resources	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted		
					\$	%	
Obligations							
Direct obligations	-	5,000	-	-	-	-	
Reimbursable obligations	-	-	-	-	-	-	
Total obligations	0	5,000	0	0	0	-	
Budgetary resources							
Unobligated balance:							
Unobligated balance brought forward, Oct 1	-	-	5,000	-	-5,000	-100.0%	
Subtotal, unobligated balance	-	-	5,000	-	-5,000	-100.0%	
Budget authority:							
Appropriations, discretionary							
Unobligated balance of appropriations permanently reduced							
			-5,000	-	5,000	-100.0%	
Appropriation	5,000	5,000	-	-	-	-	
Subtotal, appropriations	5,000	5,000	-	-	-	-	
Offsetting collections	-	-	-	-	-	-	
Subtotal, budget authority	5,000	5,000	0	0	0	-	
Total budgetary resources	5,000	5,000	0	0	0	-	
Unexpired unobligated balance	5,000	-	-	-	-	-	



Office of Inspector General



(Dollars in Thousands)	2023	FTE	2024	FTE
Office of Inspector General				
Annual Appropriation	\$273,000	1,131	\$296,000	1,155
Net Carryover	\$9,500	-	4,543	-
Reimbursements	\$100	-	250	-
Total Budgetary Resources	\$282,600	1,131	\$300,793	1,155

Summary of Budget Request

The Office of Inspector General (OIG) requests \$296 million for 1,155 FTE in 2024 to fulfill statutory oversight requirements for all VA programs, services, and operations, including healthcare and benefits delivery, procurements and acquisitions, information technology and security, construction, leadership and governance, and financial stewardship. The budget supports a spectrum of audits, inspections, and reviews that identify potential improvements to VA program

outcomes, strengthen the integrity of high-risk activities, and deter misconduct. These programs also support and enhance the OIG’s capacity to detect criminal activity and conduct timely and thorough investigations when serious instances of fraud, waste, and abuse are discovered. The 2024 budget request encompasses the full cost of operational requirements anticipated for the year and assumes that OIG will have no appreciable carryover from previous appropriations (regular or supplemental) to support staff or other business needs.

FY	Monetary Benefits(\$M)	Cost of Operations(\$M)
2016	\$4,093.2	\$119.5
2017	\$10,024.9	\$137.9
2018	\$2,840.1	\$135.4
2019	\$5,666.0	\$154.9
2020	\$4,005.7	\$176.3
2021	\$4,868.5	\$193.3
2022	\$4,564.5	\$189.5
Total	\$36,062.9	\$1,106.9

OIG oversight activities have yielded numerous findings and recommendations that translate into direct savings to the taxpayer. Since the start of 2016 (*Semiannual Report (SAR)* issues 75 through 88), the OIG identified \$36 billion in monetary benefits in the form of better use of funds; dollar recoveries; fines, penalties and restitution; savings and cost avoidance; and questioned costs. The OIG averaged a dollar return on investment of over \$33:1 during that time. During the past two reporting periods (SAR issues 87 & 88), the OIG issued 309 reports, alternative work products, and other publications, addressing themes that undermine the efficacy of VA programs and services. These include administrative and leadership deficiencies that present significant barriers to the timeliness and quality of healthcare veterans receive, excessive payments for contracted services and poor acquisitions practices, lack of proper internal controls for fiduciary activities, security risks in information technology and financial systems, and inconsistent payments for benefits and allowances to veterans.

Appropriation Language

For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. [App.] 401 *et seq.*), [\$273,000,000] \$296,000,000, of which not to exceed 10 percent shall remain available until September 30, [2024] 2025.

Mission

As authorized by the *Inspector General Act of 1978* and other enacted legislation, the OIG is responsible for conducting and supervising audits, inspections, evaluations, reviews, and investigations, and making recommendations to promote economy, efficiency, and effectiveness of VA operations. The OIG is authorized to inquire into all VA programs and activities, including healthcare programs and VA contracts, grants, and other agreements. The OIG is required to report

to Congress on activities and outcomes every six months. These semiannual reports (SARs) keep stakeholders informed about the challenges VA is experiencing and promote transparency for OIG’s operations. Under the leadership of the Inspector General (IG) and Deputy IG, the OIG’s work focuses on higher-risk, impactful programs and issues throughout VA. For additional information, see the OIG’s [Mission, Vision, and Values](#), which can be accessed from www.va.gov/oig/pubs/VA-OIG-Mission-Vision-Values.

Strategic Plan and Goals

The OIG’s [Strategic Plan 2022–2026](#) outlines the OIG’s five goals and objectives in promoting the efficiency, effectiveness, and integrity of VA’s programs and operations to better serve the needs of veterans, their families, and caregivers. It also frames OIG strategies for deterring and addressing criminal activity, waste, fraud, and abuse while promoting innovation throughout VA, and builds on observed and ongoing major management challenges. Examples of recently published reports are presented in the table below.

<p>Goal 1. Improve Access to Quality and Timely VA Healthcare Services</p> <ul style="list-style-type: none"> • VHA Progressed in the Follow-up of Canceled Appointments during the Pandemic but Could Use Additional Oversight Metrics. Report No. 21-03777-218, November 3, 2022. • Review of VA’s Staffing and Vacancy Reporting under the MISSION Act of 2018. Report No. 22-01440-254, October 31, 2022. • Additional Actions Needed to Fully Implement and Assess the Impact of the Patient Referral Coordination Initiative. Report No. 21-03924-234, October 27, 2022. • Comprehensive Healthcare Inspection Summary Report: Evaluation of Medication Management in Veterans Health Administration Facilities, Fiscal Year 2021. Report No. 22-00814-230, September 1, 2022. • Airborne Hazards and Open Burn Pit Registry Exam Process Needs Improvement. Report No. 21-02732-153, July 21, 2022. • The New Electronic Health Record’s Unknown Queue Caused Multiple Events of Patient Harm. Report No. 22-01137-204, July 14, 2022. • Multiple Failures in Test Results Follow-up for a Patient Diagnosed with Prostate Cancer at the Hampton VA Medical Center in Virginia. Report No. 21-03349-186, June 28, 2022. • Suicide Prevention Coordinators Need Improved Training, Guidance, and Oversight. Report No. 20-02186-78, June 6, 2022. • Comprehensive Healthcare Inspection of Facilities’ COVID-19 Pandemic Readiness and Response in Veterans Integrated Service Networks 2, 5, and 6. Report No. 21-03917-123, April 7, 2022. • Comprehensive Healthcare Inspection Summary Report: Evaluation of Mental Health in Veterans Health Administration Facilities, Fiscal Year 2020. Report No. 21-01506-76, February 17, 2022.
<p>Goal 2. Ensure Timely and Accurate Benefits for Eligible Veterans</p> <ul style="list-style-type: none"> • VBA’s Compensation Service Did Not Fully Accommodate Veterans with Visual Impairments. Report No. 21-03063-04, December 8, 2022. • Required Medical Reexaminations Canceled. Report No. 22-01503-231, September 20, 2022. • Improved Processing Needed for Veterans’ Claims of Contaminated Water Exposure at Camp Lejeune. Report No. 21-03061-209, September 1, 2022. • The Compensation Service Could Better Use Special-Focused Reviews to Improve Claims Processing. Report No. 21-01361-192, August 9, 2022. • Veterans Prematurely Denied Compensation for Conditions That Could Be Associated with Burn Pit Exposure. Report No. 21-02704-135, July 21, 2022.

- Contract Medical Exam Program Limitations Put Veterans at Risk for Inaccurate Claims Decisions. [Report No. 21-01237-127](#), June 8, 2022
- Additional Actions Can Help Prevent Benefits Payments from Being Sent to Deceased Veterans. [Report No. 21-00836-124](#), April 21, 2022.
- Public Disability Benefits Questionnaires Reinstated but Controls Could Be Strengthened. [Report No. 21-02750-63](#), March 9, 2022.

Goal 3. Help Facilitate Strong Stewardship of Taxpayer Dollars

- Improvements Needed to Reduce Duplicate Payments by VHA and Medicare and Ensure VHA Has Authorized Community Medical Services. [Report No. 21-03630-250](#), December 8, 2022.
- Audit of VA's Financial Statements for Fiscal Years 2022 and 2021. [Report No. 22-01155-14](#), November 15, 2022.
- Buy American Act Compliance Deficiencies at Regional Procurement Office Central. [Report No. 21-02641-229](#), September 28, 2022.
- Financial Efficiency Review of the VA Cincinnati Healthcare System. [Report No. 22-00208-221](#), September 1, 2022.
- Financial Efficiency Review of the VA Boston Healthcare System in Massachusetts. [Reports No. 21-03853-174](#), July 7, 2022.
- VA Medical Facilities Took Steps to Safeguard Refrigerated Pharmaceuticals but Could Further Reduce the Risk of Loss. [Report No. 21-01898-152](#), June 30, 2022.
- Review of VA's Compliance with the Payment Integrity Information Act for Fiscal Year 2021. [Report No. 22-00576-178](#), June 28, 2022.
- VHA Continues to Face Challenges with Billing Private Insurers for Community Care. [Report No. 21-00846-104](#), May 24, 2022.
- Purchases of Smartphones and Tablets for Veterans' Use during the COVID-19 Pandemic. [Report No. 21-02125-132](#), May 4, 2022.

Goal 4. Identify Weaknesses in Leadership and Governance

- New York/New Jersey VA Health Care Network (VISN 2) Should Improve Boiler Maintenance to Reduce Safety Risks and Prevent Care Disruptions. [Report No. 21-00887-211](#), September 19, 2022.
- OIG Determination of Veterans Health Administration's Occupational Staffing Shortages Fiscal Year 2022. [Report No. 22-00722-187](#), July 7, 2022.
- Failure of Leaders to Address Safety, Staffing, and Environment of Care Concerns at the Tuscaloosa VA Medical Center in Alabama. [Report No. 2103201-185](#), June 29, 2022.
- Facility Leaders' Response to Inappropriate Mental Health Provider-Patient Relationships at the VA Illiana Health Care System in Danville, Illinois. [Report No. 19-08364-140](#), May 3, 2022.
- Atlanta VA Health Care System's Unopened Mail Backlog with Patient Health Information and Community Care Provider Claims. [Report No. 21-03916-103](#), April 27, 2022.
- Noncompliant and Deficient Processes and Oversight of State Licensing Board and National Practitioner Data Bank Reporting Policies by VA Medical Facilities. [Report No. 20-00827-126](#), April 07, 2022.
- Improved Governance Would Help Patient Advocates Better Manage Veterans' Healthcare Complaints. [Report No. 21-00510-105](#), March 24, 2022.

Goal 5. Identify Ways to Enhance Information Systems and Innovation

- Inspection of Information Technology Security at the Harlingen VA Health Care Center in Texas. [Report No. 22-00973-215](#). [Report No. 22-00973-215](#), September 27, 2022.
- Mission Accountability Support Tracker Lacked Sufficient Security Controls. [Report No. 21-03080-142](#), June 8, 2022.
- Veterans Data Integration and Federation Enterprise Platform Lacks Sufficient Security Controls. [Report No. 21-01123-97](#), June 01, 2022.
- Inspection of Information Technology Security at the Consolidated Mail Outpatient Pharmacy in Tucson, Arizona. [Report No. 21-02453-99](#), June 1, 2022.
- Deficits with Metrics Following Implementation of the New Electronic Health Record at the Mann Grandstaff VA Medical Center in Spokane, Washington. [Report No. 21-03020-168](#), June 1, 2022.

