

DEPARTMENT OF VETERANS AFFAIRS

The 2009 budget provides \$47,231 million in gross discretionary funding for veterans health, benefits, and other services, including \$44,764 million in net discretionary budget authority and \$2,467 million in anticipated medical collections. One of VA's highest priorities is to provide high-quality, accessible, and timely health care for veterans returning from service in Operation Iraqi Freedom and Operation Enduring Freedom. The President's 2009 budget request provides the resources necessary to ensure that service members' transition from active duty military status to civilian life continues to be as smooth and seamless as possible.

VETERANS HEALTH ADMINISTRATION

Federal Funds

MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment, food services, and salaries and expenses of health-care employees hired under title 38, United States Code, and aid to State homes as authorized by section 1741 of title 38, United States Code; **[\$29,104,220,000]** and for necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); **\$34,075,503,000**, plus reimbursements, of which not less than \$2,900,000,000 shall be expended for specialty mental health care and not less than \$130,000,000 shall be expended for the homeless grants and per diem program; *Provided*, That of the funds made available under this heading, [not to exceed \$1,350,000,000] **\$1,600,000,000** shall be available until September 30, [2009] 2010: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for the provision of medical treatment for veterans who have service-connected disabilities, lower income, or have special needs: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: *Provided further*, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs: *Provided further*, That for the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, a minimum of \$15,000,000, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code.

[MEDICAL ADMINISTRATION]

[For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651

et seq.): \$3,517,000,000, plus reimbursements, of which \$250,000,000 shall be available until September 30, 2009.] (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-0160-0-1-703	2007 actual	2008 est.	2009 est.
01.00 Balance, start of year	169	177	177
01.99 Balance, start of year	169	177	177
Receipts:			
02.20 Pharmaceutical Co-payments, MCCF	761	792	819
02.21 Enhanced-use Lease Proceeds, MCCF	2	1	1
02.22 First Party Collections, MCCF	151	154	155
02.23 Third Party Collections, MCCF	1,261	1,341	1,439
02.24 Parking Fees, MCCF	3	3	3
02.25 Compensated Work Therapy, MCCF	43	44	44
02.26 MCCF, Long-term Care Copayments	4	4	4
02.40 Payments from Compensation and Pension, MCCF	2	2	2
02.99 Total receipts and collections	2,227	2,341	2,467
04.00 Total: Balances and collections	2,396	2,518	2,644
Appropriations:			
05.00 Medical Care Collections Fund	-2,219	-2,341	-2,467
05.99 Total appropriations	-2,219	-2,341	-2,467
07.99 Balance, end of year	177	177	177

Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Acute hospital care	6,072	6,158	6,670
00.02 Rehabilitative care	426	440	492
00.03 Psychiatric care	1,064	1,274	1,435
00.04 Nursing home care	2,837	3,150	3,252
00.05 Subacute care	103	112	123
00.06 Residential care	251	302	350
00.07 Outpatient care	17,947	20,888	21,875
00.08 CHAMPVA	741	869	1,014
00.91 Total operating expenses	29,441	33,193	35,211
01.01 Acute hospital care	274	464	253
01.02 Rehabilitative care	24	41	22
01.03 Psychiatric care	52	86	48
01.04 Nursing home care	102	103	95
01.05 Subacute care	5	9	5
01.06 Residential care	12	20	11
01.07 Outpatient care	970	1,725	897
01.91 Total capital investment	1,439	2,448	1,331
02.93 Total direct program	30,880	35,641	36,542
09.01 Reimbursable program	203	207	216
10.00 Total new obligations	31,083	35,848	36,758
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	553	864	.....
22.00 New budget authority (gross)	31,395	34,984	36,758
23.90 Total budgetary resources available for obligation	31,948	35,848	36,758
23.95 Total new obligations	-31,083	-35,848	-36,758
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance carried forward, end of year	864	.....	.....

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	29,413	32,622	34,075
40.36 Unobligated balance permanently reduced .....	.....	-66	.....
41.00 Transferred to other accounts	-440	-120	.....
42.00 Transferred from other accounts	2,219	2,341	2,467
43.00 Appropriation (total discretionary)	31,192	34,777	36,542

MEDICAL SERVICES—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	2007 actual	2008 est.	2009 est.
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	192	207	216
58.10 Change in uncollected customer payments from Federal sources (unexpired)	11		
58.90 Spending authority from offsetting collections (total discretionary)	203	207	216
70.00 Total new budget authority (gross)	31,395	34,984	36,758
Change in obligated balances:			
72.40 Obligated balance, start of year	3,963	4,979	6,424
73.10 Total new obligations	31,083	35,848	36,758
73.20 Total outlays (gross)	-29,932	-34,403	-36,074
73.40 Adjustments in expired accounts (net)	-136		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-11		
74.10 Change in uncollected customer payments from Federal sources (expired)	12		
74.40 Obligated balance, end of year	4,979	6,424	7,108
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	26,199	29,968	31,527
86.93 Outlays from discretionary balances	3,733	4,435	4,547
87.00 Total outlays (gross)	29,932	34,403	36,074
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-97	-97	-101
88.40 Non-Federal sources	-111	-110	-115
88.90 Total, offsetting collections (cash)	-208	-207	-216
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-11		
88.96 Portion of offsetting collections (cash) credited to expired accounts	16		
Net budget authority and outlays:			
89.00 Budget authority	31,192	34,777	36,542
90.00 Outlays	29,724	34,196	35,858

For 2009, the budget requests total resources for the VA Medical Services appropriation of \$36.5 billion. This includes \$34.0 billion in appropriated budget authority and \$2.5 billion to be collected in the Medical Care Collections Fund.

The budget is proposing a set of legislative proposals that will be submitted to the authorizing committees of Congress recommending the enhancement of health care benefits for our veterans; these proposals will be outlined in the Department's budget submission. The budget also includes an additional set of mandatory legislative proposals that are not reflected in the Medical Services appropriation request. These proposals are discussed at the end of the narrative for Medical Services. The appropriation request reflects the full funding request for Medical Services to care for our veterans.

Medical Services.—Provides for a comprehensive, integrated health care delivery system that addresses the needs of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the Civilian Health and Medical Programs for the Department of Veterans Affairs (CHAMPVA).

In the FY 2009 request, the Medical Administration appropriation is being consolidated into the Medical Services appropriation. Merging these two accounts will improve the execution of the budget and will allow VA to respond rapidly to

unanticipated changes in the health care environment throughout the year. This portion of the Medical Services appropriation finances the expenses of management, security, and administration of the VA health care system through the operation of VA medical centers, other facilities, Veterans Integrated Service Network offices and facility director offices, chief of staff operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, and human resource management.

Medical Care Collections Fund (MCCF).—VA estimates collections of \$2.5 billion, representing 7 percent of available resources. VA has the authority to collect inpatient and outpatient co-payments, medication co-payments, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for nonservice-connected conditions; and authority to collect revenue from enhanced use leases. These collections also include those collected from the Compensated Work Therapy Program, Compensation and Living Expenses Program, and the Parking Program.

WORKLOAD

Provision of Veterans Health Care—

Acute hospital care.—Costs for 2009 are estimated to be \$6,923 million for operating medical, neurological, surgical, contract and State home hospital beds.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Patients treated	559,143	567,503	573,326
Average daily census	8,453	8,356	8,219
Average employment	40,509	41,441	42,006

Rehabilitative care.—Costs for 2009 are estimated to be \$514 million for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Patients treated	14,198	13,933	13,748
Average daily census	1,116	1,097	1,073
Average employment	3,810	4,066	4,300

Psychiatric care.—Costs for 2009 are estimated to be \$1,483 million for the inpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Patients treated	110,610	119,948	130,548
Average daily census	4,840	5,343	5,899
Average employment	9,574	11,635	12,483

Nursing home care.—Costs for 2009 are estimated to be \$3,347 million for the care of residents in VA nursing homes, contract nursing homes and State nursing homes.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Patients treated	91,096	92,144	93,002
Average daily census	34,579	34,633	34,970
Average employment	20,204	21,651	21,976

Noninstitutional extended care.—Costs for 2009 are estimated to be \$762 million for noninstitutional extended care programs such as adult day care; home based primary care, skilled nursing and rehabilitation care; and home health aids.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Average daily census	41,002	44,192	61,029

Subacute care.—Costs for 2009 are estimated to be \$128 million for the treatment of veterans who require a level of care between acute and long-term care, as provided in VA hospital intermediate bed sections.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Patients treated	8,781	7,318	6,294
Average daily census	253	195	145
Average employment	902	1008	1,053

Residential care.—Costs for 2009 are estimated to be \$361 million for the care of veterans in locations other than their own homes, such as domiciliary care programs.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Patients treated	27,560	26,962	26,520
Average daily census	8,246	8,157	8,072
Average employment	2,196	2,759	3,038

Outpatient care.—Costs for 2009 are estimated to be \$22,226 million for outpatient medical and dental care provided by staff, physicians, and dentists participating under a fee basis arrangement for certain eligible veterans.

Estimated operating levels are:

NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS

	2007 actual	2008 est.	2009 est.
Medical visits (in thousands):			
Staff visits	55,704	57,139	62,024
Fee visits	6,177	6,604	7,211
Readjustment counseling	1,055	1,113	1,222
Total	62,936	64,856	70,457
Dental procedures:	3,180,876	3,475,395	3,620,884
Average employment	100,701	106,708	109,554

Civilian Health And Medical Program of the Department of Veterans Affairs (CHAMPVA).— Costs for 2009 are estimated to be \$1,014 million for private hospital and outpatient care for dependents and survivors of certain veterans.

Estimated operating levels are:

	2007 actual	2008 est.	2009 est.
Average daily hospital census	742	808	863
Outpatient (in thousands)	6,386	6,986	7,612

PERFORMANCE MEASURES

Provide High Quality Health Care.—Use of clinical practice guidelines in treating patients results in improved health of veterans and reduced use of services. The prevention index spotlights and summarizes a variety of evidence-based measures for high quality preventive health care. VHA's strategy to monitor satisfaction through patient surveys will identify areas of improvement in all medical services.

	2007 actual	2008 est.	2009 est.
Clinical Practice Guidelines Index III *	83%	85%	86%
Prevention Index IV **	88%	88%	89%
Percent of patients rating VA health care service as very good or excellent:			
Inpatient	78%	79%	81%
Outpatient	78%	79%	81%

* FY 2007 and 2008 were Clinical Practice Guidelines Index II
** FY 2007 and 2008 were Prevention Index III

Access to Medical Care.—VA's strategy is to improve access and timeliness of service by reducing waiting times in specialty and primary care clinics in medical centers nationwide, and by relying more extensively on non-institutional forms of long-term care.

	2007 actual	2008 est.	2009 est.
Percentage of primary care appointments scheduled within 30 days of desired date	97%	97%	97%
Percentage of specialty care appointments scheduled within 30 days of desired date	95%	95%	95%
Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline	-5.3%	7.7%	38.1%

VA DoD Sharing.—VA's strategy is to improve collaboration and exchange with DoD.

	2007 actual	2008 est.	2009 est.
Total dollar value of joint VA/DoD procurement contracts of high-cost medical equipment and supplies	328M	190M	210M

Revenue Cycle Improvement.—VHA is seeking to improve its performance in the area of medical care collections. The revenue cycle improvement plan includes initiatives that will improve efficiency and accuracy.

MEDICAL SERVICES MANDATORY LEGISLATIVE PROPOSALS

The budget is proposing a set of legislative proposals that are not reflected in the Medical Services appropriation request. Authorizing legislation for these proposals will be transmitted separately from the budget to the authorizing committees of Congress. This legislation will propose three changes to VA's fee structure that will result in additional receipts to the Treasury. These additional receipts will be classified as mandatory and will not reduce the Medical Services appropriation request, which has been made in full.

These proposals will: assess a tiered annual enrollment fee based on the family income of the veteran; increase the pharmacy co-payment from \$8 to \$15 for all Priority 7 and Priority 8 veterans; and eliminate the third-party offset to first-party debt.

The first proposal is the tiered annual enrollment fee which is structured to charge \$250 for veterans with family incomes from \$50,000 to \$74,999; \$500 for those with family incomes from \$75,000 to \$99,999; and \$750 for those with family incomes equal to or greater than \$100,000. This proposal is estimated to contribute over \$129 million to the Treasury annually, beginning in 2010, and will increase receipts over 5 years by \$514 million.

The second proposal is the pharmacy co-payment proposal which is projected to contribute \$335 million to the Treasury beginning in 2009 and will increase receipts by \$1.6 billion over five years.

The third proposal eliminates the current practice of VA offsetting or reducing third-party billings to insurance companies based upon the direct co-payment responsibilities of the veteran. This proposal will increase receipts by \$44 million beginning in FY 2009 and \$215 million over five years.

Note: In 2008, \$2,012,000,000 in contingency funds will be used for: increasing staffing levels and purchasing medical equipment needed to continue delivering high-quality health care services. The additional personnel will enable VA to: improve access to care for veterans; address new initiatives related to mental health and substance abuse services, outpatient services for blind veterans, and for Vet Centers; provide enhanced case management for OIF/OEF veterans; and address the material weakness identified by the external financial statement auditors.

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	11,107	12,370	13,182
11.3 Other than full-time permanent	237	264	282
11.5 Other personnel compensation	1,272	1,417	1,510
11.9 Total personnel compensation	12,616	14,051	14,974
12.1 Civilian personnel benefits	3,451	3,869	4,095
13.0 Benefits for former personnel	9	7	5
21.0 Employee travel	86	87	86
21.0 Beneficiary travel	230	266	271
21.0 Interagency motor pool payments	7	7	7
21.0 All other	47	57	40
22.0 Transportation of things	21	26	28
23.3 Communications, utilities, and miscellaneous charges	270	287	306
24.0 Printing and reproduction	13	14	17
25.2 Other contractual services	2,986	3,114	3,222
25.6 Outpatient dental fees	75	83	80
25.6 Medical and nursing fees	894	1,190	1,249

MEDICAL SERVICES—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	2007 actual	2008 est.	2009 est.
25.6 Community nursing homes	373	404	437
25.6 Contract hospitalization	788	993	986
25.6 Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)	535	869	1,014
26.0 Medical supplies and materials	6,455	7,208	7,695
31.0 Equipment	1,439	2,448	1,329
41.0 Medical grants, subsidies, and contributions	504	554	579
41.0 Medical grants to private organizations	81	107	122
99.0 Direct obligations	30,880	35,641	36,542
99.0 Reimbursable obligations	203	207	216
99.9 Total new obligations	31,083	35,848	36,758

Employment Summary

Identification code 36-0160-0-1-703	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	175,520	189,074	191,833
Reimbursable:			
2001 Civilian full-time equivalent employment	2,376	2,536	2,577

DOD-VA HEALTH CARE SHARING INCENTIVE FUND

Program and Financing (in millions of dollars)

Identification code 36-0165-0-1-703	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct program activity	38	57	30
10.00 Total new obligations	38	57	30
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	57	94	67
22.00 New budget authority (gross)	70	30	
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	132	124	67
23.95 Total new obligations	-38	-57	-30
24.40 Unobligated balance carried forward, end of year	94	67	37
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	70	30	
43.00 Appropriation (total discretionary)	70	30	
Change in obligated balances:			
72.40 Obligated balance, start of year	25	22	39
73.10 Total new obligations	38	57	30
73.20 Total outlays (gross)	-36	-40	-33
73.45 Recoveries of prior year obligations	-5		
74.40 Obligated balance, end of year	22	39	36
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8		
86.93 Outlays from discretionary balances	36	32	33
87.00 Total outlays (gross)	36	40	33
Net budget authority and outlays:			
89.00 Budget authority	70	30	
90.00 Outlays	36	40	33

The purpose of the fund is to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives at the facility, intra-regional and nationwide levels. The Departments have established the fund and developed processes and criteria to solicit and select projects. Section 721 of the FY 2003 National De-

fense Authorization Act, Public Law 107-314, established the fund and requires VA and Department of Defense (DoD) to establish a joint incentive program. In FY 2009, each Secretary shall contribute a minimum of \$15 million to the fund after the appropriation is enacted.

Object Classification (in millions of dollars)

Identification code 36-0165-0-1-703	2007 actual	2008 est.	2009 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	9	5
12.1 Civilian personnel benefits	2	3	2
25.1 Advisory and assistance services	24	36	19
26.0 Supplies and materials	1	1	1
31.0 Equipment	3	5	2
32.0 Land and structures	2	3	1
99.9 Total new obligations	38	57	30

Employment Summary

Identification code 36-0165-0-1-703	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	88	88	88

MEDICAL FACILITIES

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities and other necessary facilities of the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction, and renovation of any facility under the jurisdiction or for the use of the Department; for oversight, engineering, and architectural activities not charged to project costs; for repairing, altering, improving, or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry services, **[\$4,100,000,000]** \$4,661,000,000, plus reimbursements, of which \$350,000,000 shall be available until September 30, **[2009: Provided, That \$325,000,000 for non-recurring maintenance provided under this heading shall be allocated in a manner not subject to the Veterans Equitable Resource Allocation] 2010. (Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.)**

Program and Financing (in millions of dollars)

Identification code 36-0162-0-1-703	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Acute hospital care	688	633	703
00.02 Rehabilitative care	69	67	80
00.03 Psychiatric care	198	235	280
00.04 Nursing home care	432	446	495
00.05 Subacute care	18	21	23
00.06 Residential care	83	104	131
00.07 Outpatient care	1,576	1,631	1,797
00.91 Total operating expenses	3,064	3,137	3,509
Capital investment:			
Provision of veterans health care:			
01.01 Acute hospital care	235	310	256
01.02 Rehabilitative care	26	34	28
01.03 Psychiatric care	70	92	76
01.04 Nursing home care	148	197	162
01.05 Subacute care	7	7	7
01.06 Residential care	33	42	35
01.07 Outpatient care	540	717	588
01.91 Total capital investment	1,059	1,399	1,152
Grant Program:			
02.93 Total direct program	4,123	4,536	4,661
09.01 Reimbursable program	27	28	29
10.00 Total new obligations	4,150	4,564	4,690
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	37	463	
22.00 New budget authority (gross)	4,576	4,101	4,690

23.90	Total budgetary resources available for obligation	4,613	4,564	4,690
23.95	Total new obligations	-4,150	-4,564	-4,690
24.40	Unobligated balance carried forward, end of year	463		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	4,165	4,100	4,661
41.00	Transferred to other accounts	-14	-27	
42.00	Transferred from other accounts	397		
43.00	Appropriation (total discretionary)	4,548	4,073	4,661
Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	27	28	29
58.10	Change in uncollected customer payments from Federal sources (unexpired)	1		
58.90	Spending authority from offsetting collections (total discretionary)	28	28	29
70.00	Total new budget authority (gross)	4,576	4,101	4,690
Change in obligated balances:				
72.40	Obligated balance, start of year	989	1,555	1,939
73.10	Total new obligations	4,150	4,564	4,690
73.20	Total outlays (gross)	-3,573	-4,180	-4,688
73.40	Adjustments in expired accounts (net)	-10		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40	Obligated balance, end of year	1,555	1,939	1,941
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	2,799	3,039	3,491
86.93	Outlays from discretionary balances	774	1,141	1,197
87.00	Total outlays (gross)	3,573	4,180	4,688
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-11	-10	-10
88.40	Non-Federal sources	-17	-18	-19
88.90	Total, offsetting collections (cash)	-28	-28	-29
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96	Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:				
89.00	Budget authority	4,548	4,073	4,661
90.00	Outlays	3,545	4,152	4,659

For 2009, the budget requests total resources for the VA Medical Facilities appropriation of \$4.7 billion. Medical Facilities provides for the operations and maintenance of the capital infrastructure required to provide health care to the Nation's veterans. These costs include utilities, engineering, capital planning, leases, laundry services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition.

