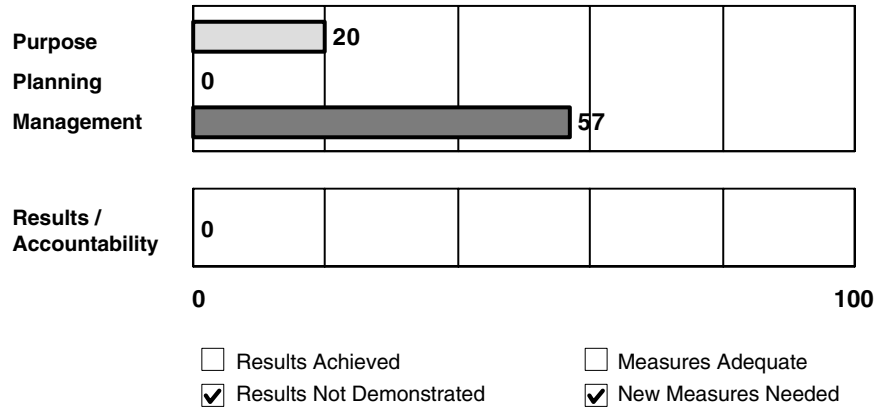


Program: Disability Compensation

Agency: Department of Veterans Affairs

Bureau: Veterans Benefits Administration



Key Performance Measures

Year Target Actual

Key Performance Measures	Year	Target	Actual
Long-term Measure: Targets under development			
Long-term Measure: Targets under development			
Long-term Measure: Targets under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The VA disability compensation program provides monthly benefit payments to veterans who suffer diseases or disabilities related to their military service. Disabled veterans are assumed to earn less in civilian occupations than non-disabled veterans. The VA pays this difference in earnings to disabled veterans.

The assessment revealed that, while the program serves a unique role as the workers' compensation program for the military workforce, no study to measure the income loss associated with a specific disability has been conducted since 1945. As such, it is unclear whether the benefits payments are too high or too low and meeting their "purpose" -- the reason for the score of 20 in this area. Additional findings:

1. The list of covered disabilities has grown over the years. Many of the currently covered disabilities are usually not associated with loss of earnings. These include acne scars, hemorrhoids, high blood pressure, and diabetes.
2. The program has both goals and measures for productivity, but lacks long-term measures about how disability payments affect the quality of life of disabled veterans. The program also lacks cost-efficiency measures. It has been almost 60 years since a study has been done to determine whether the purpose of the program is being met. VA has not been able to develop long-term goals and measures related to its purpose. This is the reason that the program got a zero rating on both planning and results/accountability.
3. Program management has significantly improved. Claims examiners and their supervisors are subject to increasing accountability with real consequences. Resources are now distributed among offices based on productivity and performance.

In response to these findings, the Administration:

1. Will maintain current staffing level for the program;
2. Will initiate a program evaluation in 2004; and
3. Will develop long-term and cost-efficiency measures.

(For more information on this program, please see the Department of Veterans Affairs chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
23,375	26,140	26,832