- The Electronic Health Record Modernization Program Did Not Fully Meet the Standards for a High-Quality, Reliable Schedule. [Report No. 21-02889-134](#), April 25, 2022.
- Ticket Process Concerns and Underlying Factors Contributing to Deficiencies after the New Electronic Health Record Go-Live at the Mann-Grandstaff VA Medical Center in Spokane. Washington. [Report No. 21-00781-108](#), March 17, 2022.

Program Description

The OIG is headquartered in Washington, DC, has staff in over 60 locations throughout the country, and is organized into the seven offices described below.

Immediate Office of the Inspector General. The IG and Deputy IG provide leadership and set strategic direction. The office includes congressional relations and public affairs staff who ensure that information is accurately and promptly released and that requests from legislators and reporters are appropriately addressed, staff responsible for electronic report distribution and recommendation follow up, as well as a data modeling group that specializes in advanced analytics, information integration, and data visualization to inform oversight on emerging issues.

Office of Counselor to the Inspector General. The Office of the Counselor provides legal support for investigations, audits, reviews, and inspections; works with OIG investigators in developing qui tam and False Claims Act matters; provides counsel to OIG managers on legal and administrative matters, including contracting actions; represents OIG in employment litigation and personnel matters; and informs legislative proposals and congressional briefings. The Counselor's office also oversees the Release of Information Office and the employee relations and reasonable accommodation functions.

Office of Audits and Evaluations. The Office of Audits and Evaluations evaluates diverse areas such as healthcare inventory and financial systems, the administration of benefits, resource utilization, acquisitions, construction, contracts, and information security. Additionally, this office oversees the following congressionally mandated reviews:

- Consolidated financial statement audit, required by the Chief Financial Officers Act of 1990, to assess whether VA's financial statements are free of material error;
- Review of VA's Compliance with the Payment Integrity Information Act for Fiscal Year 2020 (PIIA);
- Evaluation of VA's information security programs and controls required by the Federal Information Security Modernization Act of 2014 (FISMA);
- Evaluation of VA's compliance under the Digital Accountability and Transparency Act of 2014 (DATA Act);
- Review of VA's publication of staffing and vacancies under the requirements of the VA Mission Act of 2018;
- Audit of VHA's capacity to provide specialized treatment and rehabilitative needs of disabled veterans as required under 38 U.S.C. § 1706;
- Report on VA employees who violated agency policies regarding purchase cards or convenience checks and actions taken based on each violation under the requirements of the Government Charge Card Abuse Prevention Act of 2012;

- Audit of VA's collection, production, acquisition, maintenance, distribution, use, and preservation of geospatial data by the covered agency as required under the Geospatial Data Act of 2018;
- Review of VA's detailed accounting submission and performance summary report to the Office of National Drug Control Policy as outlined in 21 U.S.C. § 1703 and 1704;
- Review of VA's Publication and Acceptance of Disability Benefit Questionnaire Forms pursuant to the Veterans Health Care and Benefits Improvement Act of 2020.

Office of Healthcare Inspections. The Office of Healthcare Inspections assesses VA's efforts to maintain the deliverance of timely and high-quality healthcare. Staff conduct inspections prompted by OIG Hotline complaints, congressional requests, proactive initiatives, and other leads; recurring inspections of VA facilities, healthcare systems, networks, and Vet Centers; and national reviews. Staff also provide consultations to criminal investigators and audit staff and conduct an annual determination of occupational staffing shortages across the VA, as required by the *Veterans Access, Choice, and Accountability Act*.

Office of Investigations. The Office of Investigations investigates possible crimes and civil violations of law involving VA programs and operations. Staff focus on a wide range of matters including healthcare, procurement, benefits, construction, and other fraud; cybercrime and identity theft; bribery and embezzlement; drug offences; violent crimes; and threats against VA employees, patients, facilities, and computer systems.

Office of Management and Administration. The Office of Management and Administration provides comprehensive support to the OIG, including financial, personnel, budget, information technology, space and facilities, training, and procurement. The office also oversees the OIG Hotline, which receives, screens, and refers all allegations and complaints for additional action.

Office of Special Reviews. The Office of Special Reviews conducts administrative investigations and increases the OIG's flexibility and capacity to conduct prompt reviews of significant events and emergent issues not squarely within the focus of other OIG offices. This office undertakes projects in response to referrals from VA employees, the OIG Hotline, Congress, the Office of Special Counsel, veterans service organizations, proactive initiatives, and other sources. Staff work collaboratively with other OIG directorates to review topics of interest that span multiple disciplines.

Office / Directorate	Onboard Staff
Inspector General	22
Counselor	34
Data Modeling Group	38
Investigations	262
Audits and Evaluations	352
Management and Administration	112
Healthcare Inspections	262
Special Reviews	21
Grand Total	1,103
Note: Onboard staffing levels reflected above are as of February 10, 2023, the beginning of pay period 04.	

Stakeholders and Partners

The OIG’s oversight work encompasses all VA programs and operations, services, functions, and funding. Consequently, its stakeholders include the Secretary, VA senior leaders, managers and staff, members of Congress and its staff, veterans service organizations (VSOs), beneficiaries, taxpayers, affiliated healthcare and educational institutions, contractors, other federal agencies, law enforcement organizations, and other OIGs. Much of the OIG’s work depends on the cooperation and coordination of these stakeholders, making them partners in some capacity for important improvement and oversight efforts. Therefore, the IG and Deputy IG continue to organize recurring listening sessions with stakeholders, including other OIG senior leaders, senior Department executives, Members of Congress and their staff, and VSOs.

Inspector General Performance Measures and Accomplishments

The OIG’s sustained, high level of performance is reflected in VA’s *Annual Performance Plan and Report* and the OIG’s SARs, including issues 87 and 88 which cover the period of October 1, 2021, to September 30, 2022. Current performance measures include

- Percentage of reports—audit, inspection, evaluation, contract review, and Comprehensive Healthcare Inspection Program reports—issued that identify opportunities for improvement;
- Percentage of recommendations implemented within one year that improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA;
- Monetary benefits (dollar amounts in millions) from audits, inspections, investigations, and other evaluations;
- Percentage of recommended recoveries achieved from postaward contract reviews;
- Return on investment (monetary benefits divided by cost of operations in dollars);
- Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, administrative sanctions, and corrective actions; and
- Percentage of investigations that result in criminal, civil, or administrative actions.

Examples of recent OIG oversight projects are presented below to demonstrate the significant impact of the OIG's efforts for veterans and taxpayers. Internal improvements are also discussed to highlight initiatives to better engage and develop highly skilled employees who fulfill the OIG's mission.

Pandemic-Related Oversight. Beginning in mid-2020, the OIG rapidly established a portfolio of oversight projects focused on the pandemic response, including audits, inspections, investigations, and other reviews. The OIG has published 42 pandemic-related reports through December 1, 2022, which include a total of 158 recommendations, and supported several high-profile criminal investigations specific to pandemic-related fraud. The examples below highlight work where the OIG

- Initiated unannounced inspections and performed evaluations at 34 facilities to determine whether senior VHA managers complied with selected medication management requirements related to the use of remdesivir.³² The OIG found that many facilities exceeded elements of expected performance, including staff's ability to receive remdesivir shipments. However, the OIG found deficiencies with patient/caregiver education and timely reporting of adverse events to the Food and Drug Administration.
- Evaluated COVID -19 readiness and response for facilities in Veterans Integrated Service Networks (VISNs) 2, 5, and 6.³³ The OIG's review covered emergency preparedness; supplies, equipment, and infrastructure; staffing; access to care; community living center patient care and operations; and vaccine administration. Although the pandemic placed tremendous strain on VA facilities and presented many unique challenges, OIG survey and interview findings identified favorable, recurrent themes across facilities including the importance of communication, teamwork, and for most facilities, sufficient clinical and support staff.
- Conducted a review to assess how VHA addressed the emotional well-being of employees during the novel coronavirus disease (COVID-19) pandemic.³⁴ The OIG also conducted an overview of VHA programs, including what specialized programs, if any, were developed and deployed in response to the unique psychological challenges created by the COVID-19 pandemic for VHA's staff. The OIG identified areas of concern related to employee emotional well-being: mainly a generally diminishing awareness of support in relation to organizational hierarchy, low utilization of support resources by leadership and frontline employees, as well as employee perception of inadequate support and responsiveness from leadership. The OIG issued one recommendation to the Under Secretary for Health to review the processes by which COVID-19 emotional well-being resources were developed and disseminated and improve both leadership and staff's awareness of these resources and potential signs of burnout.

³² VAOIG *Comprehensive Healthcare Inspection Summary Report: Evaluation of Medication Management in Veterans Health Administration Facilities, Fiscal Year 2021*. Report No. 22-00814-230, September 1, 2022. <https://www.va.gov/oig/pubs/VAOIG-22-00814-230.pdf>

³³ VAOIG *Comprehensive Healthcare Inspection of Facilities' COVID-19 Pandemic Readiness and Response in Veterans Integrated Service Networks 2, 5, and 6*. Report No. 21-03917-123, April 07, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-03917-123.pdf>

³⁴ VAOIG *The Veterans Health Administration Needs to Do More to Promote Emotional Well-Being Supports Amid the COVID-19 Pandemic*. Report No. 21-00533-157, May 22, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-00533-157.pdf>

- Reviewed VHA Office of Connected Care purchases of iPads and iPhones that were intended to support telehealth care during the pandemic through a new digital divide consult process.³⁵ Between July 2020 and January 2021, Connected Care officials used CARES Act funds to purchase 10,000 iPhones and nearly 81,000 iPads which cost approximately \$71 million in total. Because the demand for iPhones was much lower than expected and data plans for both iPhones and iPads were activated while these devices were in storage, the OIG determined that a significant waste of program resources had occurred. The OIG issued two recommendations to VA. The first included establishing realistic goals with a monitoring process for the number of days devices are stored; the second advised using cost benefits analysis to strengthen estimated data plan requirements.
- Investigated allegations that over a period of 5 months, a registered nurse stole COVID-19 vaccination cards from a VA facility, added lot numbers to the cards, and sold them for up to \$200 each to individuals in the Detroit area.³⁶ The investigation, which was conducted jointly with support from the HHS OIG and VA Police Service, led to an indictment on COVID-19 Vaccination Record Cards fraud. The former employee pleaded guilty to the charges in June 2022 and is awaiting sentencing.