Note: In 2008, \$508,000,000 in contingency funds will be used for: hiring additional staff and completing an increased number of non-recurring maintenance (NRM) projects. VA will use funds to reduce the Facilities Condition Assessment deficiencies and backlog.

	2007 actual	2008 est.	2009 est.
Average employment	26,678	21,530	24,181

Object Classification (in millions of dollars)

Identification code 36-0162-0-1-703	2007 actual	2008 est.	2009 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	1,036	1,006	1,065
11.3	Other than full-time permanent	24	23	24
11.5	Other personnel compensation	117	114	120
11.9	Total personnel compensation	1,177	1,143	1,209

12.1	Civilian personnel benefits	343	339	363
13.0	Benefits for former personnel	1	1	1
21.0	Employee travel	5	6	6
21.0	All other	16	20	20
22.0	Transportation of things	14	14	17
23.1	Rental payments to GSA	17	18	26
23.2	Rental payments to others	132	138	186
23.3	Communications, utilities, and miscellaneous charges	511	658	672
25.2	Other contractual services	518	547	688
26.0	Medical supplies and materials	241	252	321
26.0	Provisions	87		
31.0	Equipment	110	115	103
32.0	Medical land and structures	950	1,284	1,048
43.0	Interest and dividends	1	1	1
99.0	Direct obligations	4,123	4,536	4,661
99.0	Reimbursable obligations	27	28	29
99.9	Total new obligations	4,150	4,564	4,690

Employment Summary

Identification code 36-0162-0-1-703	2007 actual	2008 est.	2009 est.	
Direct:				
1001	Civilian full-time equivalent employment	26,500	23,764	24,040
Reimbursable:				
2001	Civilian full-time equivalent employment	178	141	141

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by chapter 73 of title 38, United States Code, **[\$480,000,000]** \$442,000,000, plus reimbursements, to remain available until September 30, **[2009]** 2010. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0161-0-1-703	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.01	Bio-medical laboratory science research	216	250	231
00.02	Rehabilitation research	47	54	50
00.03	Health services research	63	73	68
00.04	Clinical science research	67	77	71
00.91	Total operating expenses	393	454	420
01.01	Bio-medical laboratory science research	26	30	28
01.02	Rehabilitation research	6	7	7
01.03	Health services research	2	3	3
01.04	Clinical science research	4	5	4
01.91	Total capital investment	38	45	42
01.92	Total direct program	431	499	462
09.01	Reimbursable program	48	55	55
10.00	Total new obligations	479	554	517
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	45	59	40
22.00	New budget authority (gross)	494	535	497
23.90	Total budgetary resources available for obligation	539	594	537
23.95	Total new obligations	-479	-554	-517
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance carried forward, end of year	59	40	20

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	446	480	442
58.00	Spending authority from offsetting collections: Offsetting collections (cash)	48	55	55
70.00	Total new budget authority (gross)	494	535	497

Change in obligated balances:

72.40	Obligated balance, start of year	138	161	198
73.10	Total new obligations	479	554	517
73.20	Total outlays (gross)	-452	-517	-499
73.40	Adjustments in expired accounts (net)	-4		

MEDICAL AND PROSTHETIC RESEARCH—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0161-0-1-703	2007 actual	2008 est.	2009 est.
74.40 Obligated balance, end of year	161	198	216
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	290	382	355
86.93 Outlays from discretionary balances	162	135	144
87.00 Total outlays (gross)	452	517	499
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-36	-55	-55
88.40 Non-Federal sources	-13		
88.90 Total, offsetting collections (cash)	-49	-55	-55
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	446	480	442
90.00 Outlays	404	462	444

For 2009, the total budgetary resources of \$1.8 billion are comprised of \$442 million in direct appropriations, \$442 million in medical care support and \$961 million in federal and private sector grants. The Research program will support 3,201 FTE through direct appropriation and a total of over 15,000 research staff through all funding sources.

This account is an intramural program whose mission is to conduct research focused on the special health care needs of veterans and to balance the discovery of new knowledge and the application of these discoveries to advance the health and care of veterans and the Nation. VA is uniquely positioned to move scientific discovery from investigators' laboratories to patient care. In turn, VA clinician investigators identify new research questions for the laboratory at the patient's bedside, making the research program one of VA's most effective tools to improve the care of veterans. Embedding research within an integrated health care system with a state-of-the-art electronic health record creates a national laboratory for the discovery of new medical knowledge and the translation of that knowledge into improved health. VA scientists who partner with colleagues from other Federal agencies, academic medical centers, nonprofit organizations and commercial entities nationwide further expand the reach and scope of VA research. Although VA R&D is an intramural program, through VA's academic affiliations as well as collaborations with other federal agencies, it is fully integrated with the larger biomedical research community. Veterans' health issues are addressed comprehensively in the following four program divisions and the medical care research support required for these programs:

Biomedical Laboratory.—Supports preclinical research to understand life processes from a molecular, genomic, and physiological level in regard to diseases affecting veterans.

Clinical Science.—Administers investigations (i.e., human subject research such as drug, surgical, single subject, pilot and multi-center cooperative studies as well as feasibility trials) aimed at instituting new, more effective clinical care.

Health Services.—Supports studies to identify and promote effective and efficient strategies to improve the delivery of health care to veterans.

Rehabilitation.—Develops novel approaches to restoring veterans with traumatic amputation, central nervous system injuries, loss of sight and/or hearing, or other physical and cognitive impairments to full and productive lives.

VA's Medical and Prosthetic Research programs are included in the Federal Science & Technology (FS&T) budget.

Performance Measure

	2007 actual	2008 est.	2009 est.
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) over a 3 year period	67%	80%	87%
Progress towards development of a standard clinical practice for pressure ulcers over a 5 year period	65%	72%	76%
Percentage of study sites that reach 100 percent of the recruitment target for each year of each clinical study	35%	38%	45%

SUMMARY OF PROGRAM RESOURCES

(In millions of dollars)

	2007 actual	2008 est.	2009 est.
Medical and prosthetic research appropriation	446	480	442
Federal resources	1,042	1,119	1,193
Other non-federal resources	202	206	210
Total program resources	1,690	1,805	1,845

Note: In 2008, \$69,000,000 in contingency funds will be used for research focused on treatment options for the needs of Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) veterans, including post traumatic stress disorder and traumatic brain injury.

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	136	143	147
11.3 Other than full-time permanent	15	16	16
11.5 Other personnel compensation	28	30	30
11.9 Total personnel compensation	179	189	193
12.1 Civilian personnel benefits	53	54	56
21.0 Employee travel	4	4	4
23.1 Rental payments to GSA	1	2	2
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	1	1	1
25.2 Other services	133	203	164
26.0 Supplies and materials	28	21	22
31.0 Equipment	31	24	19
99.0 Direct obligations	431	499	462
99.0 Reimbursable obligations	48	55	55
99.9 Total new obligations	479	554	517

Employment Summary

Identification code 36-0161-0-1-703	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	2,736	2,759	2,720
Reimbursable:			
2001 Civilian full-time equivalent employment	439	491	481

MEDICAL CARE COLLECTIONS FUND

Program and Financing (in millions of dollars)

Identification code 36-5287-0-2-703	2007 actual	2008 est.	2009 est.
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	2,219	2,341	2,467
41.00 Transferred to other accounts	-2,219	-2,341	-2,467
43.00 Appropriation (total discretionary)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

VA has the authority to collect co-payments which are deposited into the Medical Care Collections Fund (MCCF) receipt account. As allowed by the provisions of the appropriations Acts, these receipts are transferred to the Medical Services appropriation where they remain available until expended for the purposes of this account. In 2007, \$2.2 billion was collected in the MCCF receipt account and transferred to the Medical Services appropriation to provide health care to our veterans. These collections consist of co-payments from veterans for inpatient, outpatient, and nursing home care and prescribed medications; third-party insurance payments from veterans for nonservice-connected conditions; and collections from enhanced-use leases, the Compensated Work Therapy Program, Compensation and Living Expensed Program, and the Parking Program.

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
09.01 Reimbursable operating expenses	149	162	169
09.02 Reimbursable direct operations	99	108	113
09.10 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold	6	7	7
10.00 Total new obligations	254	277	289
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		2
22.00 New budget authority (gross)	253	279	288
23.90 Total budgetary resources available for obligation	254	279	290
23.95 Total new obligations	-254	-277	-289
24.40 Unobligated balance carried forward, end of year		2	1
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	253	279	288
Change in obligated balances:			
72.40 Obligated balance, start of year	32	37	34
73.10 Total new obligations	254	277	289
73.20 Total outlays (gross)	-249	-280	-289
74.40 Obligated balance, end of year	37	34	34
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	245	278	287
86.98 Outlays from mandatory balances	4	2	2
87.00 Total outlays (gross)	249	280	289
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	-253	-279	-288
88.40 Non-Federal sources			
88.90 Total, offsetting collections (cash)	-253	-279	-288
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-3	1	1
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	26	26	26
92.02 Total investments, end of year: Federal securities: Par value	26	26	26

The Veterans Canteen Service was established to furnish, at reasonable prices, meals, merchandise, and services necessary for the comfort and well-being of veterans in VA medical facilities.

Financing — Operations will be financed from current revenues.

Object Classification (in millions of dollars)

Identification code 36-4014-0-3-705	2007 actual	2008 est.	2009 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	42	44	46
11.3 Other than full-time permanent	34	36	37
11.9 Total personnel compensation	76	80	83
12.1 Civilian personnel benefits	22	24	25
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	3	5	6
26.0 Supplies and materials	145	159	166
31.0 Equipment	6	7	7
99.9 Total new obligations	254	277	289

Employment Summary

Identification code 36-4014-0-3-705	2007 actual	2008 est.	2009 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	2,953	2,960	2,960

MEDICAL CENTER RESEARCH ORGANIZATIONS

Program and Financing (in millions of dollars)

Identification code 36-4026-0-3-703	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
09.01 Operating expenses	212	223	234
10.00 Total new obligations	212	223	234
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	46	64	56
22.00 New budget authority (gross)	230	215	226
23.90 Total budgetary resources available for obligation	276	279	282
23.95 Total new obligations	-212	-223	-234
24.40 Unobligated balance carried forward, end of year	64	56	48
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	230	215	226
Change in obligated balances:			
72.40 Obligated balance, start of year		-18	-10
73.10 Total new obligations	212	223	234
73.20 Total outlays (gross)	-230	-215	-226
74.40 Obligated balance, end of year	-18	-10	-2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	230	215	226
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from: Non-Federal sources			
88.40	-230	-215	-226
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

These nonprofit corporations provide a flexible funding mechanism for the conduct of approved research at Department of Veterans Affairs medical centers. These organizations will derive funds to operate various research activities from Federal and non-Federal sources. No appropriation is required to support these activities.

MEDICAL CENTER RESEARCH ORGANIZATIONS—Continued

Object Classification (in millions of dollars)

Identification code 36-4026-0-3-703	2007 actual	2008 est.	2009 est.
Reimbursable obligations:			
21.0 Travel and transportation of persons	5	5	6
25.2 Other services	190	199	208
26.0 Supplies and materials	15	16	17
31.0 Equipment	2	3	3
99.9 Total new obligations	212	223	234

Trust Funds

GENERAL POST FUND, NATIONAL HOMES

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8180-0-7-705	2007 actual	2008 est.	2009 est.
01.00 Balance, start of year	1	1	
01.99 Balance, start of year	1	1	
Receipts:			
02.00 General Post Fund, National Homes, Interest on Investments	3	3	3
02.60 General Post Fund, National Homes, Deposits	28	29	31
02.99 Total receipts and collections	31	32	34
04.00 Total: Balances and collections	32	33	34
Appropriations:			
05.00 General Post Fund, National Homes	-31	-33	-34
05.99 Total appropriations	-31	-33	-34
07.99 Balance, end of year	1		

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities	28	30	30
00.03 Therapeutic residence maintenance	1	1	1
10.00 Total new obligations	29	31	31
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	65	67	69
22.00 New budget authority (gross)	31	33	34
23.90 Total budgetary resources available for obligation	96	100	103
23.95 Total new obligations	-29	-31	-31
24.40 Unobligated balance carried forward, end of year	67	69	72
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	31	33	34
Change in obligated balances:			
72.40 Obligated balance, start of year	4	3	3
73.10 Total new obligations	29	31	31
73.20 Total outlays (gross)	-30	-31	-31
74.40 Obligated balance, end of year	3	3	3
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	30	31	31
Net budget authority and outlays:			
89.00 Budget authority	31	33	34
90.00 Outlays	30	31	31
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	66	69	70
92.02 Total investments, end of year: Federal securities:			
Par value	69	70	72

This fund consists of gifts, bequests, and proceeds from the sale of property left in the care of the facilities by former

beneficiaries; patients' fund balances; and, proceeds from the sale of effects of beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of veterans at hospitals, nursing homes, and domiciliaries where no general appropriation is available. Public Law 102-54 authorizes compensation work therapy and therapeutic transitional housing and loan programs to be funded from the General Post Fund. (38 U.S.C. chs. 83 and 85.)

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	2007 actual	2008 est.	2009 est.
Direct obligations:			
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	11	12	12
26.0 Supplies and materials	13	15	15
31.0 Equipment	3	2	2
32.0 Land and structures	1	1	1
99.9 Total new obligations	29	31	31

BENEFITS PROGRAMS

Federal Funds

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

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, **[\$41,236,322,000] \$43,111,681,000**, to remain available until expended: *Provided*, That not to exceed **[\$28,583,000] \$26,798,000** of the amount appropriated under this heading shall be reimbursed to "General operating expenses" [and], "Medical [administration]" services, 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 and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0102-0-1-701	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
01.01 Veterans	29,091	32,457	34,689
01.02 Survivors	4,548	4,752	4,975
01.91 Compensation sub-total	33,639	37,209	39,664
02.00 Other compensation expenses	33,639	37,209	39,664
02.01 Chapter 18	18	19	19
02.02 Clothing allowance	59	62	67
02.03 Misc Assistance (EAJ, SAFD)	8	11	14
02.04 Medical exam pilot program	85	89	98
02.05 OBRA payment to VBA and IT	1	1	1
02.06 Reinstated Entitlement Program for Survivors	3	2	2
02.07 Health and Human Services			1
02.91 Total other compensation expenses	174	184	202
02.93 Total compensation	33,813	37,393	39,866

03.02	Veterans	2,835	2,973	3,053
03.03	Survivors	828	896	953
03.91	Pensions sub total	3,663	3,869	4,006
04.01	Reimbursements to GOE, ITand VHA	27	29	27
04.92	Total pensions	3,690	3,898	4,033
06.02	Burial allowance	30	37	39
06.03	Burial plots	15	20	21
06.04	Service-connected deaths	25	29	31
06.05	Burial flags	19	20	20
06.06	Headstones and markers	42	44	44
06.07	Graveliners/Pre-placed crypts	38	62	37
06.91	Total burial program	169	212	192
10.00	Total new obligations (object class 42.0)	37,672	41,503	44,091
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	296	1,246	979
22.00	New budget authority (gross)	38,622	41,236	43,112
23.90	Total budgetary resources available for obligation	38,918	42,482	44,091
23.95	Total new obligations	-37,672	-41,503	-44,091
24.40	Unobligated balance carried forward, end of year	1,246	979	
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	38,172	41,236	42,425
60.00	Appropriation			687
62.00	Transferred from other accounts	450		
62.50	Appropriation (total mandatory)	38,622	41,236	43,112
Change in obligated balances:				
72.40	Obligated balance, start of year	91	3,163	3,306
73.10	Total new obligations	37,672	41,503	44,091
73.20	Total outlays (gross)	-34,600	-41,360	-43,940
74.40	Obligated balance, end of year	3,163	3,306	3,457
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	34,213	36,950	39,654
86.98	Outlays from mandatory balances	387	4,410	4,286
87.00	Total outlays (gross)	34,600	41,360	43,940
Net budget authority and outlays:				
89.00	Budget authority	38,622	41,236	43,112
90.00	Outlays	34,600	41,360	43,940

WORKLOAD

	2007 actual	2008 est.	2009 est.
Compensation:			
Rating-Related Actions	750,856	765,874	781,191
Non Rating Actions	244,912	249,811	254,806
Pension:			
Rating-Related Actions	87,285	89,030	90,811
Non Rating Actions	336,651	343,384	350,257

This appropriation provides for the payment of compensation, pension, and burial benefits to veterans and survivors.

Compensation is paid to veterans for disabilities incurred in or aggravated during active military service. Dependency and Indemnity Compensation is paid to survivors of servicepersons or veterans whose death occurred while on active duty or as a result of service-connected disabilities. Compensation and vocational rehabilitation is provided to the children of Vietnam veterans who were born with certain birth defects. The Secretary may pay a clothing allowance to each veteran who uses a prescribed medication for a service-connected skin condition or wears a prosthetic or orthopedic appliance (including a wheelchair) which, in the judgment of the Secretary, tends to damage or tear the clothing of such veteran.

Miscellaneous benefits provided for are:

(a) payments for claims made pursuant to the provision of the World War Adjusted Compensation Act of 1924, as amended;

(b) a special allowance (38 U.S.C. 1312) to dependents of certain veterans who died after December 31, 1956, but who were not fully and currently insured under the Social Security Act; and

(c) payments authorized by the Equal Access to Justice Act.

The appropriation also provides for a pilot program authorizing VA to contract out medical examinations to determine service-connected disabilities of veterans who are potential applicants of compensation benefits and a program to allow VA to perform income matches for certain compensation recipients.

In accordance with Public Law 97-377, the Reinstated Entitlement Program for Survivors (REPS) program restores Social Security benefits to certain surviving spouses or children of veterans who died of service-connected causes.

