



Required Supplementary Stewardship Information

These materials are not audited

1. Non-Federal Physical Property

Annually, VA provides funding to state governments for the purchase, construction, or major renovation of physical property owned by the state. In most cases these grant programs involve matching funds from the states.

Grant Program Costs

Years Ended September 30,	2007	2006	2005	2004	2003
State Extended Care Facilities	\$ 138	\$ 85	\$ 183	\$ 66	\$ 121
State Veterans Cemeteries	46	18	36	34	30
Total Grant Program Costs	\$ 184	\$ 103	\$ 219	\$ 100	\$ 151

The Extended Care Facilities Grant Program assists states in acquiring facilities to provide domiciliary, nursing home, and other day health care for veterans, and to expand, remodel, or alter existing buildings to provide domiciliary, nursing home, hospital, and day health care for veterans in state homes. VA participates in two grant-in-aid programs for states. VA may participate in up to 65 percent of the cost of construction or acquisition of state nursing homes or domiciliaries or in renovations of existing state homes. Over the last 5 fiscal years, the State Home Construction Grant Program has awarded grants in excess of \$626 million. VA also provides per diem payment for the care of eligible veterans in state homes.

Since the cemetery program was established in 1980, VA has awarded grants totaling more than

\$308 million to 39 states and the Commonwealths of Guam and the Northern Marianas. The program provides up to 100 percent of the cost to establish, expand, or improve state veterans' cemeteries. States provide the land and agree to operate the cemeteries.

2. Human Capital

Investment in human capital comprises those expenses for education and training programs for the general public that are intended to increase or maintain national economic productive capacity. It does not include expenses for internal federal education and training of civilian employees.



Veterans and Dependents Education		
Years ended September 30,		
	2007	2006
Program Expenses		
Education and Training-Dependents of Veterans	\$ 450	\$ 430
Vocational Rehabilitation and Education Assistance	3,095	2,943
Administrative Program Costs	243	232
Total Program Expenses	\$ 3,788	\$ 3,605
Program Outputs (Participants)		
Dependent Education	79,134	79,430
Veterans Rehabilitation	69,409	71,627
Veterans Education	490,826	461,488

Veterans and Dependents Education		
Years ended September 30,		
	2005	2004
Program Expenses		
Education and Training-Dependents of Veterans	\$ 405	\$ 320
Vocational Rehabilitation and Education Assistance	2,779	2,517
Administrative Program Costs	226	230
Total Program Expenses	\$ 3,410	\$ 3,067
Program Outputs (Participants)		
Dependent Education	75,072	67,420
Veterans Rehabilitation	71,956	75,409
Veterans Education	444,359	409,695

Veterans and Dependents Education	
Year ended September 30,	
	2003
Program Expenses	
Education and Training-Dependents of Veterans	\$ 266
Vocational Rehabilitation and Education Assistance	2,309
Administrative Program Costs	288
Total Program Expenses	\$ 2,863
Program Outputs (Participants)	
Dependent Education	64,582
Veterans Rehabilitation	71,549
Veterans Education	400,289



Program Outcomes

VA's education and training programs are intended to provide higher education to dependents who might not be able to participate otherwise. Veterans' rehabilitation and employment programs are provided to service-disabled veterans; they are designed to improve employability and promote independence for the disabled. Educational programs for active duty personnel, reservists, and veterans provide higher education assistance to those who are eligible under the MGIB and the Veterans Educational Assistance Program. Education and training assistance is provided to dependents of veterans who died of service-connected disability or whose service-connected disability

was rated permanent and total. The Vocational Rehabilitation and Employment program provides evaluation services, counseling, and training necessary to assist veterans in becoming employable and maintaining employment to the extent possible. The program is open to veterans who have a 10 percent or greater service-connected disability rating and are found to have a serious employment handicap. The Veterans Education program provides educational assistance to eligible servicemembers and veterans.

3. Health Professions Education

Health Professions Education

Years Ended September 30,

	2007	2006	2005	2004	2003
Program Expenses					
Physician Residents and Fellows	\$ 469	\$ 462	\$ 438	\$ 420	\$ 404
Associated Health Residents and Students	81	65	63	62	60
Instructional and Administrative Support	606	452	430	401	367
Total Program Expenses	\$ 1,156	\$ 979	\$ 931	\$ 883	\$ 831
Program Outputs					
Health Professions Rotating Through VA:					
Physician Residents and Fellows	33,775	31,290	30,903	29,179	28,000
Medical Students	18,728	17,289	16,750	16,740	16,000
Nursing Students	27,515	24,870	22,675	20,275	17,000
Associated Health Residents and Students	20,875	18,990	16,862	16,921	15,000
Total Program Outcomes	100,893	92,439	87,190	83,115	76,000

Program Outcomes

VA's education mission contributes to high quality health care of veterans by providing a climate of scientific inquiry between trainees and teachers; application of medical advances more readily through an academic setting; supervised trainees who provide clinical care;

and educational programs that enable VA to recruit highly qualified health care professionals.