Electronic Health Records Modernization Oversight. In May 2018, VA awarded a multibillion-dollar contract to procure a new patient electronic health record (EHR) system developed by the Cerner Corporation. The EHR system is critical to VA providing prompt and continuous quality health care to veterans. The VA Office of Inspector General (OIG) has been conducting oversight of multiple aspects of this extensive and challenging implementation effort, which has drawn intense public scrutiny and congressional oversight since the project's inception. Since April 2020, the OIG has published 14 reports and issued 67 recommendations on VA's electronic health records modernization (EHRM) program. These reviews have identified a variety of barriers to successful program implementation that include inadequate cost estimates, planning schedules, reporting, training, and decision making. OIG's recommendations are meant to help VA make modifications to its roadmap for future implementation efforts and address the risk for cascading failures, breakdowns, delays, and poor health care when deploying the new EHR system nationwide. In its reports the OIG

- Initiated an administrative investigation of the Office of Electronic Health Records Management (OEHRM)³⁷ Change Management group (Change Management) after an OIG health inspection team raised concerns about the accuracy of information they had received as part of a broader EHRM implementation review at the Mann-Grandstaff VA Medical Center in Spokane, WA.³⁸ The administrative investigation revealed that the Change Management group's lack of care and due diligence resulted in misinformation being provided to OIG healthcare staff including inaccurate training data and proficiency

³⁵ VAOIG *Purchases of Smartphones and Tablets for Veterans' use during the COVID-19 Pandemic*. Report No. 21-02125-22, May 4, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-02125-132.pdf>

³⁶ Department of Justice. *Registered Nurse Pleads Guilty in Vaccination Record Card Fraud*. <https://www.justice.gov/usao-edmi/pr/registered-nurse-pleads-guilty-covid-19-vaccination-record-card-fraud>

³⁷ OEHRM was effectively dissolved on December 20, 2021, with its functions transferred to the newly formed Electronic Health Record Modernization Integration Office (EHRM IO). However, many reports in this section refer to the office as OEHRM because it was the name of the entity at the time the review was initiated.

³⁸ VAOIG. *Senior Staff Gave Inaccurate Information to OIG Reviewers of Electronic Health Record Training*. Report No. 21-02201-200, July 14, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-02201-200.pdf>

check scores. The Change Management group also failed to recognize red flags and verify accuracy of data before providing it to the inspection team. The OIG issued four recommendations to which the Department concurred.

- Conducted a focused healthcare inspection to assess a VHA identified high-risk patient safety concern due to an Oracle Cerner-designed element of the new EHR that resulted in patient harm.³⁹ The OIG determined that the EHR sent thousands of orders to an unknown queue instead of the intended care or service location (e.g., specialty care, laboratory, diagnostic imaging). The VHA initiated a clinical review of facilities identified in this queue and determined that there were 149 adverse events for patients, that were categorized according to minor, moderate, or major harm. VHA defined major harm as permanent decrease in the body's functioning or disfigurement, requires surgery or inpatient care; moderate as increased length of hospital stay or required increase in level of care; and minor as no injury, no increased length of stay, no increased level of care. The OIG made two recommendations to the Deputy Secretary related to Oracle Cerner's failure to inform VA of the unknown queue and evaluation of the unknown queue technology and mitigation process.
- Evaluated the availability and utilization of metrics more than a year after the Mann-Grandstaff VA Medical Center became the first VHA medical center to implement the new EHR system.⁴⁰ With VA's transition to the new EHR, metrics were created by adding new EHR data to the existing VA data repository and by using the new EHR's functionality. The OIG found that gaps in available metrics due to the new EHR transition impaired the facility's ability to measure and act on issues of organizational performance, quality of care and patient safety, and access to healthcare services. The OIG is concerned that further deployment of the new EHR without addressing these issues may impede the ability of the facility and future sites to provide timely, effective, safe, and veteran-centered care. The OIG made two recommendations to the Deputy Secretary related to evaluating gaps in new EHR metrics and the factors affecting the availability of metrics and taking appropriate actions.
- Examined whether VA and its contractors developed and managed a high-quality, reliable EHRM program Integrated Master Schedule (IMS), which is imperative for the successful deployment of the new records system to facilities nationwide.⁴¹ The OIG found that the current IMS did not fully capture all the work required for the duration of the program, lacked a risk analysis and valid critical path as defined by Government Accountability Office standards, and needed a controlled baseline schedule that allowed for performance management or trend analysis.

Monetary Benefits. In 2022 (SAR Issues 87 & 88), the OIG identified monetary benefits of almost **\$4.6 billion** in 250 published reports and issued 894 recommendations to VA. For example, the OIG

³⁹ VAOIG. *The New Electronic Health Record's Unknown Queue Caused Multiple Events of Patient Harm*. Report No. 22-001137-204, July 14, 2022. <https://www.va.gov/oig/pubs/VAOIG-22-01137-204.pdf>

⁴⁰ VAOIG. *Deficits with Metrics Following Implementation of the New Electronic Health Record at the Mann Grandstaff VA Medical Center in Spokane, Washington*. Report No. 21-03020-168, June 1, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-03020-168.pdf>

⁴¹ VAOIG. *The Electronic Health Record Modernization Program Did Not Fully Meet the Standards for a High-Quality, Reliable Schedule*. Report No. 21-02889-134, April 25, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-02889-134.pdf>

- Conducted 96 contract reviews (preaward & postaward) to help VA obtain fair and reasonable pricing on products and services which identified **\$3.3 billion** in monetary benefits.⁴²
- Estimated that 1.3 million of 2.4 million billable community care claims (54 percent) paid between April 20, 2017, and October 31, 2020, were not submitted to private health insurers before filing deadlines expired which resulted in potential collections losses of **\$805 million**.⁴³
- Determined that poor internal controls led VA to issue improper payments of almost \$137 million for non-VA acupuncture and chiropractic services between 2018 and 2019 and estimated improper payments through 2022 of nearly **\$342 million**.⁴⁴
- Identified nearly **\$157 million** in improper benefits overpayments to fugitive felons.⁴⁵
- Completed a follow up review of Special Monthly Compensation housebound benefits claims processes and found that because the Veterans Benefits Administration had failed to implement earlier recommendations, the VA likely issued an estimated **\$136 million** in net improper payments.⁴⁶
- Found that VHA lacked necessary internal controls for evaluation and management services procured through Community Care providers and conservatively issued nearly **\$60 million** in improper payments between 2020-2022.⁴⁷

The table below summarizes additional information about monetary benefits of the OIG's work.

⁴² VAOIG. *Semiannual Report to Congress*, Issue 87, October 1, 2021- March 31, 2022.

<https://www.va.gov/oig/pubs/sars/VAOIG-SAR-2022-1.pdf> and VAOIG. *Semiannual Report to Congress*, Issue 88, April 1, 2022-September 30, 2022. <https://www.va.gov/oig/pubs/sars/VAOIG-SAR-2022-2.pdf>

⁴³ VAOIG. *VHA Continues to Face Challenges with Billing Private Insurers for Community Care*. Report No. 21-00846-104, May 24, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-00846-104.pdf>

⁴⁴ VAOIG. *VHA Improperly Paid and Reauthorized Non-VA Acupuncture and Chiropractic Services*. Report No. 20-10199-249, December 8, 2021. <https://www.va.gov/oig/pubs/VAOIG-20-01099-249.pdf>

⁴⁵ VAOIG. *Semiannual Report to Congress*, Issue 87, October 1, 2021- March 31, 2022.

<https://www.va.gov/oig/pubs/sars/VAOIG-SAR-2022-1.pdf> and VAOIG. *Semiannual Report to Congress*, Issue 88, April 1, 2022-September 30, 2022. <https://www.va.gov/oig/pubs/sars/VAOIG-SAR-2022-2.pdf>

⁴⁶ VAOIG. *Follow-Up Review of the Accuracy of Special Monthly Compensation Housebound Benefits*. Report No. 20-02149-07, December 15, 2021. <https://www.va.gov/oig/pubs/VAOIG-20-04219-07.pdf>

⁴⁷ VAOIG. *VHA Risks Overpaying Community Care Providers for Evaluation and Management Services*. Report No. 21-01807-251. December 8, 2021. <https://www.va.gov/oig/pubs/VAOIG-21-01807-251.pdf>

Measure	Semiannual Report (SAR) Summary		
	Issue 87	Issue 88	Combined
Monetary Benefits (in millions)	\$3,134.1	\$1,430.4	\$4,564.6
Better Use of Funds	\$2,157.8	\$959.9	\$3,117.7
Dollar Recoveries	\$2.8	\$2.3	\$5.1
Fines, Penalties, Restitutions and Judgments	\$285.5	\$278.1	\$563.6
Fugitive Felon Program	\$86.6	\$70.2	\$156.8
Savings and Costs Avoidances	\$7.8	\$74.7	\$82.4
Questioned Costs	\$593.7	\$45.2	\$638.9
Cost of Operations	\$98.3	\$91.2	\$189.5
Return on Investment	32:1	16:1	24:1
Contract Review Only - Monetary Benefits	\$3,149.2	\$131.1	\$3,280.3
Preaward Reviews	\$3,097.0	\$123.6	\$3,220.6
Postaward Reviews	\$52.3	\$7.4	\$59.7
Claim Reviews	\$0.0	\$0.0	\$0.0

Program Benefits. In addition to monetary benefits, OIG audits, inspections, investigations, and other reviews identified valuable opportunities to improve VA programs and services. For example, the OIG recommended that VA take the following steps:

- Recommended that VA provide Suicide Prevention Coordinators with additional training, guidance, and oversight to ensure that at-risk veterans are reached. This includes measures to improve call center data integrity, train coordinators on how to use patient outcome codes, ensure managers regularly review crisis line referrals and document follow-ups in electronic health records, and consider guidance to coordinators' training tools to improve follow-ups for veterans who are hospitalized in a non-VA facility, admitted to an emergency department, or provided a welfare check.⁴⁸
- Identified instances where multiple care providers failed to communicate, act on, and document abnormal test results that led to a patient's diagnosis of prostate cancer at a VA medical facility. The OIG issued seven recommendations to the VA medical facility director which included ensuring that test results are reviewed in a manner consistent with VHA policies and communicated in a timely manner to patient providers and surrogates, procedures are in place to identify and reduce errors when staff submit nuclear orders, and quality management staff initiate timely quality reviews when deficiencies in patient care are identified.⁴⁹
- Conducted a healthcare inspection at a VA medical facility to evaluate leaders' responses to inappropriate relationships between mental health providers and mental health patients, which are prohibited by federal regulation, state law, and VA policy and considered a form of professional misconduct. While facility directors did act in response to these inappropriate relationships, the OIG identified multiple factors that undermined their efficacy. The OIG issued three recommendations to facility directors which included evaluating processes that help identify and address inappropriate relationships, reviewing

⁴⁸ VAOIG. *Suicide Prevention Coordinators Need Improved Training, Guidance, and Oversight*. Report No. 20-02186-78, June 6, 2022. <https://www.va.gov/oig/pubs/VAOIG-20-02186-78.pdf>

⁴⁹ VAOIG. *Multiple Failures in Test Results Follow-up for a Patient Diagnosed with Prostate Cancer at the Hampton VA Medical Center in Virginia*. Report No. 21-03349-186, June 28, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-03349-186.pdf>

processes for reporting violations to state licensing and state certification boards, and determining whether the patient's care involved any adverse events and, if so, whether institutional disclosure is warranted.⁵⁰

- Evaluated VHA's Airborne Hazards and Open Burn Pit Registry Exam Process and found that improvements would ensure that more eligible and interested veterans would receive exams. The OIG issued seven recommendations which included revising the questionnaire to be more veteran-centric, maintaining accurate contact information for environmental health coordinators, and identifying whether veterans with unscheduled exams are still interested in one. The OIG also recommended implementing processes and metrics to ensure exams are completed, to include a procedure to transfer veterans to closer facilities to receive exams. Further, the OIG recommended developing guidance to ensure responsible parties review and discuss performance data and the enhancement of registry information systems.⁵¹
- Found deficiencies in VBA's governance and accountability of the contract medical disability exam program. These exams help establish service connection and determine the severity of each veteran's disabilities related to military service. The OIG made four recommendations to the Acting Under Secretary for Benefits, including assessing and modifying contracts and any renewals to ensure that vendors can be held accountable for unsatisfactory performance and establishing procedures for vendors to correct errors that VBA's Medical Disability Exam Office (MDEO) identifies. The OIG also recommended implementing procedures requiring MDEO to communicate vendor exam errors to the Office of Field Operations and the regional offices and demonstrate progress in correcting the identified errors, as well as analyzing all available error data to identify and inform vendors of systemic errors and trends.⁵²

Investigative Actions. The OIG's criminal, civil, and administrative investigations led to 195 indictments, 181 convictions, and 149 administrative sanctions during the past two SAR reporting periods. The OIG's work, alone and in collaboration with other law enforcement agencies, led to significant judicial actions, as highlighted by these examples.