Legislation is proposed to provide a cost-of-living adjustment comparable to the annual social security increase to recipients of disability compensation, dependency and indemnity compensation, and clothing allowances. The increase, effective with payments made on January 1, 2009, is expected to be 2.5 percent.

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

	2007 actual	2008 est.	2009 est.
Veterans:			
Cases	2,789,490	2,899,829	3,014,841
Average payment per case, per year	10,429	11,193	11,506
Total obligations (in millions)	\$29,091	\$32,457	\$34,689
Survivors:			
Cases	332,837	336,824	341,502
Average payment per case, per year	\$13,664	\$14,108	\$14,567
Total obligations (in millions)	\$4,548	\$4,752	\$4,975
Chapter 18:			
Children	1,163	1,165	1,167
Average payment per case, per year	\$15,696	\$16,057	\$16,458
Total obligations (in millions)	\$18	\$19	\$19
Clothing allowance:			
Number of veterans	88,744	92,254	95,913
Average payment per case, per year	\$661	\$676	\$693
Total obligations (in millions)	\$59	\$62	\$67
Other compensation caseload:			
Special allowance dependents	65	65	65
Equal Access to Justice payments	1,534	1,989	2,444
REPS:			
Cases	112	95	80
Average benefit	\$21,380	\$23,158	\$24,795
Obligations (in millions)	\$2	\$2	\$2

Pension benefits may be paid to veterans or their survivors. A veteran's entitlement is based on active duty service of a specific length (normally 90 days or more) during a designated war period, disabilities considered permanent and total, and countable income below established levels. There is no disability requirement for survivor cases or veterans age 65 or older. Income support is provided at established benefit levels.

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2009, is expected to be 2.5 percent.

VETERANS BENEFITS ADMINISTRATION—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	2007 actual	2008 est.	2009 est.
Veterans:			
Cases	325,378	322,066	318,786
Average payment per case, per year	\$8,712	\$9,230	\$9,577
Total obligations (in millions)	\$2,835	\$2,973	\$3,053
Survivors:			
Cases	198,047	200,317	198,949
Average payment per case, per year	\$4,181	\$4,475	\$4,789
Total obligations (in millions)	\$828	\$896	\$953

Burial benefits provides for: (a) the payment of an allowance of \$300 (plus transportation charges where death occurs under VA care) to reimburse, in part, the burial and funeral expense of an eligible deceased veteran; (b) the payment of \$300 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to \$2,000 when a veteran dies as a result of a service-connected disability; (d) furnishing a flag to drape the casket of each deceased veteran entitled thereto; (e) furnishing a headstone or marker for the grave of a veteran and, in certain cases, eligible dependents; and (f) authority to provide outer burial receptacles in the National Cemetery Administration.

NUMBER OF BURIAL BENEFITS

	2007 actual	2008 est.	2009 est.
Burial allowance	67,219	82,111	84,038
Burial plot	50,310	67,583	69,169
Service-connected deaths	14,200	14,732	15,336
Burial flags	500,000	500,000	500,000
Headstones and markers	334,257	346,315	343,702
Graveliners	52,846	54,741	54,993
Preplaced crypts	68,338	114,600	57,500

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61 of title 38, United States Code, **[\$3,300,289,000] \$3,086,944,000**, 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 and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0137-0-1-702	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
01.01 Sons and daughters	369	392	416
01.02 Spouses	55	58	62
01.91 Total education and training	424	450	478
02.01 Vocational rehabilitation training	342	371	402
02.02 Subsistence allowance	226	237	250
02.03 Automobiles and adaptive equipment	52	57	62
02.04 Housing Grants	28	36	36
02.91 Total special assistance to disabled veterans	648	701	750
03.01 Work study	17	18	18
03.02 Payments to States	17	13	13
03.03 All-volunteer assistance: Basic benefits and all other	1,891	2,045	2,125
03.04 Tuition Assistance	25	25	26
03.05 Licensing and Certification	2	2	2
03.06 Reporting fees	4	4	4
03.09 Reimbursement to GOE	1	6	1
03.91 Total All-volunteer assistance and other	1,957	2,113	2,189

03.93 Total Readjustment Benefits Direct Program	3,029	3,264	3,417
09.01 Veterans' and Servicepersons basic benefits	2	2	2
09.02 Veterans' and Servicepersons supplementary benefits	99	88	83
09.03 Chapter 1606 Reservists benefits	69	95	104
09.04 Chapter 1606 Reservists supplementary benefits	67	92	102
09.05 Chapter 1607 Reservists benefits	189	164	170
09.09 Total Reimbursable education program	426	441	461
10.00 Total new obligations	3,455	3,705	3,878

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	511	294	330
22.00 New budget authority (gross)	3,238	3,741	3,548
23.90 Total budgetary resources available for obligation	3,749	4,035	3,878
23.95 Total new obligations	-3,455	-3,705	-3,878
24.40 Unobligated balance carried forward, end of year	294	330	

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation	3,262	3,300	3,087
61.00 Transferred to other accounts	-450		
62.50 Appropriation (total mandatory)	2,812	3,300	3,087
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	426	441	461
70.00 Total new budget authority (gross)	3,238	3,741	3,548

Change in obligated balances:

72.40 Obligated balance, start of year	43	72	84
73.10 Total new obligations	3,455	3,705	3,878
73.20 Total outlays (gross)	-3,426	-3,693	-3,865
74.40 Obligated balance, end of year	72	84	97

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	2,872	3,327	3,451
86.98 Outlays from mandatory balances	554	366	414
87.00 Total outlays (gross)	3,426	3,693	3,865

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-426	-441	-461

Net budget authority and outlays:

89.00 Budget authority	2,812	3,300	3,087
90.00 Outlays	2,999	3,252	3,404

WORKLOAD

	2007 actual	2008 est.	2009 est.
Evaluation and planning	64,258	66,025	67,511
Rehabilitation services	63,248	64,987	66,450
Employment services status	18,081	18,578	18,996
Vocational/educational counseling	15,398	15,821	16,177

WORKLOAD

	2007 actual	2008 est.	2009 est.
Original claims	257,514	268,587	280,136
Adjustments/supplemental claims	1,275,705	1,330,560	1,387,774

This appropriation finances educational assistance allowances for certain service persons, veterans and for eligible dependents of those veterans: (a) who died from service-connected causes or have a total and permanent rated service-connected disability; and (b) servicepersons who were captured or missing in action. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the associated approved adaptive equipment. Voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense are included in the Post-Vietnam Era Veterans Education Account.

All Volunteer Force Educational Assistance (Montgomery GI Bill).—Public Law 98-525, enacted October 19, 1984, established two new educational programs: an assistance program for veterans who enter active duty during the period begin-

ning July 1, 1985; and an assistance program for certain members of the Selected Reserve. Public Law 108-375 established a program to provide educational assistance to members of the reserve components called or ordered to active service in response to a war or national emergency declared by the President or the Congress, in recognition of the sacrifices that those members make in answering the call to duty. The Readjustment Benefit appropriation pays the basic benefit allowance for veterans, except for certain Post-Vietnam Era Veterans Education participants who transferred to the Montgomery GI Bill program. Supplementary educational assistance, Post-Vietnam Era Veterans Education converters, reservists, and the National Call to Service Program are financed by payments from the Department of Defense.

The following table shows a caseload and cost comparison for these beneficiaries under existing legislation.

CASELOAD AND AVERAGE COST DATA

	2007 actual	2008 est.	2009 est.
Veterans/Service members:			
Number of trainees	343,751	348,153	351,927
Average cost per trainee	\$5,801	\$6,093	\$6,244
Total cost (in millions)	\$1,994	\$2,121	\$2,197
Reservists (1606):			
Number of trainees	57,239	77,335	82,577
Average cost per trainee	\$2,340	\$2,398	\$2,473
Total cost (in millions)	\$134	\$186	\$205
Reservists (1607):			
Number of trainees	39,716	33,514	33,672
Average cost per trainee	\$4,764	\$4,883	\$5,034
Total cost (in millions)	\$189	\$164	\$170

Dependents' Education and Training.—This program provides benefits to children and spouses of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. In addition, dependents of servicepersons missing in action or interned by a hostile foreign government for more than 90 days are also eligible. The following table provides a comparison of trainees and costs for the Dependents Educational Assistance program.

NUMBER OF TRAINEES AND COST

	2007 actual	2008 est.	2009 est.
Sons and daughters:			
Number of trainees	65,926	68,467	70,450
Average cost per trainee (in dollars)	\$5,591	\$5,731	\$5,909
Total cost (in millions)	\$369	\$392	\$416
Spouses and widow(ers):			
Number of trainees	11,510	11,942	12,278
Average cost per trainee (in dollars)	\$4,757	\$4,879	\$5,033
Total cost (in millions)	\$55	\$58	\$62

Special Assistance to Disabled Veterans.—Service-disabled veterans requiring vocational rehabilitation receive assistance to cover the costs of subsistence, tuition, books, supplies, and equipment. In addition to monetary benefits, individuals may also receive rehabilitation evaluation, planning, and delivery services designed to move the veteran into a suitable job.

Automobile Grants and Adaptive Equipment.—Certain disabled veterans are provided with automobile grants with the associated approved adaptive equipment. An allowance, up to a maximum of \$11,000, is provided to certain service-disabled veterans and servicepersons toward the purchase price of an automobile. Adaptive equipment and the maintenance and replacement of such equipment is also provided.

Specially Adapted Housing Grants.—Specially adapted housing grants, up to a maximum of \$50,000, are provided

to certain severely disabled veterans. Veterans who suffer service-connected blindness or who have lost the use of both upper extremities can receive up to \$10,000.

Tuition Assistance.—Public Law 106-398, enacted October 30, 2000, allows the military services to pay up to 100 percent of tuition and expenses charged by a school for service members. If a service department pays less than 100 percent, a service member eligible for the Montgomery GI Bill Active-duty (MGIB) can elect to receive MGIB benefits for all or a portion of the remaining expenses. Public Law 108-454 established a program that provides availability of education benefits for payment for national admissions exams and national exams for credit at institutions of higher education.

Licensing and Certification Test Payments.—Under Public Law 106-419, veterans and other eligible persons may receive up to \$2,000 to pay fees required for civilian occupational licensing and certification examinations needed to enter, maintain, or advance in employment in a vocation or profession, effective March 1, 2001.

National Call to Service.—The 2003 National Defense Authorization Act directs the Department of Defense to offer an active duty enlistment option of 15 months plus training time to facilitate interest in National Service. Program participants will be given the opportunity to select one of the following incentives: a \$5,000 enlistment bonus, repayment of student loans up to \$18,000, or one of two education allowances.

CASELOAD AND AVERAGE COST DATA

	2007 actual	2008 est.	2009 est.
Special assistance to disabled veterans:			
Rehabilitation Evaluation Planning and Service cases	23,446	24,032	24,573
Number of participants	67,225	68,826	70,374
Average cost	\$8,453	\$8,841	\$9,272
Total cost (in millions)	\$568	\$609	\$652
Automobiles or other conveyances:			
Number of conveyances	1,371	1,371	1,371
Average benefit	\$10,880	\$10,880	\$10,880
Obligations (in millions)	\$15	\$15	\$15
Adaptive equipment (including maintenance, repair, and installation for automobiles):			
Number of items	7,198	7,198	7,198
Average benefit	\$5,352	\$5,894	\$6,490
Obligations (in millions)	\$39	\$42	\$47
Housing grants:			
Number of housing grants	805	811	811
Average cost per grant	\$34,489	\$44,279	\$44,279
Total cost (in millions)	\$28	\$36	\$36
Tuition Assistance:			
Number of trainees	24,469	24,469	24,469
Average cost per trainee	\$1,010	\$1,035	\$1,067
Total cost (in millions)	\$25	\$25	\$26
Education Benefits for Payment for National Admissions Exams:			
Number of tests	604	604	604
Total cost (in millions)	\$0	\$0	\$0
Licensing and Certification:			
Number of payments	5,081	5,081	5,081
Average cost per trainee	\$386	\$396	\$408
Total cost (in millions)	\$2	\$2	\$2
National Call to Service:			
Number of trainees	31	31	31
Total cost (in millions)	\$0	\$0	\$1

Work-Study.—Certain veterans, reservists, and dependents pursuing a program of rehabilitation, education or training, who are enrolled as a full-time student, can work up to 250

READJUSTMENT BENEFITS—Continued

hours per semester, receiving the Federal (\$5.15 on September 1, 1997) or state minimum wage rate, whichever is higher.

	2007 actual	2008 est.	2009 est.
Number of contracts	13,927	14,148	14,343
Total cost (in millions)	\$19	\$19	\$20

Payments to States.—State approving agencies are reimbursed for the costs of inspecting, approving, and supervising programs of education and training offered by educational institutions and training establishments in which veterans, dependents, and reservists are enrolled or are about to enter.

Reporting Fees.—Reporting fees are paid to education and training institutions to help defray the costs of certifying education enrollment for veterans enrolled in training during a calendar year.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by title 38, United States Code, chapters 19 and 21, [\$41,250,000] \$42,300,000, to remain available until expended. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Payment to NSLI	1	1	1
00.10 VMLI death claims	9	10	10
00.12 Payment to service-disabled veterans insurance	42	33	34
01.00 Total direct expenses	52	44	45
10.00 Total new obligations	52	44	45
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	52	43	46
23.90 Total budgetary resources available for obligation	53	44	46
23.95 Total new obligations	-52	-44	-45
24.40 Unobligated balance carried forward, end of year	1		1
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	50	41	44
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
70.00 Total new budget authority (gross)	52	43	46
Change in obligated balances:			
72.40 Obligated balance, start of year			1
73.10 Total new obligations	52	44	45
73.20 Total outlays (gross)	-52	-43	-46
74.40 Obligated balance, end of year		1	
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	52	43	46
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: VMLI premiums	-2	-2	-2
Net budget authority and outlays:			
89.00 Budget authority	50	41	44
90.00 Outlays	50	41	44

WORKLOAD

	2007 actual	2008 est.	2009 est.
Policy service actions	729,318	682,716	635,155

Collections	1,637,000	1,527,200	1,416,700
Disability claims	29,245	29,240	29,200
Insurance awards	512,675	503,035	483,206

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

The Insurance business line administers six life insurance programs, including two trust funds, two public enterprise funds, a trust revolving fund, and Veterans' Mortgage Life Insurance (VMLI), and supervises two additional programs for the benefit of servicepersons, veterans, and their beneficiaries through contracts with a commercial company. All programs are operated on a commercial basis, to the extent possible, consistent with all applicable statutes. The Insurance appropriation is the funding mechanism for the following administration of the Government life insurance activities: U.S. Government Life Insurance Fund (USGLI); National Service Life Insurance (NSLI); Service-Disabled Veterans Insurance Fund (S-DVI); and Veterans Mortgage Life Insurance (VMLI).

Military and Naval Insurance.—Payments are made to the USGLI fund for certain World War I veterans for extra hazards of military service and for claims on war risk insurance issued to servicemen and veterans of World War I.

National Service Life Insurance (NSLI).—Payments are made to the NSLI fund for certain World War II veterans for: (a) the extra hazards of service; (b) gratuitous insurance granted to certain persons unable to apply for national service life insurance; and (c) death claims on policies under the waiver of a premium while the insured was on active duty.

Payment to Service-Disabled Veterans Insurance Fund (S-DVI).—Payments are made to the S-DVI fund to supplement the premiums and other receipts of the fund in amounts necessary to pay claims on insurance policies issued to veterans with service-connected disabilities.

Veterans' Mortgage Life Insurance (VMLI).—Payments are made to mortgage holders under this program, which provides mortgage protection life insurance to veterans who have received a grant for specially adapted housing due to severe disabilities. The general decline in the number of policies and the amount of insurance in force is expected to continue in 2009 as indicated in the following table.

POLICIES AND INSURANCE IN FORCE

	2007 actual	2008 est.	2009 est.
VMLI policies:			
Number of policies	2,368	2,310	2,250
Amount of insurance (dollars in millions)	\$165	\$165	\$164

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4012-0-3-701	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
09.01 Capital investment	14	15	16
09.02 Death Claims	61	73	74
09.03 All Other	7	7	7
10.00 Total new obligations	82	95	97
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	16	26	16
22.00 New budget authority (gross)	92	85	87
23.90 Total budgetary resources available for obligation	108	111	103
23.95 Total new obligations	-82	-95	-97
24.40 Unobligated balance carried forward, end of year	26	16	6

New budget authority (gross), detail:
Mandatory:

69.00	Spending authority from offsetting collections: Offsetting collections (cash)	92	85	87
Change in obligated balances:				
72.40	Obligated balance, start of year	11	10	10
73.10	Total new obligations	82	95	97
73.20	Total outlays (gross)	-83	-95	-97
74.40	Obligated balance, end of year	10	10	10
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	92	85	87
86.98	Outlays from mandatory balances	-9	10	10
87.00	Total outlays (gross)	83	95	97
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Insurance account	-42	-34	-34
88.40	Interest on loans	-3	-3	-3
88.40	Insurance premiums earned	-35	-36	-37
88.40	Repayments of loans	-12	-12	-13
88.90	Total, offsetting collections (cash)	-92	-85	-87
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-8	10	10

This fund finances the payment of claims on nonparticipating life insurance policies issued and currently is open for new issues to veterans having service-connected disabilities. The program provides insurance coverage for service-disabled veterans at standard rates.

Operating costs—

Death claims.—Represents payments to designated beneficiaries.

All other.—Represents payments to policyholders who surrender their policies for their cash value and hold endowment policies which have matured.

Capital investment.—A policyholder may borrow up to 94 percent of the value of his policy.

The trend in the number and amount of policies in force is indicated in the following table.

POLICIES AND INSURANCE IN FORCE

	2007 actual	2008 est.	2009 est.
Number of policies	187,904	195,020	201,453
Insurance in force (dollars in millions)	\$1,885	\$1,962	\$2,032

Financing.—Operations are financed from premiums and other receipts. Additional funds are received by transfer from the veterans' insurance and indemnities appropriation, instead of direct appropriations to this fund.

Operating results and financial condition.—Since premium and other receipts are insufficient to cover operations, the fund continues to project liabilities in excess of assets. The deficit is expected to reach an estimated \$750 million by September 30, 2009.