The Veterans Health Administration (VHA) conducts education and training programs to enhance the quality of care provided to veterans within the VA health care system. Building on



the long-standing, close relationships among VA and the Nation’s academic institutions, VA plays a leadership role in defining the education of future health care professionals that helps meet the changing needs of the Nation’s health care delivery system. Title 38 U.S.C. mandates that VA assist in the training of health professionals for its own needs and those of the Nation. Through its partnerships with affiliated academic institutions, VA conducts the largest education and training effort for health professionals in the Nation. Each year, over 100,000 medical and other students receive some or all of their clinical training in VA facilities through affiliations with over 1,200 educational institutions including 107 medical

schools. Many have their health profession degrees and contribute substantially to VA’s ability to deliver cost-effective and high-quality patient care during their advanced clinical training at VA.

4. Research and Development (R&D)

Investments in research and development comprise those expenses for basic research, applied research, and development that are intended to increase or maintain national economic productive capacity or yield other benefits.

Program Expense				
Year ended September 30,				
	Basic	Applied	Development	2007
				Total
Medical Research Service	\$ 171.3	\$ 56.9	\$ -	\$ 228.2
Rehabilitative Research and Development	4.8	24.5	24.4	53.7
Health Services Research and Development	-	58.2	-	58.2
Cooperative Studies Research Service	32.9	41.0	-	73.9
Medical Research Support	-	408.6	-	408.6
Total Program Expenses	\$ 209.0	\$ 589.2	\$ 24.4	\$ 822.6

Program Expense				
Year ended September 30,				
	Basic	Applied	Development	2006
				Total
Medical Research Service	\$ 172.1	\$ 57.2	\$ -	\$ 229.3
Rehabilitative Research and Development	5.4	27.1	21.7	54.2
Health Services Research and Development	-	59.7	-	59.7
Cooperative Studies Research Service	30.6	38.2	-	68.8
Medical Research Support	-	353.0	-	353.0
Total Program Expenses	\$ 208.1	\$ 535.2	\$ 21.7	\$ 765.0



Program Expense				2005
Year ended September 30,				
	Basic	Applied	Development	Total
Medical Research Service	\$ 154.4	\$ 59.4	\$ -	\$ 213.8
Rehabilitative Research and Development	4.9	23.9	19.6	48.4
Health Services Research and Development	-	61.7	-	61.7
Cooperative Studies Research Service	.5	47.8	-	48.3
Medical Research Support	-	381.7	-	381.7
Total Program Expenses	\$ 159.8	\$ 574.5	\$ 19.6	\$ 753.9

Program Expense				2004
Year ended September 30,				
	Basic	Applied	Development	Total
Medical Research Service	\$ 172.9	\$ 81.8	\$ -	\$ 254.7
Rehabilitative Research and Development	3.5	27.9	17.0	48.4
Health Services Research and Development	-	61.8	-	61.8
Cooperative Studies Research Service	-	27.7	-	27.7
Medical Research Support	-	452.0	-	452.0
Prosthetic Research Support	-	4.8	-	4.8
Total Program Expenses	\$ 176.4	\$ 656.0	\$ 17.0	\$ 849.4

Program Expense				2003
Year ended September 30,				
	Basic	Applied	Development	Total
Medical Research Service	\$ 141.0	\$ 80.7	\$ -	\$ 221.7
Rehabilitative Research and Development	3.1	27.5	20.3	50.9
Health Services Research and Development	-	61.5	-	61.5
Cooperative Studies Research Service	-	27.0	-	27.0
Medical Research Support	-	402.9	-	402.9
Prosthetic Research Support	-	4.7	-	4.7
Total Program Expenses	\$ 144.1	\$ 604.3	\$ 20.3	\$ 768.7



In addition, VHA researchers received grants from the National Institutes of Health in the amount of \$630 million and \$198 million in other grants during FY 2007. These grants went directly to researchers and are not considered part of the VA entity. They are being disclosed here but are not accounted for in the financial statements.

Program Outputs/Outcomes

For FY 2007, VA's R&D general goal related to stewardship was to ensure that VA medical research programs met the needs of the veteran population and contributed to the Nation's knowledge about disease and disability. Target levels were established for the: (1) percent of funded research projects relevant to VA's health-care mission in designated research areas and (2) number of research and development projects. Strategies were developed in order to ensure that performance targets would be achieved.

**Research and Development Measures-Actual
Years ended September 30,**

	2007	2006	2005	2004	2003
Percent of Funded Research Projects Relevant to VA's Health-Care Mission	100.00%	100.00%	94.3%	97.1%	95.6%
Number of Research and Development Projects	2,019	2,190	2,107	2,165	2,075

VA's Medical Research Program goal is to be the premier research organization, leading our Nation's efforts to discover knowledge and create innovations that promote and advance the health and care of veterans and the Nation. To achieve this goal, VA targets research projects

that address special needs of veteran patients and balance research resources among basic and applied research to ensure a complementary role between the discovery of new knowledge and the application of these discoveries to medical practice.