- Bethann Kierczak, a former registered nurse at a VA Hospital in Detroit, Michigan, pled guilty to stealing or **embezzling** authentic Covid-19 Vaccination Record Cards from the VA hospital—along with vaccine lot numbers necessary to make the cards appear legitimate—and then reselling those cards and information to individuals within the metro Detroit community.⁵³ Kierczak's theft of Covid-19 Vaccination Record Cards began at least as early as May 2021 and continued through September 2021. Kierczak sold the cards for \$150-\$200 each and communicated with buyers primarily via Facebook Messenger. The investigation was conducted by the U.S. Department of Veterans Affairs-

⁵⁰ VAOIG. *Facility Leaders' Response to Inappropriate Mental Health Provider-Patient Relationships at the VA Illiana Health Care System in Danville, Illinois*. Report No. 19-08364-140, May 3, 2022.

<https://www.va.gov/oig/pubs/VAOIG-19-08364-140.pdf>

⁵¹ VAOIG. *Airborne Hazards and Open Burn Pit Registry Exam Process Needs Improvement*. Report No. 21-02732-153, July 21, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-02732-153.pdf>

⁵² VAOIG. *Contract Medical Exam Program Limitations Put Veterans at Risk for Inaccurate Claims Decisions*. Report No. 21-01237-127, June 8, 2022. <https://www.va.gov/oig/pubs/VAOIG-21-01237-127.pdf>

⁵³ Department of Justice. *Registered Nurse Pleads Guilty in Covid-19 Vaccination Record Card Fraud*. <https://www.justice.gov/usao-edmi/pr/registered-nurse-pleads-guilty-covid-19-vaccination-record-card-fraud>

Office of Inspector General (VA-OIG), VA Police Detroit and the Medicare Fraud Strike Force (MFSF) partners, a partnership among the Criminal Division, U.S. Attorney's Offices, and U.S. Health and Human Services-Office of Inspector General (HHS-OIG).

- Sarah J. Cavanaugh, a former VA Social Worker at the Department of Veteran Affairs at the Rhode Island Veterans Affairs Medical Center, will plead guilty to charges of **fraud, aggravated identity theft, forgery, and fraudulent use of medals**.⁵⁴ It is alleged that she used her position as a licensed social worker, employed by the Department of Veteran Affairs at the Rhode Island Veterans Affairs Medical Center, to gain access to documents, personal information, and medical records belonging to a Marine and an actual cancer-stricken Navy veteran. She allegedly used the information to create fraudulent documents and medical records in her name, claiming that she was an honorably discharged Marine stricken with cancer. It is further alleged that Cavanaugh used the fraudulent documents in various schemes to obtain more than \$250,000 in cash, charitable donations, and services reserved for injured veterans. A defendant's sentence is determined by a federal district judge after consideration of the U.S. Sentencing Guidelines and other statutory factors.
- Universal Helicopters Inc. (UHI), a private helicopter flight instructor training company, and Dodge City Community College (DC3), which operates campuses in Dodge City, Kansas, and Chandler, Arizona, have agreed to pay **\$7.5 million** to resolve allegations that they **violated the False Claims Act** by making false statements to the U.S. Department of Veterans Affairs (VA) in connection with the helicopter flight instructor training program jointly run by UHI and DC3.⁵⁵ The VA provided financial assistance as part of the Post-9/11 GI Bill to veterans taking classes at the UHI-DC3 helicopter flight instructor program. The United States alleged that from 2013 to 2018, UHI and DC3 made or caused to be made false statements to the VA regarding enrollment in the UHI-DC3 helicopter flight instructor program in order to obtain VA funding.
- Novo Nordisk Inc., a global healthcare company, agreed to pay **\$6.3 million** to resolve allegations that it **violated the False Claims Act** by selling items to the United States that were manufactured in non-designated countries in violation of the Trade Agreements Act of 1979.⁵⁶ The settlement resolves claims that from July 2012 through November 2020, Novo Nordisk sold to United States government agencies its NovoFine 30G 8 mm needles, and that from May 2016 through November 2020, Novo Nordisk sold to United States government agencies its NovoFine 32G 6 mm needles, all of which were manufactured in non-designated countries. The claims settled by this agreement are allegations only, and there has been no determination of liability.
- TriMark USA, LLC of Mansfield, Massachusetts, has agreed to pay **\$48.5 million** to resolve allegations that its subsidiaries, TriMark Gill Marketing and Gill Group, Inc. (collectively, TriMark), **improperly manipulated federal small business set-aside**

⁵⁴ Department of Justice. *Rhode Island Woman to Admit to Falsifying Military Service; False Use of Military Medals; Identity Theft; and Fraudulently Collecting More Than \$250,000 in Veteran Benefits and Charitable Contributions*. <https://www.justice.gov/usao-ri/pr/rhode-island-woman-admit-falsifying-military-service-false-use-military-medals-identity>

⁵⁵ Department of Justice. *Universal Helicopters Inc. and Dodge City Community College Agree to Pay \$7.5 Million to Settle False Claims Act Allegations Related to Post-9/11 GI Bill Funding*. <https://www.justice.gov/opa/pr/universal-helicopters-inc-and-dodge-city-community-college-agree-pay-75-million-settle-false>

⁵⁶ Department of Justice. *Global Healthcare Company to Pay \$6.3 Million to Resolve False Claims Act Allegations*. <https://www.justice.gov/usao-nj/pr/global-healthcare-company-pay-63-million-resolve-false-claims-act-allegations>

contracts around the country.⁵⁷ A former TriMark executive in charge of the company's government business agreed to pay an additional \$100,000 as an individual civil penalty for her conduct in connection with the scheme. The settlement constitutes the largest-ever False Claims Act recovery based on allegations of small business contracting fraud.

- Jonathan Dean Davis, the owner of Retail Ready Career Center, was **sentenced to nearly 20 years in federal prison** after being found guilty of seven counts of wire fraud and four counts of **money laundering** in the Northern District of Texas.⁵⁸ Davis was convicted of defrauding VA of **\$72 million** and misleading student veterans who attended the center's heating, ventilation, and air conditioning training course. Using the proceeds of his fraud, Mr. Davis purchased a \$2.2 million home in Dallas, a \$428,000 Lamborghini, a \$280,000 Ferrari, and a \$260,000 Bentley, among other things.
- Christopher A. Parris of Lawrenceville, Georgia, pleaded guilty to **conspiracy to commit mail fraud** related to a Ponzi scheme, as well as to **wire fraud** involving the fraudulent sale of purported N95 masks during the pandemic.⁵⁹ Parris offered to sell the VA 125 million 3M N95 masks at a cost of \$6.45 per mask. In this process, the defendant attempted to obtain an upfront payment of \$3.075 million from the VA, even though he knew at the time that he had no access to the promised masks or present ability to deliver the promised masks.
- Rita Copeland was **sentenced to 9.5 years in prison** for **wire fraud** and aggravated **identity theft** in connection with a scheme to defraud veterans.⁶⁰ Copeland caused a number of victims to apply for Home Improvements and Structural Alterations (HISA) grants through the U.S. Department of Veterans Affairs. Such grant payments are to be used for certain designated improvements to the residences of veterans. She failed to perform all of the promised work and used a portion of these payments for her own benefit, contrary to the designated purposes of the funds. Copeland also diverted the income and retirement fund payments of another veteran to a bank account that she had opened. In addition, she fraudulently obtained and diverted loan funds and used the credit and debit cards of this elderly victim. Finally, Copeland engaged in a rental fraud scheme, purporting to link veterans and others with landlords, but then diverted rental and security deposit payments to her own benefit. In total, from at least 2017-2020, Copeland's fraud schemes impacted at least 29 victims, resulting in a combined loss of approximately \$430,000.

The table below summarizes the OIG's investigative actions.

⁵⁷ Department of Justice. *Government Contractor Agrees to Pay Record \$48.5 Million to Resolve Claims Related to Fraudulent Procurement of Small Business Contracts Intended for Service-Disabled Veterans* <https://www.justice.gov/usao-ndny/pr/government-contractor-agrees-pay-record-485-million-resolve-claims-related-fraudulent>

⁵⁸ Department of Justice. *For-Profit Trade School Sentenced to Nearly 20 Years for Defrauding VA, Student Veterans*. <https://www.justice.gov/usao-ndtx/pr/profit-trade-school-sentenced-nearly-20-years-defrauding-va-student-veterans>

⁵⁹ Department of Justice. *Georgia Man Pleads Guilty in New York Federal Court on Charges Related to Ponzi and COVID-19 Fraud Schemes*. <https://www.justice.gov/opa/pr/georgia-man-pleads-guilty-new-york-federal-court-charges-related-ponzi-and-covid-19-fraud>

⁶⁰ Department of Justice. *Portsmouth Woman Sentenced for Fraud Crimes Targeting Veterans*. <https://www.justice.gov/usao-edva/pr/portsmouth-woman-sentenced-fraud-schemes-targeting-veterans>

Measure	Semiannual Report (SAR) Summary		
	Issue 87	Issue 88	Combined
Selected Investigative Actions			
Arrests	104	135	239
Fugitive Felon Arrests (OIG assisted)	37	39	76
Indictments	82	113	195
Indictments and Informations Resulting from Prior Referrals	36	40	76
Criminal Complaints	22	32	54
Convictions	94	87	181
Pretrial Diversions and Deferred Prosecutions	8	12	20
Case Referrals to the Department of Justice	136	191	327
Case Referrals to State and Local Authorities	15	33	48
Administrative Sanctions and Corrective Actions (excl. Hotline)	59	90	149
Cases Opened	173	178	351
Cases Closed	224	213	437

Hotline Actions. The OIG’s Hotline continued to serve as the key conduit for allegations of fraud, waste, abuse, and mismanagement, prioritizing those having the most potential risk to veterans, VA programs and operations, or for which the OIG may be the only avenue for redress. During the two most recent SAR reporting periods, Hotline staff received and triaged 36,042 contacts—toll-free phone calls, web submissions, letters, and faxes—to help identify wrongdoing and concerns with VA programs and services (see table below). Further, the OIG opened 1,304 cases in response to Hotline contacts, substantiated 41 percent of related allegations, and prompted 1,007 administrative sanctions. The Hotline also issued more than 10,219 semi-custom responses to provide other options for redress to individuals who contacted the hotline with concerns that were outside the OIG’s scope.