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	2007 actual	2008 est.	2009 est.	
Reimbursable obligations:				
33.0	Investments and loans	14	15	16
42.0	Insurance claims and indemnities	68	80	81
99.0	Reimbursable obligations	82	95	97
99.9	Total new obligations	82	95	97

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
09.01	Death claims	37	37	36
09.02	Dividends	10	9	8
09.03	All other	6	7	6
09.04	Capital investment: policy loans	3	3	3
10.00	Total new obligations	56	56	53
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	350	329	305
22.00	New budget authority (gross)	35	32	28
23.90	Total budgetary resources available for obligation	385	361	333
23.95	Total new obligations	-56	-56	-53
24.40	Unobligated balance carried forward, end of year	329	305	280
New budget authority (gross), detail:				
Mandatory:				
69.00	Spending authority from offsetting collections: Offsetting collections (cash)	35	32	28
Change in obligated balances:				
72.40	Obligated balance, start of year	52	50	48
73.10	Total new obligations	56	56	53
73.20	Total outlays (gross)	-58	-58	-55
74.40	Obligated balance, end of year	50	48	46
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	35	32	28
86.98	Outlays from mandatory balances	23	26	27
87.00	Total outlays (gross)	58	58	55
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on Federal securities	-24	-22	-20
88.40	Interest on loans	-1	-1	-1
88.40	Insurance premiums earned	-6	-5	-4
88.40	Repayments of loans	-4	-4	-3
88.90	Total, offsetting collections (cash)	-35	-32	-28
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	23	26	27
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities: Par value	402	379	353
92.02	Total investments, end of year: Federal securities: Par value	379	353	326

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund pays claims and administrative costs on participating life insurance policies issued during the period May 1, 1965, through May 2, 1966, under three life insurance programs: (1) service-disabled standard insurance; (2) service-disabled rated insurance; and (3) nonservice disabled insurance availing disabled World War II and Korean conflict veterans an opportunity to acquire life insurance coverage who were no longer eligible for other Government insurance.

Budget program—

Death claims.—Represents payments to designated beneficiaries.

Dividends.—Policyholders participate in the distribution of annual dividends.

All other.—This represents resources for the administrative costs of processing claims and maintaining the accounts, and to those policyholders who: (a) surrender their policies for cash value; (b) hold endowment policies which

VETERANS REOPENED INSURANCE FUND—Continued

have matured; and (c) have purchased total disability income coverage and subsequently become disabled.

Policy loans made.—A policyholder may borrow up to 94 percent of the cash value of his policy at an interest rate adjusted to reflect private sector borrowing costs.

The following table reflects the decrease in the number of policies and the amount of insurance in force:

POLICIES AND INSURANCE IN FORCE

	2007 actual	2008 est.	2009 est.
Number of policies	43,720	39,360	35,130
Insurance in force (dollars in millions)	\$418	\$386	\$346

Financing.—Operations are financed from premiums collected from policyholders and interest on investments. Excess earnings of the fund are now distributed to the policyholders in the form of an annual dividend.

Object Classification (in millions of dollars)

Identification code 36-4010-0-3-701	2007 actual	2008 est.	2009 est.
Reimbursable obligations:			
33.0 Investments and loans	3	2	2
42.0 Insurance claims and indemnities	40	42	40
43.0 Interest and dividends	13	12	11
99.9 Total new obligations	56	56	53

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
09.01 Premium payments	841	834	832
09.02 Payments to carrier	502	491	.....
09.03 Payment to GOE	2	2	2
10.00 Total new obligations (object class 41.0)	1,345	1,327	834
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	1
22.00 New budget authority (gross)	1,345	1,327	834
23.90 Total budgetary resources available for obligation	1,346	1,328	835
23.95 Total new obligations	-1,345	-1,327	-834
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,345	1,327	834
Change in obligated balances:			
73.10 Total new obligations	1,345	1,327	834
73.20 Total outlays (gross)	-1,345	-1,327	-834
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,345	1,327	834
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay	-1,345	-1,327	-834
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	.....	.....
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value .....	.....	1	.....
92.02 Total investments, end of year: Federal securities: Par value	1	.....	.....

This fund finances the payment of group life insurance premiums to private insurance companies under the Servicemembers' Group Life Insurance Act of 1965, as amended.

This includes premiums for the new Traumatic Servicemembers' Group Life Insurance (TSGLI) that became effective December 1, 2005. TSGLI 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 serious losses.

HOUSING PROGRAM ACCOUNT

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 [2008] 2009, 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, [\$154,562,000] \$157,210,000.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

For the administrative expenses to carry out the guaranteed transitional housing loan program authorized by subchapter VI of chapter 20 of title 38, United States Code, not to exceed \$750,000 of the amounts appropriated by this Act for "General operating expenses" and "Medical [administration]" services" may be expended. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct loan subsidy	8	6	8
00.02 Guaranteed loan subsidy .....	.....	9	.....
00.05 Upward reestimate of direct loan subsidy	4	20	.....
00.06 Interest on reestimate direct loan subsidy .....	.....	2	.....
00.07 Upward reestimate of loan guarantee subsidy	30	461	.....
00.08 Interest on reestimate of loan guarantee subsidy	7	317	.....
00.09 Administrative expenses	152	155	157
10.00 Total new obligations	201	970	165
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	43	42	42
22.00 New budget authority (gross)	202	970	159
23.90 Total budgetary resources available for obligation	245	1,012	201
23.95 Total new obligations	-201	-970	-165
23.98 Unobligated balance expiring or withdrawn	-2	.....	.....
24.40 Unobligated balance carried forward, end of year	42	42	36
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	152	155	157
Mandatory:			
60.00 Appropriation	50	815	2
70.00 Total new budget authority (gross)	202	970	159
Change in obligated balances:			
72.40 Obligated balance, start of year	5	-1	-1
73.10 Total new obligations	201	970	165
73.20 Total outlays (gross)	-207	-970	-160
74.40 Obligated balance, end of year	-1	-1	4
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	152	155	157
86.93 Outlays from discretionary balances	1	.....	1
86.97 Outlays from new mandatory authority	50	815	2
86.98 Outlays from mandatory balances	4	.....	.....

87.00	Total outlays (gross)	207	970	160
Net budget authority and outlays:				
89.00	Budget authority	202	970	159
90.00	Outlays	207	970	160

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 36-1119-0-1-704	2007 actual	2008 est.	2009 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Acquired Direct Loans	75	69	65
115003 Transitional Housing Direct Loan			6
115004 Vendee Direct Loans	47	268	257
115999 Total direct loan levels	122	337	328
Direct loan subsidy (in percent):			
132001 Acquired Direct Loans	10.43	8.84	3.04
132003 Transitional Housing Direct Loan	0.00	0.00	99.18
132004 Vendee Direct Loans	-3.46	-1.59	-3.29
132999 Weighted average subsidy rate	5.08	0.55	-0.16
Direct loan subsidy budget authority:			
133001 Acquired Direct Loans	8	6	2
133003 Transitional Housing Direct Loan			6
133004 Vendee Direct Loans	-2	-4	-8
133999 Total subsidy budget authority	6	2	-1
Direct loan subsidy outlays:			
134001 Acquired Direct Loans	8	6	2
134003 Transitional Housing Direct Loan	5		1
134004 Vendee Direct Loans	-2	-4	-8
134999 Total subsidy outlays	11	2	-5
Direct loan upward reestimates:			
135005 Acquired and Vendee Loan Reestimates	4	21	
135999 Total upward reestimate budget authority	4	21	
Direct loan downward reestimates:			
137005 Acquired and Vendee Loan Reestimates	-102	-649	
137999 Total downward reestimate budget authority	-102	-649	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Housing Guaranteed Loans	24,186	34,761	35,817
215002 Guaranteed Loan Sale Securities		436	
215999 Total loan guarantee levels	24,186	35,197	35,817
Guaranteed loan subsidy (in percent):			
232001 Housing Guaranteed Loans	-0.36	-0.37	-0.66
232002 Guaranteed Loan Sale Securities	0.00	2.14	0.00
232999 Weighted average subsidy rate	-0.36	-0.34	-0.66
Guaranteed loan subsidy budget authority:			
233001 Housing Guaranteed Loans	-87	-129	-236
233002 Guaranteed Loan Sale Securities		9	
233999 Total subsidy budget authority	-87	-119	-236
Guaranteed loan subsidy outlays:			
234001 Housing Guaranteed Loans	-87	-129	-236
234002 Guaranteed Loan Sale Securities		9	
234999 Total subsidy outlays	-87	-120	-236
Guaranteed loan upward reestimates:			
235001 Housing Guaranteed Loans	28	663	
235002 Guaranteed Loan Sale Securities	9	116	
235999 Total upward reestimate budget authority	37	779	
Guaranteed loan downward reestimates:			
237001 Housing Guaranteed Loans	-764	-532	
237002 Guaranteed Loan Sale Securities	-94	-44	
237999 Total downward reestimate subsidy budget authority	-858	-576	
Administrative expense data:			
3510 Budget authority	152	155	157
3590 Outlays from new authority	152	155	157

As required by the Federal Credit Reform Act of 1990, this account records, for these programs, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond, (including modifications of direct loans or loan guarantees that resulted from obligations

or commitments in any year), as well as for the administrative expenses of these programs. The subsidy amounts are estimated on a net present value basis.

Veterans housing program account.—The Federal guaranty for this program protects lenders against the following types of losses: (a) for loans of \$45,000 or less, 50 percent of the loan is guaranteed; (b) for loans greater than \$45,000, but not more than \$56,250, \$22,500; (c) for loans more than \$56,250, but less than \$144,000, the lesser of \$36,000 or 40 percent of the loan; or (d) for loans in excess of \$144,000 the guarantee will be the lesser of: 25 percent of the Freddie Mac conforming loan limit for a single family residence, as adjusted for the year involved; or 25 percent of the loan; or the veteran's available entitlement.

Guaranteed transitional housing loans for homeless veterans program account.—Public Law 105-368, the "Veterans Benefits Improvement Act of 1998," established a pilot project designed to expand the supply of transitional housing for homeless veterans and to guarantee up to 15 investment loans with a maximum aggregate value of \$100 million. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee.

This appropriation provides for the corporate leadership and operational support to VA's housing business line.

The Housing program facilitates the extension of private capital, on more liberal terms than generally available to nonveterans, to: assist veterans and servicepersons in obtaining housing credit; and assist veterans in retaining their homes during periods of temporary economic difficulty through intensive supplemental mortgage loan servicing.

WORKLOAD

(In thousands)

	2007 actual	2008 est.	2009 est.
Construction and valuation	174	185	202
Loan processing	378	385	395
Loan service and claims	352	370	400

Object Classification (in millions of dollars)

Identification code 36-1119-0-1-704	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.2 Other services	151	155	157
41.0 Grants, subsidies, and contributions	50	815	8
99.9 Total new obligations	201	970	165

HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4127-0-3-704	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct loans	122	337	322
00.02 Interest on Treasury borrowing	69	144	173
00.03 Property sales expense	3	4	3
00.04 Property management/other expense	16	8	10
00.05 Property improvement expense	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	211	494	509
08.01 Payment of negative subsidy to receipt account	2	4	8
08.02 Payment of downward reestimate to receipt account	80	422	
08.04 Payment of excess interest earned to receipt account	22	227	
08.91 Direct Program by Activities—Subtotal (1 level)	104	653	8
10.00 Total new obligations	315	1,147	517
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	62	-28	
22.00 New financing authority (gross)	731	1,175	517

HOUSING DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4127-0-3-704	2007 actual	2008 est.	2009 est.
22.60 Portion applied to repay debt	-506		
23.90 Total budgetary resources available for obligation	287	1,147	517
23.95 Total new obligations	-315	-1,147	-517
24.40 Unobligated balance carried forward, end of year	-28		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	496	1,169	515
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	213	602	155
69.10 Change in uncollected customer payments from Federal sources (unexpired)	22	-22	
69.47 Portion applied to repay debt		-574	-153
69.90 Spending authority from offsetting collections (total mandatory)	235	6	2
70.00 Total new financing authority (gross)	731	1,175	517
Change in obligated balances:			
72.40 Obligated balance, start of year	78	43	31
73.10 Total new obligations	315	1,147	517
73.20 Total financing disbursements (gross)	-328	-1,181	-538
74.00 Change in uncollected customer payments from Fed- eral sources (unexpired)	-22	22	
74.40 Obligated balance, end of year	43	31	10
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	328	1,181	538
Offsets:			
Against gross financing authority and financing dis- bursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-12	-28	-2
88.00 Reimbursements from DLFA	-2	-3	-4
88.00 Transfer of loan sales from loan sale security		-436	
88.25 Interest on uninvested funds		-22	
88.40 Repayments of principal	-124	-26	-24
88.40 Interest received on loans	-46	-41	-42
88.40 Fees	-1	-8	-8
88.40 Cash sale of properties	-28	-36	-73
88.40 Other	-1	-2	-2
88.90 Total, offsetting collections (cash)	-214	-602	-155
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-22	22	
Net financing authority and financing disbursements:			
89.00 Financing authority	495	595	362
90.00 Financing disbursements	114	579	383

Status of Direct Loans (in millions of dollars)

Identification code 36-4127-0-3-704	2007 actual	2008 est.	2009 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	122	337	322
1150 Total direct loan obligations	122	337	322
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	864	831	628
1231 Disbursements: Direct loan disbursements	120	337	322
Repayments:			
1251 Repayments and prepayments	-124	-26	-24
1253 Proceeds from loan asset sales to the public with recourse		-436	
1262 Adjustments: Discount on loan asset sales to the public or discounted			
Write-offs for default:			
1263 Direct loans	-40	-78	-49
1264 Other adjustments, Data Reconciliation	11		
1290 Outstanding, end of year	831	628	877

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 36-4127-0-3-704	2006 actual	2007 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	139	15
Investments in US securities:		
1106 Receivables, net	4	86
Net value of assets related to post-1991 direct loans receiv- able:		
1401 Direct loans receivable, gross	864	831
1402 Interest receivable	16	
1405 Other	112	668
1499 Net present value of assets related to direct loans	992	1,499
1999 Total assets	1,135	1,600
LIABILITIES:		
Federal liabilities:		
2103 Debt	941	930
2105 Other	194	670
2999 Total liabilities	1,135	1,600
4999 Total liabilities and net position	1,135	1,600

HOUSING GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4129-0-3-704	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Acquisition of homes	629	1,367	1,320
00.02 Payment of Interest to Treasury	4		
00.03 Losses on defaulted loans	152	395	374
00.04 Reimburse DLFA for loan sales		436	19
00.05 Payment to trustee reserve	10	21	13
00.06 Reimburse liquidating for subordination certificate		11	
00.07 Loan Sale Closing Costs		24	
00.09 Property sales expense	52	125	119
00.10 Property management expense	46	86	82
00.11 Property improvement expense	23	34	33
00.12 Loans acquired	26	63	62
00.91 Direct Program by Activities—Subtotal (1 level)	942	2,562	2,022
08.01 Payment of negative subsidy to receipt account	87	129	236
08.02 Payment of downward reestimate receipt account	555	279	
08.04 Payment of excess interest earned to receipt account	303	298	
08.91 Direct Program by Activities—Subtotal (1 level)	945	706	236
10.00 Total new obligations	1,887	3,268	2,258
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3,515	2,965	3,398
22.00 New financing authority (gross)	1,344	3,701	2,706
22.60 Portion applied to repay debt	-7		
23.90 Total budgetary resources available for obligation	4,852	6,666	6,104
23.95 Total new obligations	-1,887	-3,268	-2,258
24.40 Unobligated balance carried forward, end of year	2,965	3,398	3,846
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	67	129	236
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,321	3,701	2,470
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-44		
69.47 Portion applied to repay debt		-129	
69.90 Spending authority from offsetting collections (total mandatory)	1,277	3,572	2,470

70.00	Total new financing authority (gross)	1,344	3,701	2,706
Change in obligated balances:				
72.40	Obligated balance, start of year	32	39	51
73.10	Total new obligations	1,887	3,268	2,258
73.20	Total financing disbursements (gross)	-1,924	-3,256	-2,270
74.00	Change in uncollected customer payments from Federal sources (unexpired)	44		
74.40	Obligated balance, end of year	39	51	39
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	1,924	3,256	2,270
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-37	-788	
88.00	Recoveries from DLFA	-149	-300	-290
88.25	Interest on uninvested funds	-132	-214	-263
88.40	Funding fees	-435	-613	-624
88.40	Cash sale of properties	-564	-1,346	-1,293
88.40	Refunds from Trust			
88.40	Redemption of properties and other	-4		
88.45	Offsetting governmental collections (loan sale proceeds)		-440	
88.90	Total, offsetting collections (cash)	-1,321	-3,701	-2,470
Against gross financing authority only:				
88.95	Change in receivables from program accounts	44		
Net financing authority and financing disbursements:				
89.00	Financing authority	67		236
90.00	Financing disbursements	603	-445	-200

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4129-0-3-704	2007 actual	2008 est.	2009 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	24,186	34,761	35,817
2132	Guaranteed loan commitments for loan asset sales with recourse		436	
2150	Total guaranteed loan commitments	24,186	35,197	35,817
2199	Guaranteed amount of guaranteed loan commitments	6,675	10,031	9,885
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	198,146	220,758	249,923
2231	Disbursements of new guaranteed loans	24,186	34,761	35,817
2232	Guarantees of loans sold to the public with recourse		436	
2251	Repayments and prepayments	-3,533	-4,186	-4,810
Adjustments:				
2261	Terminations for default that result in loans receivable	-162	-416	-393
2262	Terminations for default that result in acquisition of property	-629	-1,367	-1,320
2263	Terminations for default that result in claim payments	-26	-63	-62
2264	Other adjustments, net	2,776		
2290	Outstanding, end of year	220,758	249,923	279,155
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	72,596	81,303	89,705
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2331	Disbursements for guaranteed loan claims		416	393

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond, including modifications of guaranteed loans that resulted from commitments in any year, and from the guarantee of loans sold through the securitization programs. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 36-4129-0-3-704	2006 actual	2007 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	3,524	2,975
Investments in US securities:			
1106	Receivables, net	126	840
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1504	Accounts receivable from foreclosed property	579	633
1505	Other Assets	23	33
1599	Net present value of assets related to defaulted guaranteed loans	602	666
1999	Total assets	4,254	4,481
LIABILITIES:			
Federal liabilities:			
2103	Debt	2	62
2105	Other liabilities	858	573
Non-Federal liabilities:			
2201	Accounts payable	8	16
2204	Non-federal liabilities for loan guarantees	3,386	3,830
2999	Total liabilities	4,254	4,481
4999	Total liabilities and net position	4,254	4,481