Measure	Semiannual Report (SAR) Summary		
	Issue 87	Issue 88	Combined
Contacts	17,646	18,396	36,042
Cases Opened	752	552	1,304
Cases Closed	523	568	1,091
Administrative Sanctions & Corrective Actions (Hotline)	498	509	1,007
Substantiation Percentage Rate	43%	39%	41%

Dissemination. In addition to publishing reports, the OIG engaged stakeholders through social and digital media, hearings, roundtable discussions, briefings, and responses to media inquiries to further disseminate the report findings. The OIG grew its electronic delivery subscribership by about 12 percent to 115,080. On social media, the OIG grew its LinkedIn base to 60,184 followers, a 58 percent increase from the prior year, and published 409 updates to highlight reports, hiring activities, and other news that resulted in more than 666,000 impressions. In addition, the OIG had over 6,900 followers on Twitter, posted about 330 tweets largely focused on reports and other OIG work that resulted in over 75,000 impressions. For Congress, the IG and OIG senior staff testified at 14 hearings and delivered 142 congressional briefings regarding issues that were addressed in the OIG’s reports and ongoing work or drew on staff expertise and experience. For the media, the OIG responded to 110 inquiries and requests for quotes and interviews on the OIG’s oversight

work to major news outlets, including the New York Times, Washington Post, Los Angeles Times, Military.com, Newsday, U.S. News and World Report, Military Times, and Stars and Stripes as well as coordinated the appearance of OIG special agents discussing their work to solve the murders at the VA medical center in Clarksburg, West Virginia, on episodes of Forensic Files II, “The Telltale Marks,” and the A&E Network’s Interrogation Raw, “Serial Killer at the VA Hospital.” Highly cited oversight included topics such as the troubled implementation of the Electronic Health Record Modernization Program, creating a culture of patient safety, and ensuring veterans exposed to toxic burn pits have adequate access to benefits.

Internal Improvements. The OIG continues to invest significant resources in IT systems and infrastructure, which are critical to supporting VA oversight activities and fulfilling internal business requirements. During 2022, the OIG Chief Information Officer (CIO) initiated a formalized framework for assessing OIG’s unique IT requirements, incorporating best practices, developing strategic goals, improving budget planning, and fulfilling federal cybersecurity requirements. Plan elements include efforts to

- **Modernize Infrastructure**
Refresh or decommission existing software and hardware infrastructure, leverage VA strategic sourcing capabilities and streamline processes to the maximum extent possible. Actively pursue opportunities to migrate infrastructure to the cloud to promote fiscal efficiencies and a more seamless user experience for the OIG’s increasingly remote workforce.
- **Innovate Applications**
Procure, configure, and implement customizable commercially available off-the-shelf products to support highly reliable, flexible, and comprehensive systems that will be scalable and adaptable to support existing and future mission requirements.
- **Enhance Continuous Monitoring**
Leverage both existing and new tools to mature the OIG’s enterprise-wide continuous monitoring program by transitioning from a reactive to proactive cybersecurity risk management framework.
- **Strengthen IT Program Management and Governance**
Establish an overarching governance structure for ensuring that all our information technology (IT) investments align with our technology roadmap and support our business objectives. Invest in the development of current IT employees and, as possible, recruit additional talent to ensure that we have a top-tier workforce contributing to and managing our critical projects.
- **Improve Customer Experience**
Deliver exceptional customer service by reinvigorating close partnerships with cross-directorate stakeholders to understand and anticipate business needs and deliver just-in-time IT solutions that are versatile and flexible.

In addition to improvements in IT operations, the OIG has established a robust and comprehensive program to support Diversity, Equity, Inclusion, and Accessibility (DEIA), which includes the appointment of a Chief DEIA Officer within the organization. DEIA program outcomes and strategic goals are memorialized in a 22-element action plan that was developed through voluntarily employee committees and approved by the IG in 2021. The plan addresses cultural

event guidelines, hiring and recruitment recommendations, Senior Executive performance metrics, training recommendations, and mentoring programs. Over the past year, the DEIA program has offered OIG staff a variety of activities that promote DEIA awareness and opportunities. These include guest speaker forums, cultural awareness activities, employee affinity engagements, and other activities consistent with Office of Personnel Management guidance and Executive Orders.

Budget Highlights

The 2024 budget request supports at least 1,155 FTE under current pay and inflation assumptions. This is 24 FTE over the 2023 current estimate. The 2024 budget includes funding for a 5.2 percent annualized pay raise (effective January 2024), locality adjustments, career ladder promotions, within-grade increases, and a proportionate share of agency benefits contributions including health insurance, social security, Medicaid, and retirement. Unlike most other VA administrative programs, the OIG incurs significant payroll and training costs for law enforcement officers and physicians, which far outpace those for other staff positions. The 2024 budget reflects an \$21.7 million increase in total operational costs (obligations) over the 2023 current estimate. Because the 2024 budget assumes no significant carryover from 2023 or supplemental funding, there is a significant increase in the annual appropriation request compared to the 2023 budget. Accordingly, the 2024 appropriation request is \$23 million higher than the budget requested for 2023.

The OIG budget supports highly trained and experienced staff who understand the complexity of VA programs and services. Despite these significant responsibilities, the OIG’s annual appropriation request has consistently averaged less than 0.1 percent of the total VA budget. Similarly, in terms of FTE, the VA to OIG staffing ratio (based on the 2023 Budget projections) is approximately 384:1. The VA OIG also has proportionally lower funding and staffing levels when compared with other OIGs for large executive branch agencies (see table below). In addition, the OIG’s budget includes a significant portfolio of space and technology needs that cannot be leveraged through VA or other federal partners.

2023 Staff and Resource Comparisons for Selected Inspectors General*						
OIG	Funding (\$M)			FTE		
	Agency	OIG	OIG % of total	Agency	OIG	FTE Ratio
Commerce	\$12,943	\$52	0.40%	44,430	209	213:1
Treasury	\$20,532	\$44	0.21%	101,658	190	535:1
Interior	\$31,665	\$80	0.25%	68,092	334	204:1
Justice	\$48,088	\$146	0.30%	119,023	575	207:1
Housing and Urban Development	\$71,900	\$149	0.21%	8,712	535	16:1
Homeland Security	\$97,291	\$215	0.22%	247,618	778	318:1
Transportation	\$142,111	\$108	0.08%	56,054	425	132:1
Agriculture	\$195,900	\$112	0.06%	107,796	450	240:1
VA	\$300,428	\$273	0.09%	435,926	1,135	384:1
Health and Human Services	\$1,765,121	\$454	0.03%	84,212	1,638	51:1

* Resource comparison references 2023 President’s Budget requests (discretionary and mandatory programs). The VAOIG ranked 7th in funding ratios among surveyed agencies.

The funding requested for 2024 ensures the OIG has the necessary resources to address many serious challenges that undermine the quality and efficiency of VA programs and services and pose unacceptable risks to veterans and the taxpayer. To that end, \$296 million for 2024 would fund an additional 24 FTE (over the 2023 current estimate) to support recent reporting requirements, such as the PACT Act, and enhanced oversight of high-risk programs such as EHRM. Anticipated areas for increased attention in 2024 include

- Toxic exposures (including recent enhancements authorized under the PACT Act),
- Mental health and women's health,
- IT modernization projects, including EHRM, Defense Medical Logistics Standard Support, and Integrated Financial and Acquisition Management Systems implementation,
- Financial benchmarking at VHA facilities,
- Community care/Mission Act activities,
- Vet Centers,
- Leadership and governance.

Budget Submission Requirements of the *Inspector General Act*

This budget request was prepared in accordance with Section 6(g)(1) of the *Inspector General Act of 1978*, as amended.

The OIG's 2024 budget request to VA is \$296 million to support 1,155 FTE and other initiatives. This includes the amounts that the Inspector General certifies to fulfill known requirements to support the Council of Inspectors General on Integrity and Efficiency (\$1,206,176) and OIG employee training (\$2,800,000), including training to address continuing education requirements and mandatory training for law enforcement officers. In addition, OIG requests that \$20,800,000 be set aside in the 2024 VA Minor Construction appropriation request to support OIG-specific renovation projects which includes a potential relocation for headquarters space in Washington, DC due to a lease termination.

OIG continues to identify efficiencies and opportunities to reduce and control costs for employee travel, conferences, training, government vehicles, technology, and other areas as required by *Executive Order No. 13589, Promoting Efficient Spending*. However, as the executive order recognized, OIG employees must travel extensively to VA facilities across the country to perform statutory oversight. This means that opportunities to reduce travel costs will be increasingly limited as pandemic-related restrictions are lifted. To the extent possible, the OIG has reprogrammed identified efficiencies back into operations to sustain the level of oversight.

Office of Inspector General
Summary of Employment & Obligations - Total Budgetary Resources
(\$s in thousands, FTE)

	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Average employment:						
Headquarters functions	255	261	260	266	6	
Operations functions	852	874	871	889	18	
Total employment	1,107	1,135	1,131	1,155	24	2.1%
Obligations						
Personnel compensation and benefits	\$211,987	\$228,940	\$226,394	\$246,011	\$19,617	8.7%
Travel/vehicles	\$4,597	\$7,100	\$6,978	\$7,946	\$968	13.9%
Transportation of things	\$19	\$60	\$60	\$65	\$5	8.3%
Rents, communications, and utilities	\$12,524	\$13,500	\$13,203	\$15,869	\$2,666	20.2%
Printing and reproduction	\$35	\$26	\$38	\$38	\$0	0.0%
Other services	\$23,572	\$21,030	\$26,203	\$26,548	\$345	1.3%
Supplies and materials	\$1,502	\$380	\$554	\$737	\$183	33.0%
Equipment	\$1,804	\$5,175	\$4,842	\$3,074	(\$1,768)	-36.5%
Insurance	\$0	\$5	\$290	\$5	(\$285)	-98.3%
Total obligations	\$256,039	\$276,216	\$278,562	\$300,293	\$21,731	7.8%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$10,000	\$0	\$505	\$0	\$0	0.0%
Unobligated balance transfers between expired and unexpired accounts	\$14,000	\$3,716	\$9,500	\$4,543	(\$4,957)	-52.2%
Subtotal, unobligated balance	\$24,000	\$3,716	\$10,005	\$4,543	(\$4,957)	-49.5%
Budget authority:						
Appropriations, discretionary Appropriation	\$239,000	\$273,000	\$273,000	\$296,000	\$23,000	8.4%
Unobligated balance of appropriations permanently reduced						
Subtotal, appropriation	\$239,000	\$273,000	\$273,000	\$296,000	\$23,000	8.4%
Offsetting collections	\$296	-	\$100	\$250	\$150	
Subtotal, budget authority	\$239,296	\$273,000	\$273,100	\$296,250	\$23,150	8.5%
Total, budgetary resources	\$263,296	\$276,716	\$283,105	\$300,793	\$18,193	
Unobligated balance expiring	(\$6,751)	(\$500)	(\$4,543)	(\$500)	\$4,043	-89.0%
Unexpired unobligated balance	(\$505)	\$0	(\$0)	\$0	\$0	

Office of Inspector General
Summary of Employment & Obligations - Regular Appropriations

(\$s in thousands, FTE)

	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Average employment:						
Headquarters functions	247	261	260	266	6	
Operations functions	826	874	868	889	21	
Total employment	1,073	1,135	1,128	1,155	27	2%
Obligations						
Personnel compensation and benefits	\$205,619	\$228,940	\$225,889	\$246,011	\$20,122	8.9%
Travel/vehicles	\$4,597	\$7,100	\$6,978	\$7,946	\$968	13.9%
Transportation of things	\$19	\$60	\$60	\$65	\$5	8.3%
Rents, communications, and utilities	\$11,618	\$13,500	\$13,203	\$15,869	\$2,666	20.2%
Printing and reproduction	\$35	\$26	\$38	\$38	\$0	0.0%
Other services	\$21,350	\$21,030	\$26,203	\$26,548	\$345	1.3%
Supplies and materials	\$1,502	\$380	\$554	\$737	\$183	33.0%
Equipment	\$1,804	\$5,175	\$4,842	\$3,074	(\$1,768)	-36.5%
Insurance	\$0	\$5	\$290	\$5	(\$285)	-98.3%
Total obligations	\$246,544	\$276,216	\$278,057	\$300,293	\$22,236	8.0%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1						
Unobligated balance transfers between expired and unexpired accounts	\$14,000	\$3,716	\$9,500	\$4,543	(\$4,957)	-52.2%
Subtotal, unobligated balance	\$14,000	\$3,716	\$9,500	\$4,543	(\$4,957)	-52.2%
Budget authority:						
Appropriations, discretionary						
Appropriation	\$239,000	\$273,000	\$273,000	\$296,000	\$23,000	8.4%
Unobligated balance of appropriations permanently reduced						
Subtotal, appropriation	\$239,000	\$273,000	\$273,000	\$296,000	\$23,000	8.4%
Offsetting collections	\$296		\$100	\$250	\$150	
Subtotal, budget authority	\$239,296	\$273,000	\$273,100	\$296,250	\$23,150	8.5%
Total, budgetary resources	\$253,296	\$276,716	\$282,600	\$300,793	\$18,193	6.0%
Unobligated balance expiring	(\$6,751)	(\$500)	(\$4,543)	(\$500)	\$4,043	
Unexpired unobligated balance						

Office of Inspector General
Summary of Employment & Obligations - Supplemental Appropriations

(\$s in thousands, FTE)

	2022 Actual	2023 Request	2023 Enacted	2024 Request	2024 Request vs 2023 Enacted	
					\$	%
Average employment:						
Headquarters functions	8	0	0	0	0	
Operations functions	26	0	3	0	-3	
Total employment	34	0	3	0	-3	
Obligations						
Personnel compensation and benefits	\$6,368		\$505			0.0%
Travel/vehicles						
Transportation of things						
Rents, communications, and utilities	\$906					
Printing and reproduction						
Other services	\$2,221					0.0%
Supplies and materials						
Equipment						
Insurance						
Total obligations	\$9,495	-	\$505	\$0	(\$505)	0.0%
Budgetary resources						
Unobligated balance:						
Unobligated balance brought forward, Oct 1	\$10,000		\$505			0.0%
Unobligated balance transfers between expired and unexpired accounts						
Subtotal, unobligated balance	\$10,000	\$0	\$505	\$0	(\$505)	0.0%
Budget authority:						
Appropriations, discretionary Appropriation						
Unobligated balance of appropriations permanently reduced						
Subtotal, appropriation	\$0	\$0	\$0	\$0	\$0	
Offsetting collections						
Subtotal, budget authority	-	\$0	\$0	\$0	\$0	
Total, budgetary resources	\$ 10,000	\$ -	\$ 505	\$ -	\$ (505)	
Unobligated balance expiring						
Unexpired unobligated balance	(\$505)		(\$0)			

Net Change and Employment Tables

The following table summarizes the changes in resource requirements between the 2023 enacted budget and the 2024 request.

<i>Net Change</i> <i>Office of Inspector General</i> <i>2024 Summary of Resource Requirements</i> <i>(dollars in thousands)</i>		
	<u>BA</u>	<u>FTE</u>
2023 Enacted	\$273,000	1,131
Net Carryover Executed (soy-eoy)	\$5,462	
Reimbursements	\$100	
2023 Obligations Baseline	\$278,562	1,131
2024 Current Services Increases:		
Pay raise (5.2% annualized)	\$8,829	
Change in Staff Composition / Benefits Increases	\$3,101	
Compensable days (260 vs 261 days)	\$871	
Nonpay Inflation (2.0%)	\$1,043	
Net nonpay baseline adjustments	\$1,071	
Subtotal (Increases)	\$14,915	0
Subtotal (Obligations)	\$293,477	1,131
% Change over 2023 Obligations Base	5%	0%
OIG Staffing Plan	\$6,816	24
2024 Obligations Baseline	\$300,293	1,155
Net Carryover Executed (eoy-soy)	-\$4,043	
Offsetting Collections	-\$250	
Net Budget Authority	\$296,000	1,155
Efficiencies / Offsets*	\$0	0
Subtotal	\$0	0
2024 Total Budget Request:	\$296,000	1,155
% Change over FY23 obligations baseline	8%	2%
% Change over FY23 Request	8%	2%
* The current services analysis includes baseline offsets and adjustments.		

The following tables present analyses of OIG employment levels by grade for headquarters and operations functions.

Office of Inspector General Employment Summary Full Time Equivalent (FTE) by Grade				
Grade	2022	2023	2024	Increase (+)
	Act.	Enacted	Request	Decrease (-)
IG/SES	19	21	21	0
Senior-Level (SL)	10	15	16	1
GS-15	135	135	138	3
GS-14	280	288	294	6
GS-13	548	575	588	13
GS-12	66	59	61	2
GS-11	26	22	22	0
GS-9	16	8	8	0
GS-8	1	1	1	0
GS-7	6	6	6	0
Grand Total FTE	1,107	1,131	1,155	24

Office of Inspector General Analysis of 2022 FTE Distribution		
Grade	Headquarters	Operations
IG/SES	17	2
Senior-Level (SL)	8	2
GS-15	31	104
GS-14	64	216
GS-13	126	422
GS-12	15	51
GS-11	6	20
GS-9	4	12
GS-8	0	1
GS-7	1	5
Grand Total FTE	272	835

Other Requirements

The Office of Management and Budget directed that the following information on the OIG’s use of physician comparability allowances (PCA) be included in this budget submission.

- 1) Department and component:

VA Office of Inspector General

- 2) Explain the recruitment and retention problem(s) justifying the need for the PCA pay authority.

(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)

The OIG utilizes PCA because its physician-employees are covered by Title 5, U.S. Code. This is different from the rest of VA, which employs physicians under Title 38. The difference in pay rates between Title 5 and Title 38 physicians can be substantial and Title 38 physicians receive significantly higher salaries than Title 5 physicians, even when PCA and performance bonuses are considered.

- 3-4) Please complete the table below with details of the PCA agreement for the following years:

	PY 2022 (Actual)	CY 2023 (Estimates)	BY* 2024 (Estimates)
3a) Number of Physicians Receiving PCAs	20	21	21
3b) Number of Physicians with One-Year PCA Agreements			
3c) Number of Physicians with Multi-Year PCA Agreements	20	21	21
4a) Average Annual PCA Physician Pay (without PCA payment)	173,000	186,000	191,000
4b) Average Annual PCA Payment	26,700	29,600	30,000

*BY data will be approved during the BY Budget cycle. Please ensure each column is completed.

- 5) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

PCA has proven to be a valuable incentive mechanism for recruiting and retaining Board-certified physicians, who often incur a significant reduction in pay when entering government service or transferring from a Title 38 position at VA to a Title 5 position at the OIG. However, the OIG continues to face challenges to recruit and retain physicians. In 2022, OIG recruited two new Medical Officers. OIG currently has a cadre of 20 Medical Officers and is working to hire one additional Medical Officer. The OIG has increased retention of its Medical Officers, as there was one resignation in 2020, none in 2021, and one in 2022.

- 6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

One of OIG’s major, statutorily-required functions is providing oversight of the VA’s healthcare system to ensure high-quality patient care and safety. This function requires physicians to review hotline complaints, conduct inspections of VA healthcare facilities, and evaluate the quality of care provided to veterans. Over the last two SAR periods (Issues 87 & 88), the OIG published 41 comprehensive healthcare inspections, 32 hotline healthcare inspections, and 5 national healthcare reviews, in addition to reviewing over 4,761 clinically focused hotline referrals. This work illustrates a need to retain medical officers, as OIG has a need for their specific skill set in evaluating VA’s provision of healthcare and reviewing the work of our inspectors.

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Office of Acquisition and Logistics/Office of Procurement, Acquisition and Logistics: Supply Fund

Mission Statement

The Supply Fund was created by Congress for the operation and maintenance of a supply system for the Department (including the procurement of supplies, equipment, and personal services and the repair and reclamation of used, spent, or excess personal property). To enhance the Department of Veterans Affairs' (VA) customer relationships through participation in the overall planning and operations of the Supply Fund and Franchise Fund, VA has established a Revolving Fund Board of Directors to oversee the operation of the Revolving Funds. The Administrations and Staff Offices' participation on the Revolving Fund Board ensure VA Revolving Fund resources are strategically serving the VA mission.

Summary of Budget Request

The Supply Fund is a self-sustaining, revolving fund that supports the operation of a supply system at VA, much like the Franchise Fund is a self-sustaining revolving fund that supports the provision of high-quality, cost-effective enterprise support services to VA customers. As such, no Congressional appropriation is required. Revenue is realized from fees on acquisitions of goods and services from both VA and other government agency (OGA) customers as approved by the Revolving Fund Board of Directors.

Supply Fund
Summary of FTE and Obligations
(\$ thousands)

Resources	2022 Actuals	2023 Estimate	2024 Request
FTE	1,023	1,452	1,452
Obligations:			
Operating	\$400,901	\$483,911	\$473,689
Merchandising	\$1,428,194	\$1,616,089	\$1,626,311
Total Obligations	\$1,829,095	\$2,100,000	\$2,100,000
Outlays (Net)	(\$112,215)	(\$150,196)	(\$7,300)

Program Description

The Supply Fund comprises the Office of Acquisition and Logistics (OAL) and Office of Procurement, Acquisition and Logistics (OPAL), which are organizational elements within the Office of Acquisition, Logistics, and Construction (OALC)⁶¹. The Supply Fund is also the funding source for the Office of Small and Disadvantaged Business Utilization (OSDBU).

OAL manages the VA Acquisition Management Program (AMP), Acquisition and Logistics Management (A&LM), and Oversight, which provides support and services to oversee and manage acquisition and logistics activities VA-wide focusing on the end-to-end lifecycle. The component offices under OAL carrying out the oversight and management are Acquisition Program Support (APS); Logistics Supply Chain Management (LSCM); Procurement Policy Oversight and Systems (PPSO); and the VA Acquisition Academy (VAAA).

The areas of responsibilities as required by the Service Acquisition Reform Act fall into 4 pillars:

- *Acquisition Workforce Development*—Build, enable, and sustain a knowledgeable workforce that can execute on the acquisition business needs of the Department.
- *Policy Development Management*—Building on Federal mandates, develop and manage the direction of acquisition and logistics policy for the Department, ensuring compliance when making decisions.
- *Organizational Acquisition and Logistics Strategies*—Providing support and monitoring the performance of Department acquisition activities related to various federal initiatives. Conducting internal control reviews of the acquisition function in accordance with Office of Management and Budget (OMB) Circular A-123 Acquisition Framework.
- *Acquisition Systems Management*—Managing the collection and exchange of acquisition data using technology to create transparency, accountability, data driven decisions, and acquisition lifecycle reform—leading to improvements in the exchange of information between the Government and the public.