HOUSING LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4025-0-3-704	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.01	Acquisition of homes	6	5	4
00.05	Repurchase of loans sold		3	3
00.91	Total capital investments	6	8	7
01.00	Total capital investments	6	8	7
01.04	Claims Processed and Repaid Default Claims	1	1	1
01.05	Other operating expenses	8	7	6
01.91	Total operating expenses	9	8	7
10.00	Total new obligations (object class 33.0)	15	16	14
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	22	7	
22.00	New budget authority (gross)		16	14
22.40	Capital transfer to general fund		-7	
23.90	Total budgetary resources available for obligation	22	16	14
23.95	Total new obligations	-15	-16	-14
24.40	Unobligated balance carried forward, end of year	7		
New budget authority (gross), detail:				
Mandatory:				
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	47	37	30
69.10	Change in uncollected customer payments from Federal sources (unexpired)	-5		
69.27	Capital transfer to general fund	-42	-21	-16
69.90	Spending authority from offsetting collections (total mandatory)		16	14
Change in obligated balances:				
72.40	Obligated balance, start of year	1	2	
73.10	Total new obligations	15	16	14
73.20	Total outlays (gross)	-19	-18	-14
74.00	Change in uncollected customer payments from Federal sources (unexpired)	5		
74.40	Obligated balance, end of year	2		
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority		16	14
86.98	Outlays from mandatory balances	19	2	
87.00	Total outlays (gross)	19	18	14

HOUSING LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4025-0-3-704	2007 actual	2008 est.	2009 est.
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00			
Federal sources: Payments from direct loan financing account			
	-6	-5	-5
88.40			
Loan and other repayments			
	-18	-13	-9
88.40			
Sale of homes, cash			
	-11	-8	-6
88.40			
Interest on loans			
	-8	-7	-7
88.40			
Other revenues			
	-4	-4	-3
88.90			
Total, offsetting collections (cash)			
	-47	-37	-30
Against gross budget authority only:			
88.95			
Change in uncollected customer payments from Federal sources (unexpired)			
	5		
Net budget authority and outlays:			
89.00			
Budget authority			
	-42	-21	-16
90.00			
Outlays			
	-28	-19	-16
Memorandum (non-add) entries:			
92.03			
Total investments, start of year: non-Federal securities: Market value			
	137	123	110
92.04			
Total investments, end of year: non-Federal securities: Market value			
	123	110	99

Status of Direct Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2007 actual	2008 est.	2009 est.
Cumulative balance of direct loans outstanding:			
1210			
Outstanding, start of year			
	45	35	26
1232			
Disbursements: Purchase of loans assets from the public			
	3	3	3
1251			
Repayments: Repayments and prepayments			
	-18	-12	-9
1264			
Write-offs for default: Other adjustments, net (+ or -)			
	5		
1290			
Outstanding, end of year			
	35	26	20

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4025-0-3-704	2007 actual	2008 est.	2009 est.
Cumulative balance of guaranteed loans outstanding:			
2210			
Outstanding, start of year			
	12,919	11,217	9,737
2251			
Repayments and prepayments			
	-1,664	-1,445	-1,254
Adjustments:			
2261			
Terminations for default that result in loans receivable			
	-5	-5	-4
2262			
Terminations for default that result in acquisition of property			
	-33	-30	-27
2290			
Outstanding, end of year			
	11,217	9,737	8,452
Memorandum:			
2299			
Guaranteed amount of guaranteed loans outstanding, end of year			
	4,170	3,620	3,142
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310			
Outstanding, start of year			
	77	80	84
2331			
Disbursements for guaranteed loan claims			
	3	4	3
2390			
Outstanding, end of year			
	80	84	87

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in this program in 1992 and beyond is recorded in the corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 36-4025-0-3-704	2006 actual	2007 actual
ASSETS:		
Federal assets:		
1101		
Fund balances with Treasury		
	23	10
Investments in US securities:		
1106		
Receivables, net		
	6	2
Non-Federal assets:		
1201		
Investments in non-Federal securities, net		
	137	130
1206		
Receivables, net		
		-1
1601		
Direct loans, gross		
	45	36
1602		
Interest receivable		
	5	1
1603		
Allowance for estimated uncollectible loans and interest (-)		
		-1
1604		
Direct loans and interest receivable, net		
	50	36
1605		
Accounts receivable		
	1	
1606		
Other		
	27	10
1699		
Value of assets related to direct loans		
	78	46
1701		
Defaulted guaranteed loans, gross		
		80
1703		
Allowance for estimated uncollectible loans and interest (-)		
		-74
1704		
Defaulted guaranteed loans and interest receivable, net		
		6
1706		
Foreclosed property		
		11
1799		
Value of assets related to loan guarantees		
		17
1999		
Total assets		
	244	204
LIABILITIES:		
2103		
Federal liabilities: Debt		
	237	210
2207		
Non-Federal liabilities: Other		
	7	3
2999		
Total liabilities		
	244	213
NET POSITION:		
3300		
Cumulative results of operations		
		-9
3999		
Total net position		
		-9
4999		
Total liabilities and net position		
	244	204

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, **[\$628,000] \$646,000.** (Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 36-1120-0-1-704	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.05			
Reestimates of direct loan subsidy			
	2	2	
00.06			
Interest on reestimates of direct loan subsidy			
		3	
00.09			
Administrative expenses			
	1	1	1
10.00			
Total new obligations (object class 25.2)			
	3	6	1
Budgetary resources available for obligation:			
21.40			
Unobligated balance carried forward, start of year			
	2	3	3
22.00			
New budget authority (gross)			
	4	6	1
23.90			
Total budgetary resources available for obligation			
	6	9	4
23.95			
Total new obligations			
	-3	-6	-1
24.40			
Unobligated balance carried forward, end of year			
	3	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00			
Appropriation			
	1	1	1
Mandatory:			
60.00			
Appropriation			
	3	5	
70.00			
Total new budget authority (gross)			
	4	6	1
Change in obligated balances:			
73.10			
Total new obligations			
	3	6	1
73.20			
Total outlays (gross)			
	-3	-6	-1
Outlays (gross), detail:			
86.90			
Outlays from new discretionary authority			
	1	1	1
86.97			
Outlays from new mandatory authority			
	2	5	
87.00			
Total outlays (gross)			
	3	6	1

Net budget authority and outlays:

89.00	Budget authority	4	6	1
90.00	Outlays	3	6	1

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 36-1120-0-1-704	2007 actual	2008 est.	2009 est.	
Direct loan levels supportable by subsidy budget authority:				
115002	Native American Direct Loans	8	12	13
115999	Total direct loan levels	8	12	13
Direct loan subsidy (in percent):				
132002	Native American Direct Loans	-13.46	-14.48	-10.07
132999	Weighted average subsidy rate	-13.46	-14.48	-10.07
Direct loan subsidy budget authority:				
133002	Native American Direct Loans	-1	-2	-1
133999	Total subsidy budget authority	-1	-2	-1
Direct loan subsidy outlays:				
134002	Native American Direct Loans	-1	-2	-1
134999	Total subsidy outlays	-1	-2	-1
Direct loan upward reestimates:				
135002	Native American Direct Loans	3	5	.....
135999	Total upward reestimate budget authority	3	5	.....
Direct loan downward reestimates:				
137002	Native American Direct Loans	-1	-2	.....
137999	Total downward reestimate budget authority	-1	-2	.....
Administrative expense data:				
3510	Budget authority	1	6	1
3590	Outlays from new authority	1	6	1

Native American veterans housing loan program account.—The Native American Veterans Housing Loan program provides direct loans to veterans living on trust lands under 38 U.S.C. chapter 37, section 3761. These loans are available to purchase, construct or improve homes to be occupied as the veteran's residence. This program began as a pilot in 1993 and was made permanent on June 15, 2006 through Public Law 109-233.

NATIVE AMERICAN DIRECT LOAN FINANCING ACCOUNT
Program and Financing (in millions of dollars)

Identification code 36-4130-0-3-704	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.01	Direct loans	8	12	13
00.02	Interest on Treasury borrowing	3	2	3
00.91	Direct Program by Activities—Subtotal	11	14	16
08.01	Negative Subsidies Obligated	1	2	1
08.02	Payment of downward reestimate to receipt account	1	1	.....
08.04	Interest on downward re-estimate of direct loan subsidy .....	.....	1	.....
08.91	Direct Program by Activities—Subtotal (1 level)	2	4	1
10.00	Total new obligations	13	18	17
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	-1	11	1
22.00	New financing authority (gross)	29	18	17
22.60	Portion applied to repay debt	-4	-10	.....
23.90	Total budgetary resources available for obligation	24	19	18
23.95	Total new obligations	-13	-18	-17
24.40	Unobligated balance carried forward, end of year	11	1	1
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow	22	8	14
Spending authority from offsetting collections:				
69.00	Offsetting collections (cash)	6	11	6

69.10	Change in uncollected customer payments from Federal sources (unexpired)	1	-1	.....
69.47	Portion applied to repay debt .....	.....	.....	-3
69.90	Spending authority from offsetting collections (total mandatory)	7	10	3
70.00	Total new financing authority (gross)	29	18	17

Change in obligated balances:

72.40	Obligated balance, start of year	2	3	2
73.10	Total new obligations	13	18	17
73.20	Total financing disbursements (gross)	-11	-20	-17
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-1	1	.....
74.40	Obligated balance, end of year	3	2	2

Outlays (gross), detail:

87.00	Total financing disbursements (gross)	11	20	17
-------	---	----	----	----

Offsets:

Against gross financing authority and financing disbursements:

Offsetting collections (cash) from:

88.00	Federal sources	-3	-5	.....
88.25	Interest on uninvested funds .....	.....	-1	.....
88.40	Non-federal sources—Repayments and prepayments of principal	-2	-3	-3
88.40	Non-federal sources—Interest received on loans	-1	-2	-3
88.90	Total, offsetting collections (cash)	-6	-11	-6

Against gross financing authority only:

88.95	Change in receivables from program accounts	-1	1
-------	---	----	---	-------

Net financing authority and financing disbursements:

89.00	Financing authority	22	8	11
90.00	Financing disbursements	5	9	11

Status of Direct Loans (in millions of dollars)

Identification code 36-4130-0-3-704	2007 actual	2008 est.	2009 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	.....	.....	.....
1131	Direct loan obligations exempt from limitation	8	12	13
1142	Unobligated direct loan limitation (-) .....	.....	.....	.....
1150	Total direct loan obligations	8	12	13
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	28	30	42
1231	Disbursements: Direct loan disbursements	4	15	13
1251	Repayments: Repayments and prepayments	-2	-3	-3
1290	Outstanding, end of year	30	42	52

The account preceding this section contains information on the Native American Veterans Housing Loan program, and the account following this section contains information on the Guaranteed Transitional Housing Loans for Homeless Veterans program. The Transitional Housing loans are 100% guaranteed and use the Federal Financing Bank (FFB) as the lending institution. For budget purposes, all FFB loans shall be treated as direct loans.

As required by the Federal Credit Reform Act of 1990, these non-budgetary accounts record all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in the accounts are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 36-4130-0-3-704	2006 actual	2007 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	1	13
Investments in US securities:			
1106	Receivables, net	3	6

NATIVE AMERICAN DIRECT LOAN FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 36-4130-0-3-704	2006 actual	2007 actual
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	30	32
1499 Net present value of assets related to direct loans	30	32
1901 Other Federal assets: Other assets	4	5
1999 Total assets	38	56
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable (Liabilities)		1
2103 Federal liabilities debt	36	53
2105 Other liabilities	2	2
2999 Total liabilities	38	56
4999 Total liabilities and net position	38	56

TRANSITIONAL HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4258-0-3-704	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Guaranteed (Direct) Loans			6
10.00 Total new obligations			6
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	5	5
22.00 New financing authority (gross)	3		12
23.90 Total budgetary resources available for obligation	5	5	17
23.95 Total new obligations			-6
24.40 Unobligated balance carried forward, end of year	5	5	11
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	2		6
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	6		1
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-5		5
69.90 Spending authority from offsetting collections (total mandatory)	1		6
70.00 Total new financing authority (gross)	3		12
Change in obligated balances:			
72.40 Obligated balance, start of year	-2		
73.10 Total new obligations			6
73.20 Total financing disbursements (gross)	-3		-1
74.00 Change in uncollected customer payments from Federal sources (unexpired)	5		-5
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	3		1
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources	-6		-1
Against gross financing authority only:			
88.95 Change in receivables from program accounts	5		-5
Net financing authority and financing disbursements:			
89.00 Financing authority	2		6
90.00 Financing disbursements	-3		

Status of Direct Loans (in millions of dollars)

Identification code 36-4258-0-3-704	2007 actual	2008 est.	2009 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1121 Limitation available from carry-forward	95	95	95
1143 Unobligated limitation carried forward (P.L. xx) (-)	-95	-95	-89
1150 Total direct loan obligations			6
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2	5	5
1231 Disbursements: Direct loan disbursements	3		1
1290 Outstanding, end of year	5	5	6

Balance Sheet (in millions of dollars)

Identification code 36-4258-0-3-704	2006 actual	2007 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury		5
Investments in US securities:		
1106 Receivables, net	5	
1206 Non-Federal assets: Receivables, net	2	
1401 Net value of assets related to post-1991 direct loans receivable: Direct loans receivable, gross		5
1999 Total assets	7	10
LIABILITIES:		
Federal liabilities:		
2103 Debt	2	5
2105 Other		5
2207 Non-Federal liabilities: Loan guarantee	5	
2999 Total liabilities	7	10
4999 Total liabilities and net position	7	10

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4112-0-3-702	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct loans	2	3	3
08.02 Downward Reestimate to Receipt Acct		1	
10.00 Total new obligations	2	4	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	
22.00 New financing authority (gross)	3	4	3
22.60 Portion applied to repay debt		-1	
23.90 Total budgetary resources available for obligation	3	4	3
23.95 Total new obligations	-2	-4	-3
24.40 Unobligated balance carried forward, end of year	1		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow (indefinite)	3	4	3
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	3	3	3
69.47 Portion applied to repay debt	-3	-3	-3
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new financing authority (gross)	3	4	3
Change in obligated balances:			
72.40 Obligated balance, start of year		-1	-1
73.10 Total new obligations	2	4	3
73.20 Total financing disbursements (gross)	-3	-4	-3
74.40 Obligated balance, end of year	-1	-1	-1

Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	3	4	3
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from Program Account, Upward Re-estimate	-1		
88.40	Repayments and prepayments of principal	-3	-3	-3
88.90	Total, offsetting collections (cash)	-4	-3	-3
Net financing authority and financing disbursements:				
89.00	Financing authority	-1	1	
90.00	Financing disbursements	-1	1	

Status of Direct Loans (in millions of dollars)

Identification code 36-4112-0-3-702				
		2007 actual	2008 est.	2009 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	2	3	3
1150	Total direct loan obligations	2	3	3
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1		1
1231	Disbursements: Direct loan disbursements	2	3	3
1251	Repayments and prepayments	-3	-2	-3
1290	Outstanding, end of year		1	1

Balance Sheet (in millions of dollars)

Identification code 36-4112-0-3-702			
		2006 actual	2007 actual
ASSETS:			
Federal assets: Investments in US securities:			
1107	Other (Assets)	1	
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	1	2
1499	Net present value of assets related to direct loans	1	2
1999	Total assets	2	2
LIABILITIES:			
2103	Federal liabilities: Debt	2	2
2999	Total liabilities	2	2
4999	Total liabilities and net position	2	2

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8133-0-7-702				
		2007 actual	2008 est.	2009 est.
01.00	Balance, start of year	1	1	1
01.99	Balance, start of year	1	1	1
Receipts:				
02.00	Contributions, Post-Vietnam Era Veterans Education Account		1	1
04.00	Total: Balances and collections	1	2	2
Appropriations:				
05.00	Post-Vietnam Era Veterans Education Account		-1	-1
07.99	Balance, end of year	1	1	1

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702				
		2007 actual	2008 est.	2009 est.
Obligations by program activity:				
00.01	Payment to post-Vietnam era trainees	1	1	1
00.03	Participant disenrollments	1	1	1
10.00	Total new obligations	2	2	2

Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	69	67	66
22.00	New budget authority (gross)		1	1
23.90	Total budgetary resources available for obligation	69	68	67
23.95	Total new obligations	-2	-2	-2
24.40	Unobligated balance carried forward, end of year	67	66	65

New budget authority (gross), detail:

Mandatory:				
60.26	Appropriation (trust fund)		1	1

Change in obligated balances:

72.40	Obligated balance, start of year	1	1	1
73.10	Total new obligations	2	2	2
73.20	Total outlays (gross)	-2	-2	-2
74.40	Obligated balance, end of year	1	1	1

Outlays (gross), detail:

86.97	Outlays from new mandatory authority		1	1
86.98	Outlays from mandatory balances	2	1	1
87.00	Total outlays (gross)	2	2	2

Net budget authority and outlays:

89.00	Budget authority		1	1
90.00	Outlays	2	2	2

This account consists of voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense. The fund provides educational assistance payments to participants who entered the service after December 31, 1976, and are pursuing training under chapter 32, title 38, U.S.C. Section 901 is a non-contributory program with educational assistance provided by the Department of Defense. Public Law 99-576, enacted October 28, 1986, closed the program permanently for new enrollments effective March 31, 1987. Public Law 106-419, enacted November 1, 2000, provides qualified participants in this program another opportunity (through October 31, 2001) to convert to the All-Volunteer Force Educational Assistance program (Montgomery GI Bill). The estimated activity in the fund follows:

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

(In millions of dollars)

	2007 actual	2008 est.	2009 est.
Total budget authority	\$0	\$1	\$1
Servicepersons contributions	\$0	\$0	\$0
Transferred from Department of Defense (bonus)	\$0	\$0	\$0
Transferred from Department of Defense (matching)	\$0	\$0	\$0
Transferred from Department of Defense (section 901)	\$0	\$1	\$1
Total participants (end of year)	195,206	194,099	193,089
Number of disenrollments	644	644	600
Total refunds	\$1	\$1	\$1
Total trainees	439	550	495
Total trainee cost	\$1	\$1	\$1
Average cost per trainee (actual dollars)	\$1,986	\$1,585	\$1,709
Section 901 trainees	42	42	42

Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702				
	2007 actual	2008 est.	2009 est.	
Direct obligations:				
41.0	Grants, subsidies, and contributions	1	1	1
44.0	Refunds	1	1	1
99.9	Total new obligations	2	2	2

NATIONAL SERVICE LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8132-0-7-701				
	2007 actual	2008 est.	2009 est.	
01.00	Balance, start of year	8,735	8,327	7,884

NATIONAL SERVICE LIFE INSURANCE FUND—Continued

Special and Trust Fund Receipts (in millions of dollars)—Continued

Identification code 36-8132-0-7-701	2007 actual	2008 est.	2009 est.
01.99 Balance, start of year	8,735	8,327	7,884
Receipts:			
02.00 NSLI Fund, Interest	591	550	505
02.01 NSLI Fund, Payments from General and Special Funds	1	1	1
02.20 NSLI Fund, Premium and Other Receipts	139	127	118
02.99 Total receipts and collections	731	678	624
04.00 Total: Balances and collections	9,466	9,005	8,508
Appropriations:			
05.00 National Service Life Insurance Fund	-732	-678	-624
05.01 National Service Life Insurance Fund	-407	-443	-493
05.99 Total appropriations	-1,139	-1,121	-1,117
07.99 Balance, end of year	8,327	7,884	7,391