OAL continues to modernize and transform acquisition, logistics, and supply chain management for the enterprise. Focusing on the acquisition lifecycle, the OAL staff is applying proven Federal and industry programmatic methodologies, and intentionally aligning the VA AMP with the VA Strategic Priority to modernize business processes and business systems and the OALC Strategic Framework.

OPAL enables customers to provide best value business solutions to Veterans and their families. We provide a broad spectrum of acquisition services, category management oversight and logistics support operations to VA customers and OGAs through the following support locations: Washington, District of Columbia; Hines, Illinois; Golden, Colorado; Eatontown, New Jersey; Fredericksburg, Virginia; and Frederick, Maryland.

Acquisition Operations awards and administers cost-effective multiple award and national contracts to meet the healthcare-related information technology, supplies and equipment that are

⁶¹ Also included under OALC is the Office of Construction and Facility Management (CFM). Detailed information on the OALC enterprise functions and CFM is included in OALC's budget chapter.

needed to operate the largest integrated health-care system in the Nation and supports many OGAs worldwide. Acquisition operations include:

- OPAL Front Office Operations, with its staff of senior acquisition and business professionals, manages the overall accountability and control over the contracting activities and works to resolve acquisition issues across the OPAL enterprise. OPAL's Front Office staff seeks to ensure the customers supported by OPAL, our internal staff, vendors, contractors, or other interested parties have a venue to raise concerns and seek assistance when they have questions about the acquisition process.
- Federal Supply Schedule, National Contracts and Just-in-Time Prime Vendor Distribution acquisitions—under delegated authority from the General Services Administration, the National Acquisition Center (NAC) manages nine multiple award schedule programs for healthcare-related products and services for VA and OGAs to use. NAC also develops and maintains national contracts associated with Pharmaceuticals, Prosthetic & Orthotics soft goods, and devices including hearing aids, telehealth devices, Apnea devices and supplies, Burial Flags, High Tech Medical Equipment systems, Laundry Equipment, and Prime Vendor Just-In-Time Distribution Programs for Pharmaceuticals and Subsistence (food and supplies). NAC also provides hearing aid repair services, precious metal recovery, and medical scope repairs.

Information Technology (IT) Acquisitions—The Technology Acquisition Center (TAC) provides acquisition and program management expertise and support for the life cycle management of enterprise-wide information and technology solutions for VA and OGAs.

Strategic Sourcing Acquisitions—The Strategic Acquisition Center (SAC) provides innovative acquisition and business solutions that leverage VA's spend to deliver critical supplies and services via enterprise contract vehicles for use by VA and OGAs.

Office of Small and Disadvantaged Business Utilization

OSDVU is an organization within the Office of the Secretary of VA that functions as VA's principal liaison to the Small Business Administration. It partners with various external Federal agencies for matters dealing with small and disadvantaged business activities. OSDBU's mission is to enable Veterans to gain access to economic opportunities by developing policies and programs. Informed by customer feedback, the office improves market research, increases direct access and maximizes the participation of procurement-ready Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) in Federal contracting.

OSDBU is closely related to the Supply Fund mission of operating and maintaining VA's system of acquisition. Its activities enable VA contracting teams to aid small businesses, maximize procurement opportunities, provide recommendations on application of small business set-asides for specific procurements and carry out related functions under the Small Business Act. In addition to its internal VA customers, OSDBU's activities support the growth of small businesses and their stakeholders. OSDBU provides small businesses with access to procurement decision makers with insight into upcoming contracting opportunities. The office provides a view of the VA

subcontracting landscape, helpful information on trends within small business program policies and access to VA's Forecast of Contracting Opportunities.

OSDBU also enhances the agility of VA program offices to conduct effective market research through the deployment of enabling processes and tools. The resources and applications assist SDVOSBs, VOSBs, other small and large businesses, and acquisition professionals. Further, OSDBU assists small businesses in resolving payment or other contracting issues with VA.

OSDBU Strategic Outreach and Communications (SOC) actively supports the VA's and President's mission of equity and access, in engaging its agency, interagency, and industry partners to communicate the procurement opportunities for the small, Veteran, and disadvantaged business communities. SOC directs several activities aimed at providing access to information and opportunity for small businesses (including Service-Disabled Veteran Owned-Small Businesses, Veteran Owned Small Businesses, Women Owned Small Businesses, Small Disadvantaged Businesses, and Historically Underutilized (HUBZone) small businesses) to provide awareness of VA small business programs and resources, as well as resources provided by other federal agencies. SOC fosters unique opportunities for Veteran owned small businesses to develop partnerships with decisionmakers at VA's buying organizations and large prime contracting vendors through targeted networking events, capability briefings, and forums such as the National Veterans Small Business Engagement. Also, SOC supports the VA acquisition and program stakeholders in identifying small businesses vendors, providing a forum for engagement, and enhancing the buying activities' ability to meet their small and socioeconomic business goals.

SOC conducts more than 30 educational programs each year, assisting the Veteran owned and small business community in understanding the many VA small business programs and resources, to leverage the economic opportunities offered through federal contracting. A component of that engagement is the education and empowerment of women Veteran entrepreneurs throughout the lifecycle of entrepreneurship, including federal contracting and subcontracting opportunities.

Finally, OSDBU implements an internal oversight program that monitors performance goals, promotes consistent application of standards, and assists programs to both meet and exceed the Department's performance goals.

SUMMARY OF EMPLOYMENT AND OBLIGATIONS

Supply Fund	2022 Actuals	2023 Estimate	2024 Request
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Full Time Equivalent

OAL/OPAL – Field	823	1,182	1,182
OAL/OPAL – Central Office	123	188	188
OSDBU	43	35	35
ORF	34	47	47
Total FTE	1,023	1,452	1,452

Object Class

Personnel Compensation	\$156,931	\$216,697	\$223,198
Travel	\$671	\$5,816	\$10,161
Transportation of Things	\$962	\$752	\$817
Rents, Communications & Utilities	\$60,394	\$24,282	\$23,550
Printing	\$10,273	\$20,856	\$21,878
Other Services	\$359,875	\$332,957	\$312,647
Supplies & Materials	\$829,040	\$1,077,161	\$1,087,452
Equipment	\$410,949	\$421,479	\$420,297
Total Obligations	\$1,829,095	\$2,100,000	\$2,100,000

**Supply Fund
Income Statement**

(\$ thousands)

	2022 Actuals	2023 Estimate	2024 Request
Income	\$490,067	\$333,715	\$456,732
Expense	\$372,064	\$483,911	\$464,032
Net Income/Loss	\$118,003	(\$150,196)	(\$7,300)
Analysis of Retained Earnings			
Retained Earnings, BOY	\$328,456	\$446,459	\$296,263
Retained Earnings, EOY	\$446,459	\$296,263	\$288,963

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Franchise Fund Enterprise Centers

Mission Statement

The VA Franchise Fund’s mission is to provide high-quality, cost-effective support services and excellent customer service by streamlining processes and optimizing the value of enterprise services to customers. The Franchise Fund performs common enterprise-wide administrative support services for the VA Administrations so that they can focus on performing their core missions of providing high quality care and services to Veterans and eligible family members. Better support to VA employees for common administrative support services means better services for Veterans and their families. Better support for our safety and security through preparedness, emergency notification and police services create a safer environment and experience for Veterans and VA employees, contractors, and affiliates who serve Veterans.

Budget Summary

The Franchise Fund is a self-sustaining revolving fund providing enterprise administrative support services that are funded on a fee-for-service basis rather than through VA's appropriation. No Congressional appropriations are required. The Franchise Fund provides customers with services that make efficient use of resources and allows its customers to concentrate on mission-critical functions that deliver better Veteran outcomes. The historical obligations and full-time employee equivalent (FTE) levels for the VA Franchise Fund are listed below:

<i>VA Franchise Fund Highlights</i>			
<i>(dollars in thousands)</i>			
	2022	2023	2024
	Final	Estimate	Estimate
Average Employment	1,992	2,537	2,585
Obligations ⁶²	\$1,595,497	\$1,771,555	\$1,878,006
Outlays (Net)	(\$108,551)	(\$ 25,000)	(\$25,000)

⁶² Obligations are from the SF-133 Financial Report and include Intrafund transactions.

In 2024, the Franchise Fund estimates total obligations of \$1,878 million and an average employment of 2,585 FTE to support the operations of the VA Enterprise Centers (ECs). Total obligations reflect the salary requirements for 2,585 FTE located nationwide; ongoing rents, communications, and utilities required to operate; and contractual resources, equipment replacements, and upgrades necessary to continue the current level of operations, leverage continuous process improvements to deliver better services at lower costs, enable innovation for new product offerings and initiatives necessary to meet emerging customer requirements. These activities will result in improved customer service, greater performance and productivity, and lowered cost of operations to efficiencies and scale. Increased staffing is primarily due to the Financial Services Center (FSC) and the Information Technology Infrastructure Operations (ITIO). The increase is largely attributed to the expansion of FSC's growing role in supporting the Financial Management Business Transformation program and the increasing demand for FSC's services from current and new customers. ITIO's increase incorporates hiring timeline projections.

Program Description

VA was chosen as a pilot Franchise Fund agency under the Government Management and Reform Act, P.L. 103-356, of 1994. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis rather than through VA's General Administration appropriation. Permanent status was conferred upon the VA Franchise Fund by P.L. 109-114 in 2006.

The VA Franchise Fund provides an enterprise-wide focus on the delivery of high quality, efficient and effective support services to VA Administrations and Staff Offices. To enhance VA's customer relationships through participation in the overall planning and operations of revolving funds, to include the Franchise Fund and Supply Fund, VA established a Revolving Fund Board of Directors, (hereafter referred to as the "Revolving Fund Board"), and aligned with the Office of Management, Office of Revolving Funds to oversee the operation of the VA Supply Fund and VA Franchise Fund (hereafter referred to as the "VA Revolving Funds"). The Revolving Fund Board functions as the principal governance body overseeing the Franchise Fund's strategic priorities, goals, and objectives; providing strategic leadership of the Franchise Fund's operations and execution and managing overall risks and challenges. The Revolving Fund Board, co-chaired by the Deputy Chief Financial Officer and Deputy Chief Acquisition Officer of the Agency, consists of voting members from VA Administrations and Staff Offices.

The Franchise Fund comprises an administrative office, Franchise Fund Oversight Office (FFO), and eight self-supporting ECs. These self-supporting lines of business are supported by the Franchise Fund and are independent service providers within VA that are accountable to the Revolving Fund Board by adhering to Franchise Fund guidance on quality, cost, and customer service.

The ECs (ITIO, Debt Management Center (DMC), FSC, Law Enforcement Training Center (LETC), Personnel Security Adjudication Center (PSAC), Human Capital Services Center (HCSC), Internal Controls Support Center (ICSC), and Center for Enterprise Human Resources Information Services (CEHRIS)) are mission-support business entities and service providers that

are charged with adopting efficient business processes, standardized processes, and customer satisfaction performance metrics at a lower cost.

Stakeholders

External stakeholders include: Veterans, Congress, the Office of Management and Budget (OMB), other Federal agencies, Veteran Service Organizations (VSOs) and private sector vendors.

Internal stakeholders include: Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), the Board of Veterans' Appeals (BVA) and other Staff Offices within VA.

Functions/Activity

The VA Franchise Fund organizations provide a wide range of functions and activities:

Franchise Fund Oversight Office (FFO). Located in Washington, DC, the FFO supports the Enterprise Centers and is responsible for the overall fund operations including administering the financial resources of the fund, coordinating all business activities, and serving as the liaison between the ECs, their customers, and the Revolving Funds Board.