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Death claims	657	640	631
00.02 Disability claims	8	7	7
00.03 Matured endowments	11	14	15
00.04 Cash surrenders	31	31	30
00.05 Dividends	213	201	191
00.06 Interest paid on dividend credits and deposits	49	48	47
00.07 Payment to Insurance account	20	21	22
00.91 Total operating expenses	989	962	943
02.01 Capital investment: Policy loans	55	53	51
02.93 Total direct obligations	1,044	1,015	994
09.01 Death claims	241	241	243
09.02 Disability Claims	3	3	3
09.03 Matured Endowments	4	5	7
09.04 Cash Surrenders	11	12	11
09.05 Dividends	78	76	74
09.06 Interest paid on dividend credits and deposits	18	18	18
09.07 Payment to Insurance account	7	8	7
09.09 Reimbursable program	362	363	363
10.00 Total new obligations	1,406	1,378	1,357
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,407	1,377	1,357
23.95 Total new obligations	-1,406	-1,378	-1,357
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	732	678	624
60.28 Appropriation (previously unavailable)	407	443	493
62.50 Appropriation (total mandatory)	1,139	1,121	1,117
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	268	256	240
70.00 Total new budget authority (gross)	1,407	1,377	1,357
Change in obligated balances:			
72.40 Obligated balance, start of year	1,458	1,427	1,400
73.10 Total new obligations	1,406	1,378	1,357
73.20 Total outlays (gross)	-1,437	-1,405	-1,399
74.40 Obligated balance, end of year	1,427	1,400	1,358
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,407	934	864
86.98 Outlays from mandatory balances	30	471	535
87.00 Total outlays (gross)	1,437	1,405	1,399
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1		
88.40 Repayments of loans	-87	-81	-76
88.40 Optional settlements	-1	-1	-1

88.40	Net income offsets adjustments	-179	-174	-163
88.90	Total, offsetting collections (cash)	-268	-256	-240

Net budget authority and outlays:

89.00	Budget authority	1,139	1,121	1,117
90.00	Outlays	1,169	1,149	1,159

Memorandum (non-add) entries:

92.01	Total investments, start of year: Federal securities:			
	Par value	10,189	9,752	9,280
92.02	Total investments, end of year: Federal securities:			
	Par value	9,752	9,280	8,746

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund was established in 1940. It is for the World War II servicemen's and veterans' insurance program. Over 22 million policies were issued under this program. Activity of the fund reflects a declining claim workload. The trend in the number and amount of policies in force is shown as follows:

POLICIES AND INSURANCE IN FORCE

	2007 actual	2008 est.	2009 est.
Number of policies	1,013,557	919,970	828,052
Insurance in force (dollars in millions)	\$11,516	\$10,553	\$9,650

This fund is operated on a commercial basis to the extent possible. The income of the fund is derived from premium receipts, interest on investments, and payments which are made to the fund from the Veterans insurance and indemnities appropriation.

Assets of the fund, which are largely invested in special interest-bearing Treasury securities and in policy loans, are expected to decrease from an estimated \$9,823 million as of September 30, 2008 to \$9,230 million as of September 30, 2009. The actuarial estimate of policy obligations as of September 30, 2009, totals \$8,977 million, leaving a balance of \$253 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows:

Status of Funds (in millions of dollars)

Identification code 36-8132-0-7-701	2007 actual	2008 est.	2009 est.	
Unexpended balance, start of year:				
0100	Balance, start of year	10,193	9,755	9,284
0199	Total balance, start of year	10,193	9,755	9,284
Cash income during the year:				
Current law:				
Receipts:				
1200	NSLI Fund, Interest	591	550	505
1201	NSLI Fund, Payments from General and Special Funds	1	1	1
Offsetting receipts (proprietary):				
1220	NSLI Fund, Premium and Other Receipts	139	127	118
Offsetting collections:				
1280	National Service Life Insurance Fund	87	81	76
1281	National Service Life Insurance Fund	179	174	163
1282	National Service Life Insurance Fund	1	1	1
1283	National Service Life Insurance Fund	1		
1299	Income under present law	999	934	864
3299	Total cash income	999	934	864
Cash outgo during year:				
Current law:				
4500	National Service Life Insurance Fund	-1,437	-1,405	-1,399
4599	Outgo under current law (-)	-1,437	-1,405	-1,399
6599	Total cash outgo (-)	-1,437	-1,405	-1,399
Unexpended balance, end of year:				
8700	Uninvested balance (net), end of year	3	4	3
8701	National Service Life Insurance Fund	9,752	9,280	8,746
8799	Total balance, end of year	9,755	9,284	8,749

Object Classification (in millions of dollars)

Identification code 36-8132-0-7-701	2007 actual	2008 est.	2009 est.
Direct obligations:			
33.0 Investments and loans	55	53	51
42.0 Insurance claims and indemnities	708	691	684
43.0 Interest and dividends	281	271	259
99.0 Direct obligations	1,044	1,015	994
99.0 Reimbursable obligations	362	363	363
99.9 Total new obligations	1,406	1,378	1,357

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 36-8150-0-7-701	2007 actual	2008 est.	2009 est.
01.00 Balance, start of year	25	23	20
01.99 Balance, start of year	25	23	20
Receipts:			
02.00 Interest and Profits on Investments in Public Debt Securities, USGLI	2	2	2
04.00 Total: Balances and collections	27	25	22
Appropriations:			
05.00 United States Government Life Insurance Fund	-2	-2	-2
05.01 United States Government Life Insurance Fund	-2	-3	-3
05.99 Total appropriations	-4	-5	-5
07.99 Balance, end of year	23	20	17

Program and Financing (in millions of dollars)

Identification code 36-8150-0-7-701	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Death claims	3	3	3
00.06 Interest paid on dividend credits and deposits	1	1	1
00.07 Other Costs	1	1	1
09.02 Dividends	1	1	1
09.09 Reimbursable program	1	1	1
10.00 Total new obligations	6	5	5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4	5	5
23.95 Total new obligations	-6	-5	-5
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	2	2	2
60.28 Appropriation (previously unavailable)	2	3	3
62.50 Appropriation (total mandatory)	4	5	5
Change in obligated balances:			
72.40 Obligated balance, start of year	13	12	9
73.10 Total new obligations	6	5	5
73.20 Total outlays (gross)	-7	-8	-5
74.40 Obligated balance, end of year	12	9	9
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2	5	5
86.98 Outlays from mandatory balances	5	3	3
87.00 Total outlays (gross)	7	8	5
Net budget authority and outlays:			
89.00 Budget authority	4	5	5
90.00 Outlays	7	8	5
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	39	35	30
92.02 Total investments, end of year: Federal securities: Par value	35	30	25

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund was established in 1919 to receive premiums and pay claims on insurance issued under the provisions of the War Risk Insurance Act. The general decline in the activity of the fund is indicated in the following table:

POLICIES AND INSURANCE IN FORCE

	2007 actual	2008 est.	2009 est.
Number of policies	6,720	5,710	4,740
Insurance in force (dollars in millions)	\$20	\$17	\$14

The fund is operated on a commercial basis to the extent possible. The income of the fund is derived from interest on investments and payments from the Veterans insurance and indemnities appropriation. Effective January 1, 1983, premiums were discontinued because reserves held in the fund were adequate to meet future liabilities of the program.

Assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decrease from \$32 million as of September 30, 2008, to \$27 million as of September 30, 2009, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2009, totals \$26 million, leaving a balance of \$1 million for contingency reserves.

Status of Funds (in millions of dollars)

Identification code 36-8150-0-7-701	2007 actual	2008 est.	2009 est.
Unexpended balance, start of year:			
0100 Balance, start of year	39	34	28
0199 Total balance, start of year	39	34	28
Cash income during the year:			
Current law:			
Receipts:			
1200 Interest and Profits on Investments in Public Debt Securities, USGLI	2	2	2
1299 Income under present law	2	2	2
3299 Total cash income	2	2	2
Cash outgo during year:			
Current law:			
4500 United States Government Life Insurance Fund	-7	-8	-5
4599 Outgo under current law (-)	-7	-8	-5
6599 Total cash outgo (-)	-7	-8	-5
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	-1	-2	.....
8701 United States Government Life Insurance Fund	35	30	25
8799 Total balance, end of year	34	28	25

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	2007 actual	2008 est.	2009 est.
Direct obligations:			
42.0 Insurance claims and indemnities	3	3	3
43.0 Interest and dividends	2	1	1
99.0 Direct obligations	5	4	4
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	6	5	5

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
09.01 Death claims	76	83	89
09.02 Cash surrenders	5	5	5
09.03 Dividends	73	71	65

VETERANS SPECIAL LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8455-0-8-701	2007 actual	2008 est.	2009 est.
09.04 All other	27	33	30
09.05 Payments to Insurance account	6	7	7
09.06 Capital investment	15	13	13
10.00 Total new obligations	202	212	209
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,589	1,599	1,593
22.00 New budget authority (gross)	212	206	199
23.90 Total budgetary resources available for obligation	1,801	1,805	1,792
23.95 Total new obligations	-202	-212	-209
24.40 Unobligated balance carried forward, end of year	1,599	1,593	1,583
New budget authority (gross), detail:			
Mandatory:			
69.00 Spending authority from offsetting collections: Offsetting collections (cash)	212	206	199
Change in obligated balances:			
72.40 Obligated balance, start of year	372	387	404
73.10 Total new obligations	202	212	209
73.20 Total outlays (gross)	-187	-195	-194
74.40 Obligated balance, end of year	387	404	419
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	212	206	199
86.98 Outlays from mandatory balances	-25	-11	-5
87.00 Total outlays (gross)	187	195	194
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on Federal securities	-135	-131	-127
88.40 Interest on loans	-6	-6	-6
88.40 Insurance premiums earned	-56	-54	-51
88.40 Repayments of loans	-15	-15	-15
88.90 Total, offsetting collections (cash)	-212	-206	-199
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-25	-11	-5
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	1,960	1,985	1,996
92.02 Total investments, end of year: Federal securities: Par value	1,985	1,996	2,001

Note.—The Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund finances the payment of claims on life insurance policies issued before January 3, 1957, to veterans who served in the Armed Forces subsequent to April 1, 1951. No new policies can be issued. Policyholders may elect to purchase total disability income coverage with the payment of additional premiums.

Budget program—

Death claims.—Represents payments to designated beneficiaries.

Cash surrenders.—A policyholder may terminate his or her insurance by cashing in the policy for its cash value.

Dividends.—Policyholders participate in the distribution of annual dividends.

All other.—Classified in this category are payments to policyholders who: (a) hold endowment policies which have matured; (b) have purchased total disability income coverage and subsequently become disabled; and (c) are paid interest on dividend credits and deposits.

The following table reflects the decrease in the number of policies and the amounts of insurance in force:

POLICIES AND INSURANCE IN FORCE

	2007 actual	2008 est.	2009 est.
Number of policies	191,735	183,460	174,800
Insurance in force (dollars in millions)	\$2,406	\$2,353	\$2,298

Financing.—Payments from this fund are financed primarily from premium receipts and interest on investments.

Object Classification (in millions of dollars)

Identification code 36-8455-0-8-701	2007 actual	2008 est.	2009 est.
Reimbursable obligations:			
33.0 Investments and loans	14	14	14
42.0 Insurance claims and indemnities	92	101	105
43.0 Interest and dividends	96	97	90
99.9 Total new obligations	202	212	209

DEPARTMENTAL ADMINISTRATION

Federal Funds

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, construction management services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is more than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, of which **[\$2,000,000]** **\$10,000,000** shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) for claims paid for contract disputes: *Provided*, That except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other capital asset management related activities, including portfolio development and management activities, and investment strategy studies funded through the advance planning fund and the planning and design activities funded through the design fund, including needs assessments which may or may not lead to capital investments, and funds provided for the purchase of land for the National Cemetery Administration through the land acquisition line item, none of the funds appropriated under this heading shall be used for any project which has not been [approved] reviewed by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year [2008] 2009, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, [2008] 2009; and (2) by the awarding of a construction contract by September 30, [2009] 2010: *Provided further*, That the Secretary of Veterans Affairs shall promptly submit to the Committees on Appropriations of both Houses of Congress a written report on any approved major construction project for which obligations are not incurred within the time limitations established above[:]. [Provided further, That none of the funds appropriated in this or any other Act may be used to reduce the mission, services, or infrastructure, including land, of the 18 facilities on the Capital Asset Realignment for Enhanced Services (CARES) list requiring further study, as specified by the Secretary of Veterans Affairs, without prior approval of the Committees on Appropriations of both Houses of Congress]. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703	2007 actual	2008 est.	2009 est.
Obligations by program activity:			

00.01	Medical Programs	374	1,021	1,117
00.02	National Cemeteries	88	173	150
00.05	Staff Offices	6	30	5
09.01	Reimbursable program			5
10.00	Total new obligations	468	1,224	1,277
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2,165	2,096	2,007
22.00	New budget authority (gross)	399	1,135	587
23.90	Total budgetary resources available for obligation	2,564	3,231	2,594
23.95	Total new obligations	-468	-1,224	-1,277
24.40	Unobligated balance carried forward, end of year	2,096	2,007	1,317
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	399	1,135	582
58.00	Spending authority from offsetting collections: Offsetting collections (cash)			5
70.00	Total new budget authority (gross)	399	1,135	587
Change in obligated balances:				
72.40	Obligated balance, start of year	661	692	1,166
73.10	Total new obligations	468	1,224	1,277
73.20	Total outlays (gross)	-437	-750	-738
74.40	Obligated balance, end of year	692	1,166	1,705
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	91	7	9
86.93	Outlays from discretionary balances	346	743	729
87.00	Total outlays (gross)	437	750	738
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources			-5
Net budget authority and outlays:				
89.00	Budget authority	399	1,135	582
90.00	Outlays	437	750	733

The "Construction major projects" appropriations fund construction projects costing more than \$10 million, support cemetery expansions in the vicinity of San Juan, PR; southeastern MA; and New York, NY; and fund facility improvements, realignments, and seismic corrections as related to the new hospitals at Denver, CO; and Orlando, FL; and improvements and other projects at San Juan, PR; Lee County, FL; St. Louis, MO; Bay Pines, FL; Tampa, FL; and Palo Alto, CA.

Additional funds are provided to abate asbestos and other hazardous materials from Department-owned buildings, reimburse the Judgment Fund, improve facility security at Department-owned buildings, support Base Realignment and Closure (BRAC) activities, purchase land for future cemetery expansions, and support advance planning and design activities.

Note: In 2008, \$341,700,000 in contingency funds will be used to fund major CARES construction projects. A portion of these funds will also provide additional funds for CARES planning activities.

Object Classification (in millions of dollars)

Identification code 36-0110-0-1-703	2007 actual	2008 est.	2009 est.	
Direct obligations:				
25.2	Other services	5	10	6
26.0	Supplies and materials		3	3
31.0	Equipment	1	3	3
32.0	Land and structures	462	1,208	1,260
99.0	Direct obligations	468	1,224	1,272
99.0	Reimbursable obligations			5
99.9	Total new obligations	468	1,224	1,277

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, including planning and assessments of needs which may lead to capital investments, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, 8122, and 8162 of title 38, United States Code, where the estimated cost of a project is equal to or less than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, **[\$630,535,000] \$329,418,000**, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is equal to or less than the amount set forth in such section: *Provided*, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0111-0-1-703	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.01	Medical Programs	178	750	350
00.02	National Cemeteries	29	53	47
00.03	Regional Offices	10	29	20
00.04	Staff Offices	8	16	21
10.00	Total new obligations	225	848	438
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	107	407	190
22.00	New budget authority (gross)	525	631	329
23.90	Total budgetary resources available for obligation	632	1,038	519
23.95	Total new obligations	-225	-848	-438
24.40	Unobligated balance carried forward, end of year	407	190	81
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	539	631	329
40.35	Appropriation permanently reduced	-14		
43.00	Appropriation (total discretionary)	525	631	329
Change in obligated balances:				
72.40	Obligated balance, start of year	331	289	682
73.10	Total new obligations	225	848	438
73.20	Total outlays (gross)	-267	-455	-517
74.40	Obligated balance, end of year	289	682	603
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	51	114	59
86.93	Outlays from discretionary balances	216	341	458
87.00	Total outlays (gross)	267	455	517
Net budget authority and outlays:				
89.00	Budget authority	525	631	329
90.00	Outlays	267	455	517

The "Construction minor projects" appropriation, which funds construction projects costing equal to or less than \$10 million, is used to improve the infrastructure of medical facilities and other Department-owned facilities to reduce the risk to patient life and safety, correct code deficiencies, and improve national cemeteries and regional and staff offices.

Note: In 2008, \$397,137,000 in contingency funds will be used to provide additional CARES and National Cemetery Administration minor construction projects. It will be also be used to assist in funding new facility requirements related

CONSTRUCTION, MINOR PROJECTS—Continued

to the hiring of additional Veterans Benefits Administration staff.

Object Classification (in millions of dollars)

Identification code 36-0111-0-1-703	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.2 Other services	37	40	37
26.0 Supplies and materials	1	3	5
31.0 Equipment	1	1	3
32.0 Land and structures	186	804	393
99.9 Total new obligations	225	848	438

Employment Summary

Identification code 36-0111-0-1-703	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	17	19	19

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in State homes, for furnishing care to veterans as authorized by sections 8131 through 8137 of title 38, United States Code, **[\$165,000,000] \$85,000,000**, to remain available until expended. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct program activity	74	174	87
10.00 Total new obligations (object class 41.0)	74	174	87
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		11	2
22.00 New budget authority (gross)	85	165	85
23.90 Total budgetary resources available for obligation	85	176	87
23.95 Total new obligations	-74	-174	-87
24.40 Unobligated balance carried forward, end of year	11	2	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	85	165	85
Change in obligated balances:			
72.40 Obligated balance, start of year	253	218	296
73.10 Total new obligations	74	174	87
73.20 Total outlays (gross)	-109	-96	-97
74.40 Obligated balance, end of year	218	296	286
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		4	2
86.93 Outlays from discretionary balances	109	92	95
87.00 Total outlays (gross)	109	96	97
Net budget authority and outlays:			
89.00 Budget authority	85	165	85
90.00 Outlays	109	96	97

GRANTS FOR CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to assist States in establishing, expanding, or improving State veterans cemeteries as authorized by section 2408 of title 38, United States Code, **[\$39,500,000] \$32,000,000** to remain available until expended. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct program activity	46	40	32
10.00 Total new obligations (object class 41.0)	46	40	32
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14		
22.00 New budget authority (gross)	32	40	32
23.90 Total budgetary resources available for obligation	46	40	32
23.95 Total new obligations	-46	-40	-32
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	32	40	32
Change in obligated balances:			
72.40 Obligated balance, start of year	26	46	59
73.10 Total new obligations	46	40	32
73.20 Total outlays (gross)	-26	-27	-24
74.40 Obligated balance, end of year	46	59	67
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	15	21	17
86.93 Outlays from discretionary balances	11	6	7
87.00 Total outlays (gross)	26	27	24
Net budget authority and outlays:			
89.00 Budget authority	32	40	32
90.00 Outlays	26	27	24

GENERAL OPERATING EXPENSES

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, and the Department of Defense for the cost of overseas employee mail, **[\$1,605,000,000] \$1,699,867,000: 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 the Veterans Benefits Administration shall be funded at not less than **[\$1,327,001,000] \$1,371,753,000: Provided further**, That of the funds made available under this heading, not to exceed **[\$75,000,000] \$83,000,000** shall be available for obligation until September 30, **[2009] 2010: Provided further**, That from the funds made available under this heading, the Veterans Benefits Administration may purchase (on a one-for-one replacement basis only) up to two passenger motor vehicles for use in operations of that Administration in Manila, Philippines.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, **[\$71,000] \$61,000**, 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 **[\$3,287,000] \$3,180,000**.

In addition, for administrative expenses necessary to carry out the direct loan program, **[\$311,000] \$320,000**, which may be **[transferred] paid** to **[and merged with]** the appropriation for "General

operating expenses". (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Compensation and pensions	959	1,124	1,175
00.02 Education	86	90	97
00.03 Vocational rehabilitation and counseling	135	152	157
00.04 Insurance	5	4	5
00.06 General administration	324	348	328
01.00 Direct Program by Activities—Subtotal (running)	1,509	1,718	1,762
09.01 Compensation and pensions	104	104	112
09.02 Education	1	2	1
09.04 Insurance	34	31	31
09.05 Housing	126	115	118
09.06 General administration	87	54	57
09.99 Total reimbursable program	352	306	319
10.00 Total new obligations	1,861	2,024	2,081
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	59	129	62
22.00 New budget authority (gross)	1,939	1,957	2,019
22.30 Expired unobligated balance transfer to unexpired account	11		
23.90 Total budgetary resources available for obligation	2,009	2,086	2,081
23.95 Total new obligations	-1,861	-2,024	-2,081
23.98 Unobligated balance expiring or withdrawn	-19		
24.40 Unobligated balance carried forward, end of year	129	62	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,564	1,599	1,700
41.00 Transferred to other accounts	-2		
42.00 Transferred from other accounts	24	46	
43.00 Appropriation (total discretionary)	1,586	1,645	1,700
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	352	306	319
Mandatory:			
60.00 Appropriation	1	6	
70.00 Total new budget authority (gross)	1,939	1,957	2,019
Change in obligated balances:			
72.40 Obligated balance, start of year	270	283	398
73.10 Total new obligations	1,861	2,024	2,081
73.20 Total outlays (gross)	-1,835	-1,909	-1,974
73.40 Adjustments in expired accounts (net)	-13		
74.40 Obligated balance, end of year	283	398	505
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,630	1,636	1,687
86.93 Outlays from discretionary balances	205	268	286
86.97 Outlays from new mandatory authority	5		
86.98 Outlays from mandatory balances			1
87.00 Total outlays (gross)	1,835	1,909	1,974
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-356	-306	-319
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	4		
Net budget authority and outlays:			
89.00 Budget authority	1,587	1,651	1,700
90.00 Outlays	1,479	1,603	1,655

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 36-0151-0-1-705	2007 actual	2008 est.	2009 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Vocational Rehabilitation	3	3	3

115999 Total direct loan levels	3	3	3
Direct loan subsidy (in percent):			
132001 Vocational Rehabilitation	2.00	2.16	1.93
132999 Weighted average subsidy rate	2.00	2.16	1.93
Direct loan downward reestimates:			
137001 Vocational Rehabilitation		-1	
137999 Total downward reestimate budget authority		-1	

Note.—The total cost of administering veterans insurance programs is funded through direct appropriations to this account and through reimbursements from the insurance trust fund.

This appropriation provides for the Department's top management direction and administrative support, including fiscal, personnel, and legal services, as well as for the administration of veteran benefits.

General Administration.—Includes departmental executive direction, departmental support offices, the General Counsel, and the Board of Veterans' Appeals.

The Pershing Hall Revolving Fund was created to operate and manage Pershing Hall, an asset of the United States, located in Paris, France. All operating expenses for Pershing Hall are borne by the revolving fund and all receipts generated by the operation of Pershing Hall are deposited in the revolving fund.

Note.—Reflects FTE treated as reimbursements in all years and the effects of Credit Reform, per P.L. 101-508.

Note.—In 2008, \$133,163,000 in contingency funds will be used for: hiring more than 1,800 additional claims processors and pay for their associated costs such as training and travel, increased rent and space requirements, and equipment; as well as for hiring Board of Veterans' Appeals and Office of General Counsel personnel to handle appeals associated with claims processing.

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-705	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	898	979	1,030
11.5 Other personnel compensation	48	53	55
11.9 Total personnel compensation	946	1,032	1,085
12.1 Civilian personnel benefits	261	284	299
13.0 Benefits for former personnel	1	30	
21.0 Travel and transportation of persons	25	16	30
22.0 Transportation of things	3		3
23.1 Rent	108	126	136
23.2 Rental payments to others	14	17	18
23.3 Communications, utilities, and miscellaneous charges	22	25	28
24.0 Printing and reproduction	4	5	6
25.2 Other services	101	148	138
26.0 Supplies and materials	13	11	13
31.0 Equipment	11	24	7
99.0 Direct obligations	1,509	1,718	1,763
99.0 Reimbursable obligations	352	306	318
99.9 Total new obligations	1,861	2,024	2,081

Employment Summary

Identification code 36-0151-0-1-705	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	14,105	15,590	16,307
Reimbursable:			
2001 Civilian full-time equivalent employment	2,300	1,828	1,838

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the

OFFICE OF INSPECTOR GENERAL—Continued

Inspector General Act of 1978 (5 U.S.C. App.), **[\$80,500,000]** \$76,500,000, of which **[\$5,000,000]** \$3,825,000 shall be available until September 30, **[2009]** 2010. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
01.01 Direct program	71	81	77
01.92 Total direct program	71	81	77
09.01 Reimbursable program	3	3	3
10.00 Total new obligations	74	84	80
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	74	84	80
23.95 Total new obligations	-74	-84	-80
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	71	81	77
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	3	3
70.00 Total new budget authority (gross)	74	84	80
Change in obligated balances:			
72.40 Obligated balance, start of year	15	13	16
73.10 Total new obligations	74	84	80
73.20 Total outlays (gross)	-75	-81	-79
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	13	16	17
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	65	71	67
86.93 Outlays from discretionary balances	10	10	12
87.00 Total outlays (gross)	75	81	79
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-3	-3
Net budget authority and outlays:			
89.00 Budget authority	71	81	77
90.00 Outlays	72	78	76

This appropriation provides Department-wide audit, investigation, health care inspection, and management support functions to identify and report weaknesses and deficiencies that create conditions for actual or potential fraud and other criminal activity, mismanagement, and waste in VA programs and operations. The audit function plans and conducts internal programmatic audits of all facets of VA operations. The health care inspection function performs legislatively mandated medical care quality assurance reviews and oversight of VA health care programs. The investigative function performs criminal and administrative investigations of improper and illegal activities involving VA operations, personnel, beneficiaries, and other parties.

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	39	46	43
11.5 Other personnel compensation	3	4	4
11.9 Total personnel compensation	42	50	47
12.1 Civilian personnel benefits	13	16	16
21.0 Employee Travel	3	5	4
23.1 Rental payments to GSA	3	3	3

23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	8	6	6
26.0 Supplies and materials	1		
99.0 Direct obligations	71	81	77
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	74	84	80

Employment Summary

Identification code 36-0170-0-1-705	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	447	496	440
Reimbursable:			
2001 Civilian full-time equivalent employment	23	25	25

INFORMATION TECHNOLOGY SYSTEMS

For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; including pay and associated cost [for operations and maintenance associated staff]; for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by section 3109 of title 5, United States Code, **[\$1,966,465,000]** \$2,442,066,000, plus reimbursements, to be available until September 30, **[2009: Provided,** That none of these funds may be obligated until the Department of Veterans Affairs submits to the Committees on Appropriations of both Houses of Congress, and such Committees approve, a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget; (2) complies with the Department of Veterans Affairs enterprise architecture; (3) conforms with an established enterprise life cycle methodology; and (4) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government: *Provided further,* That within 30 days of enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a reprogramming base letter which provides, by project, the costs included in this appropriation] 2010. (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 36-0167-0-1-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Veterans Health Administration	487	534	578
00.02 Veterans Benefits Administration	58	128	95
00.03 National Cemetery Administration	1	1	2
00.04 Information Technology Infrastructure	699	444	809
00.05 General administration and other	113	974	958
01.00 Direct Program by Activities—Subtotal	1,358	2,081	2,442
09.01 Credit administration	22	35	35
09.02 Insurance administration	2	11	11
09.03 Education administration	1	4	
09.04 Veterans Health Administration	2	5	5
09.05 General administration and other	3	43	41
09.09 Reimbursable program—Subtotal	30	98	92
10.00 Total new obligations	1,388	2,179	2,534
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	140	28	
22.00 New budget authority (gross)	1,278	2,151	2,534
23.90 Total budgetary resources available for obligation	1,418	2,179	2,534
23.95 Total new obligations	-1,388	-2,179	-2,534
23.98 Unobligated balance expiring or withdrawn	-2		
24.40 Unobligated balance carried forward, end of year	28		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,249	1,966	2,442

41.00	Transferred to other accounts	-1		
42.00	Transferred from other accounts		87	
43.00	Appropriation (total discretionary)	1,248	2,053	2,442
58.00	Spending authority from offsetting collections: Offsetting collections (cash)	30	98	92
70.00	Total new budget authority (gross)	1,278	2,151	2,534
Change in obligated balances:				
72.40	Obligated balance, start of year	469	710	892
73.10	Total new obligations	1,388	2,179	2,534
73.20	Total outlays (gross)	-1,141	-1,997	-2,358
73.40	Adjustments in expired accounts (net)	-6		
74.40	Obligated balance, end of year	710	892	1,068
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	641	1,504	1,732
86.93	Outlays from discretionary balances	500	493	626
87.00	Total outlays (gross)	1,141	1,997	2,358
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-30	-98	-92
Net budget authority and outlays:				
89.00	Budget authority	1,248	2,053	2,442
90.00	Outlays	1,111	1,899	2,266

This account was established by Congress in 2005 under PL 109-114 in order to support the Department's reorganization and centralization of information technology activities.

Note-In 2008, \$107,248,000 in contingency funds will be used for: the purchase of computers and other information technology needs associated with the increase in claims processors for the Veterans Benefits Administration and for increased staff in other offices related to claims processing; an insurance card buffer system; Veterans Health Administration Chief Logistics Office information technology support; information technology costs associated with activation of new community based outpatient clinics; and information technology payroll costs in support of the Department's information technology reorganization.

Object Classification (in millions of dollars)

Identification code 36-0167-0-1-705	2007 actual	2008 est.	2009 est.
Direct obligations:			
11.1	Personnel compensation: Full-time permanent	668	692
21.0	Travel and transportation of persons	16	17
23.2	Rental payments to others	1	1
23.3	Communications, utilities, and miscellaneous charges	185	190
25.2	Other services	804	828
25.3	Other purchases of goods and services from Government accounts	21	21
26.0	Supplies and materials	12	12
31.0	Equipment	330	340
32.0	Land and structures	5	5
99.0	Direct obligations	1,358	2,081
99.0	Reimbursable obligations	30	98
99.9	Total new obligations	1,388	2,179

Employment Summary

Identification code 36-0167-0-1-705	2007 actual	2008 est.	2009 est.
Direct:			
1001	Civilian full-time equivalent employment	6,444	6,538
Reimbursable:			
2001	Civilian full-time equivalent employment	242	242

NATIONAL CEMETERY ADMINISTRATION

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including

uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; [and] hire of passenger motor vehicles [, \$195,000,000]; and repair, alteration or improvement of facilities under the jurisdiction of the Department, \$180,959,000, of which not to exceed \$20,000,000 \$9,048,000 shall be available until September 30, [2009] 2010.

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
02.01	Administrative expenses	163	195
10.00	Total new obligations	163	195
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	3	1
22.00	New budget authority (gross)	160	194
22.10	Resources available from recoveries of prior year obligations	2	
23.90	Total budgetary resources available for obligation	165	195
23.95	Total new obligations	-163	-195
23.98	Unobligated balance expiring or withdrawn	-1	
24.40	Unobligated balance carried forward, end of year	1	
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	161	195
41.00	Transferred to other accounts	-1	-1
43.00	Appropriation (total discretionary)	160	194
Change in obligated balances:			
72.40	Obligated balance, start of year	29	32
73.10	Total new obligations	163	195
73.20	Total outlays (gross)	-156	-176
73.40	Adjustments in expired accounts (net)	-2	
73.45	Recoveries of prior year obligations	-2	
74.40	Obligated balance, end of year	32	51
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	133	147
86.93	Outlays from discretionary balances	23	29
87.00	Total outlays (gross)	156	176
Net budget authority and outlays:			
89.00	Budget authority	160	194
90.00	Outlays	156	176

The mission of the National Cemetery Administration is to honor veterans with final resting places in national shrines and with lasting tributes that commemorate their service to our Nation. The National Cemetery Administration's vision is to serve all veterans and their families with the utmost dignity, respect, and compassion. Every national cemetery will be a place that inspires visitors to understand and appreciate the service and sacrifice of our Nation's veterans. There are four related programs managed by the National Cemetery Administration including: (1) burying eligible veterans and their family members in national cemeteries and maintaining the graves and their environs as national shrines; (2) administering grants to States in establishing, expanding, or improving State veteran cemeteries; (3) providing headstones and markers for the graves of eligible veterans in national, State, and private cemeteries; and (4) providing presidential memorial certificates to family and friends of deceased veterans, recognizing the veterans' contribution and service to the Nation.

Note: In 2008, \$28,191,000 in contingency funds will be used to correct gravesite deficiencies at VA's national cemeteries, including those identified in the 2002 Millennium Act report to Congress. These repairs involve gravesite renovation projects to replace turf, repair sunken graves, and raise, realign and clean headstones.

NATIONAL CEMETERY ADMINISTRATION—Continued

The National Cemetery Administration also reflects budget information for the National Cemetery Gift Fund and the National Cemetery Administration Facilities Operation Fund. Through the Gift Fund, the Secretary is authorized to accept gifts and bequests which are made for the purpose of beautifying national cemeteries or are determined to be beneficial to such cemeteries, or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona. Through the Facilities Operation Fund, the Secretary is authorized to lease any undeveloped land and unused or underutilized buildings of the National Cemetery Administration, or parts or parcels thereof, for a term not to exceed 10 years. Proceeds from such leases are deposited in the Facilities Operation Fund, and are available to cover costs incurred by the National Cemetery Administration in the operation and maintenance of property of the Administration.

Object Classification (in millions of dollars)

Identification code 36-0129-0-1-705	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	77	78	83
11.3 Other than full-time permanent	3	2	2
11.9 Total personnel compensation	80	80	85
12.1 Civilian personnel benefits	25	27	29
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things	1	1	1
23.1 Rent	2	2	2
23.3 Communications, utilities, and miscellaneous charges	4	4	5
24.0 Printing and reproduction	1	1	1
25.2 Other services	34	63	40
26.0 Supplies and materials	8	8	8
31.0 Equipment	5	6	7
99.9 Total new obligations	163	195	181

Employment Summary

Identification code 36-0129-0-1-705	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	1,541	1,552	1,603

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
09.01 Reimbursable program-COGS-Merchandizing	1,179	1,982	2,061
09.02 Reimbursable program-Other-Operations	90	91	91
09.03 Reimbursable program-COGS-Printing and Publications	10	10	15
09.04 Reimbursable program-Other	1	1	1
09.05 Reimbursable program-Equipment-Procurement Services and Distribution	1	1	1
10.00 Total new obligations	1,281	2,085	2,169
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,392	1,477	1,477
22.00 New budget authority (gross)	1,366	2,085	2,169
23.90 Total budgetary resources available for obligation	2,758	3,562	3,646
23.95 Total new obligations	-1,281	-2,085	-2,169
24.40 Unobligated balance carried forward, end of year	1,477	1,477	1,477
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	1,679	2,085	2,169
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-313		

69.90	Spending authority from offsetting collections (total mandatory)	1,366	2,085	2,169
Change in obligated balances:				
72.40	Obligated balance, start of year	-1,090	-1,205	-1,205
73.10	Total new obligations	1,281	2,085	2,169
73.20	Total outlays (gross)	-1,709	-2,085	-2,169
74.00	Change in uncollected customer payments from Federal sources (unexpired)	313		
74.40	Obligated balance, end of year	-1,205	-1,205	-1,205
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	1,287	2,085	2,169
86.98	Outlays from mandatory balances	422		
87.00	Total outlays (gross)	1,709	2,085	2,169
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-1,539	-2,085	-2,169
88.40	Non-Federal sources	-140		
88.90	Total, offsetting collections (cash)	-1,679	-2,085	-2,169
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	313		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	30		

Under the provisions of 38 U.S.C. 8121, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. The Supply Fund is an intragovernmental revolving fund without fiscal year limitations.

Budget program.—The fund provides financial support for: (1) a National Acquisition Center or central contracting office; (2) the maintenance of field station inventories; (3) a service and distribution center; (4) a service and reclamation program; (5) a national prosthetics distribution center; and (6) an asset management service.

Costs for the administration of supply activities at VA field stations are not financed by the Supply Fund. These costs are charged directly to applicable appropriations accounts.

Financing.—Costs of supplies, equipment, and services acquired through the Supply Fund and Supply Fund operating costs are recovered through reimbursements from the VA appropriations and other Government agencies receiving goods and services. For 2009, Supply Fund sales are estimated to reach \$1.5 billion.