IT Infrastructure Operations (ITIO). Headquartered in Austin, TX, ITIO provides critical information technology (IT) services that deliver benefits, health, and memorial services directly to the Veteran. The ITIO division of Information Technology Operations and Services (ITOPS) focuses on consistent availability of Veteran-facing applications and quick delivery of benefits for Veterans.

Debt Management Center (DMC). Located in St. Paul, MN, the DMC is a centralized facility that provides accounts receivable services for debts owed to VA resulting primarily from an individual's participation in VA's education, pension, disability compensation, and first-party medical programs. DMC works directly with Veterans and beneficiaries providing compassionate and value-added customer service to resolve debt issues by processing waiver, compromise, dispute, and extended payment plans for individuals facing financial hardships.

Financial Services Center (FSC). Located in Austin, TX, Waco TX, Neosho, MO and Washington, DC, the FSC provides a full range of financial and accounting services. These services include financial reports and accounting, invoice payments, credit card payments, medical claims adjudication and payment processing, vendor file maintenance, discount subsistence purchases, payroll processing, and VA conference tracking and reporting. The FSC also provides customer support help desks for payroll, travel and payment processing, electronic commerce/electronic data interchange, automated document management and document storage, audit recovery, permanent change of station and temporary duty travel pay processing, common administrative services, accounting training, and consulting. The FSC's Record Center and Vault service provides records storage, protection, and management services for official Federal records including Veterans' health records and VA contract documents. The 400,000 square foot facility

is certified by the National Archives and Records Administration to operate as an official agency records center, storing almost two million cubic feet of records.

Human Capital Services Center (HCSC). Located in Washington, D.C., the HCSC provides learning management, employee accountability, internships and learning content to nearly 600,000 VA employees, contractors, volunteers, and academic affiliates. Some of our main services include VA Talent Management System (TMS) contracts and backend infrastructure, three internship programs (Pathways, National Diversity Intern Program and Workforce Recruitment Program) and VA Emergency Alerting and Accountability System (EAAS).

Law Enforcement Training Center (LETC). Located in North Little Rock, AR, the LETC is the sole Federal Government provider of a unique Federal Law Enforcement Training Program that emphasizes the use of non-physical techniques to ensure the safety of patients, visitors, and staff to maintain order in VA medical facilities and other facilities. LETC's program is designed to provide law enforcement officers with the necessary skills to resolve incidents in a humane and respectful manner. This training is suitable for health-care facilities, parks, museums, and other Federal special mission or limited jurisdiction settings.

Personnel Security Adjudication Center (PSAC). Located in North Little Rock, AR, the PSAC provides quality and timely background investigations, suitability and national security adjudications for VA employees, affiliates (medical students, trainees, and interns) and contractors in public trust positions for all VA entities nationwide.

Internal Controls Support Center (ICSC). Located in Austin, TX, and Washington, DC the ICSC provides technical assistance and assessment support for the establishment, operation, maintenance, and improvement of Internal Controls programs for the Department. ICSC will also provide fiscal and auditing support services for program offices seeking impartial reviews of programs and will provide support to selected VA Grant programs.

Center for Enterprise Human Resources Information Services (CEHRIS). Located in Washington, DC, the CEHRIS provides a standard and reliable suite of services supporting core human resources (HR) business processes; manager and employee-facing HR processes, to include capturing and managing employee and HR information throughout the employee lifecycle ensuring the VA can properly execute recruiting, staffing, employee relations, labor relations, performance management, employee benefits, payroll, separations, record keeping, data analysis and reporting.

Assumptions, Opportunities, and Constraints

The VA Franchise Fund and its enterprise centers directly support the OMB Cross-Agency Priority Goal #5—Sharing Quality Services, improving the effectiveness and efficiency of administrative services. The ECs deliver common administrative support services to Federal entities, such as Department of Homeland Security, Department of Health and Human Services, and Department of Air Force. These services allow VA and other Federal agency customers to conserve their budgetary resources through innovative methods and efficiencies of scale with the same or lower unit costs, while improving the quality of services provided.

The Franchise Fund enables VA to leverage commercial solutions and innovative practices, increase the use of common government solutions, increase competition for government administrative support services resulting in lower costs and higher quality. The VA ECs must recover all their expenses through revenue collection, i.e., the ECs' operations are totally dependent upon revenues realized from customers' purchases of services. After the Revolving Fund Board approves annual rates and service levels, the ECs work in direct support of their customers to deliver exceptional customer service, performance, and costs at agreed upon levels. They also market their services as appropriate to other Federal agencies. Successful market penetration spreads the Franchise Fund's fixed costs over a larger unit base, which leads to lower costs for all customers. This economy of scale leads to more effective use of taxpayer dollars.

The complete listing and summary of obligations for the ECs within the VA Franchise Fund are listed below.

<i>VA Enterprise Centers Summary of Obligations (dollars in thousands)</i>						
Parent Organization/Service Activity	<u>2022</u>		<u>2023</u>		<u>2024</u>	
	Obligations	FTE	Obligations	FTE	Obligations	FTE
<u>Office of Human Resources and Administration/Office of Operations, Security, and Preparedness:</u>						
Center for Enterprise Human Resources Information Services	\$78,930	64	\$97,756	73	\$98,896	78
Human Capital Services Center	32,098	69	49,173	77	57,385	78
Law Enforcement Training Center	20,507	83	22,451	110	29,562	110
Personnel Security Adjudication Center	8,986	55	9,371	68	11,295	68
Subtotal	\$140,521	271	\$178,751	328	\$197,138	334
<u>Office of Management:</u>						
Financial Services Center	\$888,322	955	\$973,169	1,243	\$974,905	1,285
Debt Management Center	45,540	294	50,256	336	52,291	336
Internal Controls Support Center	8,636	18	7,701	25	6,144	25
Franchise Fund Oversight Office	2,902	4	3,579	6	3,590	6
Subtotal	\$945,400	1,271	\$1,034,705	1,610	\$1,036,930	1,652
<u>Office of Information & Technology:</u>						
IT Infrastructure Operations	\$509,576	450	\$558,099	599	\$643,938	599
Total	\$1,595,497	1,992	\$1,771,555	2,537	\$1,878,006	2,585

Summary of Revenue and Expenses

Revenue represents the total income received from all customers (both VA and other Federal agencies). Expenses represent the full cost of operations.

In 2024, the VA Enterprise Centers anticipate revenues, including other Federal agency customers, of \$1,921 million.

Revenue, Expense, and Retained Earnings <i>(dollars in thousands)</i>			
	2022 Final	2023 Estimates	2024 Request
Sales Program:			
Revenue	\$1,545,050	\$1,811,139	\$1,921,224
Expense	<u>1,446,897</u>	<u>1,771,555</u>	<u>1,878,006</u>
Net Income	\$98,153	\$ 39,584	\$ 43,218
Reserves ^[1] , Start of year	\$325,955	\$486,045	\$486,775
Net Income	98,153	39,584	43,218
Capital Transactions ^[2]	<u>61,937</u>	<u>(38,854)</u>	<u>(38,854)</u>
Reserves, End of Year	\$486,045	\$486,775	\$491,139

^[1] Reserves are used to fund cash flow timing differences, periods of fluctuating workloads, and unanticipated expenses.

^[2] Acquisition, improvements, or depreciation of assets.



Pershing Hall Revolving Fund

Program Description

The Pershing Hall Revolving Fund provides for the obligation and receipt of funds associated with the operation and redevelopment of Pershing Hall, an asset of the United States, located in Paris, France. The United States acquired the property in 1935 from the American Legion under the provisions of Public Law 74-171.

In 1991, VA obtained jurisdiction and control over Pershing Hall through the enactment of Public Law 102-86, which provided for the building's redevelopment and the establishment of a memorial to General Pershing through a long-term lease of up to 35 years. Two years later, Public Law 103-79 authorized a lease period not to exceed 99 years. On October 20, 1998, the Department leased Pershing Hall for a period of 99 years to the French firm L.A. Partners. The lease provided for the building's redevelopment as a hotel and the establishment therein of a memorial. In addition to the memorial, the lease also provided for the payment of consideration to VA. In 2018, MARK Capital Management acquired the Pershing Hall lease and transformed the building from a hotel into an office, retail, and food and beverage destination. On February 22, 2022, Allianz Vie, a French life insurance company acquired the Pershing Hall lease and transitioned into the asset management role. This acquisition will have no impact on the existing enhanced use lease.

Public Law 102-86 allowed for the transfer to the Pershing Hall Revolving Fund, at such time or times as the Secretary may determine and without limitation as to year, amounts as determined by the Secretary, not to exceed \$1,000,000 in total, from funds appropriated to VA for the construction of major projects. The account from which any such amount is transferred must be reimbursed promptly from other funds as they become part of the Pershing Hall Revolving Fund. Proceeds of the Pershing Hall Revolving Fund are available to be used for two separate activities. First, the Secretary may use up to \$100,000 annually from the Fund to support projects, activities, and facilities determined by the Secretary to be in keeping with the mission of the Department. In addition, necessary expenses to operate and maintain Pershing Hall may be funded from revenue in the Pershing Hall Revolving Fund.

The Budget includes an FY 2024 legislative proposal that would provide the Secretary of Veterans Affairs additional funding flexibility in using funds the Pershing Hall Revolving Fund by amending subparagraph (6)(A) of section 403 of Public Law 102-86. This proposal would increase the limitation from \$100,000 annually to \$1,000,000 annually and would provide specific authority

to allow the Secretary to use balances in the Fund for operating expenses such as travel with the President of the United States, VA ceremonial events, and Secretarial meetings with official delegations.

From 2024 through 2097, VA estimates that lease payments into the fund will total \$29.2 million. This is expected to yield approximately \$400,000 in annual receipts. Future payments are subject to updating as described in the lease. The current balance exceeds \$3.8 million.

<i>Funding Highlights</i>				
<i>(dollars in thousands)</i>				
	2022	2023	2023	2024
	Actual	Request	Enacted	Request
Budget authority	\$0	\$0	\$0	\$0
Receipts	\$261	\$400	\$400	\$400
Obligations	\$62	\$200	\$200	\$200
Unobligated balance:				
SOY	\$3,415	\$3,625	\$3,625	\$3,825
EOY	\$3,644	\$3,825	\$3,825	\$4,025
Outlays (net)	(\$250)	\$0	(\$200)	(\$200)



Recurring Expense Transformational Fund

Program Description

Section 243 of division J of the Consolidated Appropriations Act of 2016 (Public Law 114-113) authorized the Recurring Expenses Transformational Fund (RETF). This authority allows VA to transfer unobligated balances of expired discretionary funds, immediately before their cancellation, from any of its accounts into the RETF for use as directed in the Act. .

Balances available in the RETF shall be available until expended for facilities infrastructure improvements, including nonrecurring maintenance, at existing hospitals and clinics of the Veterans Health Administration, and for information technology systems improvements and sustainment.

The 2024 Budget anticipates a transfer of \$600 million in unobligated balances into the Transformational Fund at the end of 2023, which will be obligated in 2024 for eight Major Construction projects in San Juan, PR; Portland, OR; American Lake, WA; San Francisco, CA; San Diego, CA; Perry Point, MD; El Paso, TX; and Dallas, TX and line item requirements.

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