Operating results.—The Fund operated at a profit of 16 million in 2007. The new total of retained earnings is 109 million. Operating expense as related to sales was 5 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	2007 actual	2008 est.	2009 est.	
Reimbursable obligations:				
Personnel compensation:				
11.1	Full-time permanent	33	35	35
11.5	Other personnel compensation			1
11.9	Total personnel compensation	33	35	36
12.1	Civilian personnel benefits	12	12	12
21.0	Travel and transportation of persons	3	7	7
23.1	Rental payments to GSA	3	3	3
23.3	Communications, utilities, and miscellaneous charges	2	2	2
24.0	Printing and reproduction	8	10	10
25.2	Other services	129	677	697
26.0	Supplies and materials	449	858	891
31.0	Equipment	642	481	511
99.9	Total new obligations	1,281	2,085	2,169

Employment Summary

Identification code 36-4537-0-4-705	2007 actual	2008 est.	2009 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	426	480	558

FRANCHISE FUND

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
09.01 Reimbursable program	254	303	304
10.00 Total new obligations	254	303	304
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	150	192	192
22.00 New budget authority (gross)	296	303	304
23.90 Total budgetary resources available for obligation	446	495	496
23.95 Total new obligations	-254	-303	-304
24.40 Unobligated balance carried forward, end of year	192	192	192
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	282	303	304
69.10 Change in uncollected customer payments from Federal sources (unexpired)	14		
69.90 Spending authority from offsetting collections (total mandatory)	296	303	304
Change in obligated balances:			
72.40 Obligated balance, start of year	-3	-55	21
73.10 Total new obligations	254	303	304
73.20 Total outlays (gross)	-292	-227	-228
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-14		
74.40 Obligated balance, end of year	-55	21	97
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	296	227	228
86.98 Outlays from mandatory balances	-4		
87.00 Total outlays (gross)	292	227	228
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-282	-303	-304
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-14		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	10	-76	-76

VA Franchise Fund has permanent authority under P.L. 104-204, as amended by P.L. 109-114. Established in 1997, administrative services included in the Franchise Fund are financed on a fee-for-service basis. VA Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$304 million and employ 954 in 2009.

The Franchise Fund concept is intended to increase competition for government administrative services resulting in lower costs and higher quality.

Object Classification (in millions of dollars)

Identification code 36-4539-0-4-705	2007 actual	2008 est.	2009 est.
Reimbursable obligations:			
11.1 Personnel compensation: Full-time permanent	46	78	79
12.1 Civilian personnel benefits	11	11	11

21.0 Travel and transportation of persons	1	3	3
23.1 Rental payments to GSA	5		
23.3 Communications, utilities, and miscellaneous charges	29	44	44
24.0 Printing and reproduction	3	4	4
25.2 Other services	145	152	152
26.0 Supplies and materials	1	8	8
31.0 Equipment	13	3	3
99.9 Total new obligations	254	303	304

Employment Summary

Identification code 36-4539-0-4-705	2007 actual	2008 est.	2009 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	726	955	954

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 201. Any appropriation for fiscal year [2008] 2009 for “Compensation and pensions”, “Readjustment benefits”, and “Veterans insurance and indemnities” may be transferred as necessary to any other of the mentioned appropriations: *Provided*, That before a transfer may take place, the Secretary of Veterans Affairs shall [request from] *submit notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and such Committees issue an approval, or absent a response, a period of 30 days has elapsed].

(INCLUDING TRANSFER OF FUNDS)

SEC. 202. Amounts made available for fiscal year [2008] 2009, in this Act or any other Act, under the “Medical services”, [“Medical Administration”] and “Medical facilities” accounts may be transferred [among] *between* the accounts to the extent necessary to implement the restructuring of the Veterans Health Administration accounts: *Provided*, That before a transfer may take place, the Secretary of Veterans Affairs shall [request from] *submit notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is issued].

SEC. 203. Appropriations available in this title for salaries and expenses shall be available for services authorized by section 3109 of title 5, United States Code, hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by sections 5901 through 5902 of title 5, United States Code.

SEC. 204. No appropriations in this title (except the appropriations for “Construction, major projects”, and “Construction, minor projects”) shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 205. No appropriations in this title shall be available for hospitalization or examination of any persons (except beneficiaries entitled to such hospitalization or examination under the laws providing such benefits to veterans, and persons receiving such treatment under sections 7901 through 7904 of title 5, United States Code, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)), unless reimbursement of the cost of such hospitalization or examination is made to the “Medical services” account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 206. Appropriations available in this title for “Compensation and pensions”, “Readjustment benefits”, and “Veterans insurance and indemnities” shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year [2007] 2008.

SEC. 207. Appropriations available in this title shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from sections 3328(a), 3334, and 3712(a) of title 31, United States Code, except that if such obligations are from trust fund accounts they shall be payable only from “Compensation and pensions”.

(INCLUDING TRANSFER OF FUNDS)

SEC. 208. Notwithstanding any other provision of law, during fiscal year [2008] 2009, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans’ Special Life Insurance Fund (38 U.S.C. 1923), and the United States

ADMINISTRATIVE PROVISIONS—Continued

Government Life Insurance Fund (38 U.S.C. 1955), reimburse the “General operating expenses” and “Information technology systems” account for the cost of administration of the insurance programs financed through those accounts: *Provided*, That reimbursement shall be made only from the surplus earnings accumulated in such an insurance program during fiscal year [2008] 2009 that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: *Provided further*, That if the cost of administration of such an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: *Provided further*, That the Secretary shall determine the cost of administration for fiscal year [2008] 2009 which is properly allocable to the provision of each such insurance program and to the provision of any total disability income insurance included in that insurance program.

SEC. 209. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal year for providing enhanced-use lease services, may be obligated during the fiscal year in which the proceeds are received.

(INCLUDING TRANSFER OF FUNDS)

SEC. 210. Funds available in this title or funds for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management of the Department of Veterans Affairs and the Office of Employment Discrimination Complaint Adjudication under section 319 of title 38, United States Code, for all services provided at rates which will recover actual costs but not exceed [\$32,067,000] \$34,158,000 for the Office of Resolution Management and [\$3,148,000] \$3,278,000 for the Office of Employment and Discrimination Complaint Adjudication: *Provided*, That payments may be made in advance for services to be furnished based on estimated costs: *Provided further*, That amounts received shall be credited to “General operating expenses” and “Information technology systems” for use by the office that provided the service.

SEC. 211. No appropriations in this title shall be available to enter into any new lease of real property if the estimated annual rental is more than [\$300,000] \$600,000 unless the Secretary submits a report [which] to the Committees on Appropriations of both Houses of Congress [approve within 30 days following the date on which the report is received].

SEC. 212. No funds of the Department of Veterans Affairs shall be available for hospital care, nursing home care, or medical services provided to any person under chapter 17 of title 38, United States Code, for a non-service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title: *Provided*, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required: *Provided further*, That any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts are received.

(INCLUDING TRANSFER OF FUNDS)

SEC. 213. Notwithstanding any other provision of law, [at the discretion of the Secretary of Veterans Affairs,] proceeds or revenues derived from enhanced-use leasing activities (including disposal) may be deposited into the “Construction, major projects” and “Construction, minor projects” accounts and be used for construction (including site acquisition and disposition), alterations, and improvements of any medical facility under the jurisdiction or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in “Construction, major projects” and “Construction, minor projects”.

SEC. 214. Amounts made available under “Medical services” are available—

(1) for furnishing recreational facilities, supplies, and equipment; and

(2) for funeral expenses, burial expenses, and other expenses incidental to funerals and burials for beneficiaries receiving care in the Department.

(INCLUDING TRANSFER OF FUNDS)

SEC. 215. Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to “Medical services”, to remain available until expended for the purposes of that account.

SEC. 216. Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall allow veterans who are eligible under existing Department of Veterans Affairs medical care requirements and who reside in Alaska to obtain medical care services from medical facilities supported by the Indian Health Service or tribal organizations. The Secretary shall: (1) limit the application of this provision to rural Alaskan veterans in areas where an existing Department of Veterans Affairs facility or Veterans Affairs-contracted service is unavailable; (2) require participating veterans and facilities to comply with all appropriate rules and regulations, as established by the Secretary; (3) require this provision to be consistent with Capital Asset Realignment for Enhanced Services activities; and (4) result in no additional cost to the Department of Veterans Affairs or the Indian Health Service.

(TRANSFER OF FUNDS)

SEC. 217. Such sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to section 8118 of title 38, United States Code, may be transferred to the “Construction, major projects” and “Construction, minor projects” accounts, to remain available until expended for the purposes of these accounts.

[SEC. 218. None of the funds available to the Department of Veterans Affairs, in this Act, or any other Act, may be used to replace the current system by which the Veterans Integrated Services Networks select and contract for diabetes monitoring supplies and equipment.]

[SEC. 219. None of the funds made available in this title may be used to implement any policy prohibiting the Directors of the Veterans Integrated Services Networks from conducting outreach or marketing to enroll new veterans within their respective Networks.]

SEC. [220] 218. The Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a quarterly report on the financial status of the Veterans Health Administration.

(INCLUDING TRANSFER OF FUNDS)

SEC. [221] 219. Amounts made available under the “Medical services”, [“Medical Administration”,] “Medical facilities”, “General operating expenses”, and “National Cemetery Administration” accounts for fiscal year [2008] 2009, may be transferred to or from the “Information technology systems” account: *Provided*, That before a transfer may take place, the Secretary of Veterans Affairs shall [request from] submit notice thereof to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is] [issued].

SEC. [222] 220. Amounts made available for the “Information technology systems” account may be transferred between projects: *Provided*, That no project may be increased or decreased by more than [\$1,000,000] \$5,000,000 of cost prior to submitting [a request] notice thereof to the Committees on Appropriations of both Houses of Congress [to make the transfer and an approval is issued, or absent a response, a period of 30 days has elapsed].

(INCLUDING TRANSFER OF FUNDS)

SEC. [223] 221. Any balances in prior year accounts established for the payment of benefits under the Reinstated Entitlement Program for Survivors shall be transferred to and merged with amounts available under the “Compensation and pensions” account, and, hereinafter, receipts that would otherwise be credited to the accounts established for the payment of benefits under the Reinstated Entitlement Program for Survivors program shall be credited to amounts available under the “Compensation and pensions” account.

[SEC. 224. PROHIBITION ON DISPOSAL OF DEPARTMENT OF VETERANS AFFAIRS LANDS AND IMPROVEMENTS AT WEST LOS ANGELES MEDICAL CENTER, CALIFORNIA

(a) IN GENERAL.—The Secretary of Veterans Affairs may not declare as excess to the needs of the Department of Veterans Affairs, or otherwise take any action to exchange, trade, auction, transfer, or otherwise dispose of, or reduce the acreage of, Federal land and improvements at the Department of Veterans Affairs West Los Angeles Medical Center, California, encompassing approximately 388 acres on the north and south sides of Wilshire Boulevard and west of the 405 Freeway.

(b) SPECIAL PROVISION REGARDING LEASE WITH REPRESENTATIVE OF THE HOMELESS.—Notwithstanding any provision of this Act, section 7 of the Homeless Veterans Comprehensive Services Act of 1992 (Public Law 102–590) shall remain in effect.

(c) CONFORMING AMENDMENT.—Section 8162(c)(1) of title 38, United States Code, is amended—

(1) by inserting “or section 224(a) of the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008” after “section 421(b)(2) of the Veterans’ Benefits and Services Act of 1988 (Public Law 100–322; 102 Stat. 553)”;

(2) by striking “that section” and inserting “such sections”.

(d) EFFECTIVE DATE.—This section, including the amendment made by this section, shall apply with respect to fiscal year 2008 and each fiscal year thereafter.】

【SEC. 225. The Department shall continue research into Gulf War Illness at levels not less than those made available in fiscal year 2007, within available funds contained in this Act.】

【SEC. 226. (a) Not later than 30 days after the date of the enactment of this Act, the Inspector General of the Department of Veterans Affairs shall establish and maintain on the homepage of the Internet website of the Office of Inspector General a mechanism by which individuals can anonymously report cases of waste, fraud, or abuse with respect to the Department of Veterans Affairs.

(b) Not later than 30 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall establish and maintain on the homepage of the Internet website of the Department of Veterans Affairs a direct link to the Internet website of the Office of Inspector General of the Department of Veterans Affairs.】

【SEC. 227. (a) Upon a determination by the Secretary of Veterans Affairs that such action is in the national interest, and will have a direct benefit for veterans through increased access to treatment, the Secretary of Veterans Affairs may transfer not more than \$5,000,000 to the Secretary of Health and Human Services for the Graduate Psychology Education Program, which includes treatment of veterans, to support increased training of psychologists skilled in the treatment of post-traumatic stress disorder, traumatic brain injury, and related disorders.

(b) The Secretary of Health and Human Services may only use funds transferred under this section for the purposes described in subsection (a).

(c) The Secretary of Veterans Affairs shall notify Congress of any such transfer of funds under this section.】

【SEC. 228. None of the funds appropriated or otherwise made available by this Act or any other Act for the Department of Veterans Affairs may be used in a manner that is inconsistent with—

(1) section 842 of the Transportation, Treasury, Housing and Urban Development, the Judiciary, and Independent Agencies Appropriations Act, 2006 (Public Law 109–115; 119 Stat. 2506); or

(2) section 8110(a)(5) of title 38, United States Code.】

【SEC. 229. The Secretary of Veterans Affairs may carry out a major medical facility lease in fiscal year 2008 in an amount not to exceed \$12,000,000 to implement the recommendations outlined in the August 2007 Study of South Texas Veterans’ Inpatient and Specialty Outpatient Health Care Needs.】

【(INCLUDING RESCISSION OF FUNDS)】

【SEC. 230. Of the amounts made available for “Veterans Health Administration, Medical Services” in Public Law 110–28, \$66,000,000 are rescinded. For an additional amount for “Departmental Administration, Construction, Major Projects”, \$66,000,000, to be available until expended: *Provided*, That the amount provided by this section is designated as described in section 5 (in the matter preceding division A of this consolidated Act).】

【SEC. 231. Section 1710(f)(2)(B) of title 38, United States Code, is amended by striking “September 30, 2007,” and inserting “September 30, 2008,”.】

【SEC. 232. Section 1729(a)(2)(E) of title 38, United States Code, is amended by striking “October 1, 2007,” and inserting “October 1, 2008,”.】

【SEC. 233. The unobligated balance of funds appropriated under the heading “Construction, Major Projects” in Public Law 109–234 for environmental clean-up and removal of debris from the Department of Veterans Affairs property in Gulfport, Mississippi, shall be available to the Department to replace missing doors and windows, and to repair roofs, of the buildings identified by the City of Gulfport, Mississippi, that will convey with the property, to prevent further environmental damage to the interior infrastructure of these buildings: *Provided*, That the amount provided by this section is des-

ignated as described in section 5 (in the matter preceding division A of this consolidated Act).】

【SEC. 234. Notwithstanding any other provision of law, increases necessary to carry out section 3674 of title 38, United States Code at a level equal to fiscal year 2007 shall be available from amounts provided in this title for “Departmental Administration, General Operating Expenses”.】

【SEC. 235. (a) EMERGENCY DESIGNATION.—Notwithstanding any other provision of this title (except section 230), of the amounts otherwise provided by this title for the following accounts, the following amounts are designated as emergency requirements and necessary to meet emergency needs pursuant to subsections (a) and (b) of section 204 of S. Con. Res. 21 (110th Congress), the concurrent resolution on the budget for fiscal year 2008:

Veterans Health Administration, Medical Services, \$1,936,549,000.

Veterans Health Administration, Medical Administration, \$75,000,000.

Veterans Health Administration, Medical Facilities, \$508,000,000.

Veterans Health Administration, Medical and Prosthetic Research, \$69,000,000.

National Cemetery Administration, \$28,191,000.

Departmental Administration, General Operating Expenses, \$133,163,000.

Departmental Administration, Information Technology Systems, \$107,248,000.

Departmental Administration, Office of the Inspector General, \$7,901,000.

Departmental Administration, Construction, Major Projects, \$341,700,000.

Departmental Administration, Construction, Minor Projects, \$397,139,000.

Departmental Administration, Grants for Construction of State Extended Care Facilities, \$80,000,000.

Departmental Administration, Grants for Construction of State Veterans Cemeteries, \$7,500,000.

(b) CONTINGENT APPROPRIATION.—Any amount appropriated in this title that is designated by the Congress as an emergency requirement pursuant to subsection (a) shall be made available only after submission to the Congress by January 18, 2008, a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement.

(c) REQUIREMENT FOR AVAILABILITY.—None of the funds described in subsection (a) shall become available for obligation unless all such funds are made available for obligation.】 (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2007 actual	2008 est.	2009 est.
Offsetting receipts from the public:			
36–143500 General Fund Proprietary Interest Receipts, not Otherwise Classified	5	2	2
36–246800 Pharmaceutical Copayments, Increase from PL 7/8			335
36–247300 Contributions from Military Personnel, Veteran’s Educational Assistance Act of 1984	203	203	203
36–247600 Enrollment Fee for PL 7/8			
36–247700 Eliminate Third Party Offset			44
36–273330 Housing Downward Reestimates	961	1,227	
36–275510 Housing Negative Subsidies	89	133	246
36–322000 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts	–16		
General Fund Offsetting receipts from the public	1,242	1,565	830
Intragovernmental payments:			
36–388500 Undistributed Intragovernmental Payments and Receivables from Cancelled Accounts	1	6	6
General Fund Intragovernmental payments	1	6	6

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 402. Such sums as may be necessary for fiscal year **[2008]** 2009 for pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 403. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 404. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before Congress, except in presentation to Congress itself.

SEC. 405. All departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of “E-Commerce” technologies and procedures in the conduct of their business practices and public service activities.

[SEC. 406. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government except pursuant to a transfer made by, or transfer authority provided in, this or any other appropriations Act.]

SEC. **[407]** 406. Unless stated otherwise, all reports and notifications required by this Act shall be submitted to the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives and the Subcommittee on Military Construction, Veterans Affairs,

and Related Agencies of the Committee on Appropriations of the Senate.

[SEC. 408. The Director of the Congressional Budget Office shall, not later than February 1, 2008, submit to the Committees on Appropriations of the House of Representatives and the Senate a report projecting annual appropriations necessary for the Department of Veterans Affairs to continue providing necessary health care to veterans for fiscal years 2009 through 2012.]

[SEC. 409. None of the funds appropriated or otherwise made available in this Act may be used for any action that is related to or promotes the expansion of the boundaries or size of the Pinon Canyon Maneuver Site, Colorado.]

[SEC. 410. (a) In this section:

(1) The term “City” means the City of Aurora, Colorado.

(2) The term “deed” means the quitclaim deed—

(A) conveyed by the Secretary to the City; and

(B) dated May 24, 1999.

(3) The term “non-Federal land” means—

(A) parcel I of the Fitzsimons Army Medical Center, Colorado; and

(B) the parcel of land described in the deed.

(4) The term “Secretary” means the Secretary of the Interior.

(b)(1) In accordance with paragraph (2), to allow the City to convey by donation to the United States the non-Federal land to be used by the Secretary of Veterans Affairs for the construction of a veterans medical facility.

(2) In carrying out paragraph (1), with respect to the non-Federal land, the Secretary shall forego exercising any rights provided by the—

(A) deed relating to a reversionary interest of the United States; and

(B) any other reversionary interest of the United States.] (*Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008.*)