

Objective 2.1

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 2 Ensure a smooth transition for veterans from active military service to civilian life.		\$3,281	4.7%
Objective	Performance Results		
2.1 Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.	<ul style="list-style-type: none"> • 20 percent of compensation claimants were participants in the Benefits Delivery at Discharge program (goal was 25 percent) • 100 percent of VA medical centers provided electronic access to health information provided by DoD on separated service persons (goal was 100 percent) 	\$641	0.9%

Performance

VA employs numerous approaches to ease the transition of active duty servicemembers to civilian life. One of the most important measures as to how well the Department is progressing toward achieving Objective 2.1 is the extent to which eligible servicemembers that file compensation claims take advantage of the Benefits Delivery at Discharge (BDD) program. Conducted in close collaboration with the Department of Defense, the BDD program assists active duty military personnel in filing claims for benefits at or near their time of discharge in order to expedite the processing of these claims. VA now conducts this program at 139 sites to help servicemembers transition more smoothly to civilian life. Under the BDD program, VBA and VHA, in conjunction with DoD, developed the Single Separation Examination Protocol. This one examination meets the requirements for VA's disability examination and DoD's separation physical. Eventually all BDD sites will be conducting examinations under this protocol. As of August 2004, 28 out of 139 BDD sites have used the Single Separation Examination Protocol. During FY 2004,

VA representatives conducted nearly 1,000 pre- and post-deployment briefings attended by more than 70,000 Reserve/National Guard members. Returning servicemembers can also attend Transition Assistance Program workshops offered by the Department. With regard to health care, all VA medical centers provide electronic access to health information furnished by DoD on separated service members, which helps ensure continuity of care. Last fiscal year the Department provided information and assistance to about 3,000 hospitalized returning service persons who received health care at Walter Reed Army Medical Center in Washington, DC; the National Naval Medical Center in Bethesda, Maryland; and other DoD medical treatment facilities.

Program Assessment Rating Tool (PART) Evaluation

There are no PART evaluations that have been completed, nor are there any planned, that specifically address Objective 2.1.

Major Management Challenges

The Government Accountability Office has identified the following issue as a major management challenge related to Objective 2.1 (the program's response to this challenge may be found on the pages referenced below):

- VA/DoD sharing – a long-term approach to improving the VA/DoD sharing database is required (refer to pages 255-257 for more information)

Program Evaluations

There have not been any independent program evaluations conducted recently that specifically address Objective 2.1.

New Policies and Procedures

Several procedures have recently been implemented in support of Objective 2.1. For example, VA has:

- Worked closely with DoD, through the Seamless Transition Task Force, to ensure that earned services are provided expeditiously to veterans returning from Operation Iraqi Freedom and Operation Enduring Freedom.
- Accelerated initiatives to streamline interagency activities to facilitate the seamless transition of servicemembers to veteran status and ensure continuity of care is maintained for those individuals whose medical care is transferred from the military health care system to VA's health care system.
- Improved coordination and education of staff in all VA benefit facilities regarding returning servicemembers by ensuring that the staff identifies and maintains knowledgeable points of contact and case managers and prominently displays materials to identify such individuals.

Objective 2.2

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 2 Ensure a smooth transition for veterans from active military service to civilian life.		\$3,281	4.7%
Objective	Performance Results		
2.2 Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.	<ul style="list-style-type: none"> • Processed original education claims in 26 days (goal was 24 days) • Processed supplemental education claims in 13 days (goal was 12 days) • Maintained a payment accuracy rate of 94 percent (goal was 94 percent) 	\$2,246	3.2%

Performance

VA continued to move forward in its efforts to meet Objective 2.2. While the Department barely missed meeting its performance goals for the timeliness with which claims for education benefits were processed in FY 2004, the performance levels were comparable to those recorded last fiscal year and were still much improved over the timeliness figures from 2 years ago. VA processed claims for education benefits in an extremely accurate fashion, achieving a payment accuracy rate of 94 percent. These performance levels were achieved despite an ongoing increase in the number of education program participants. VA worked with the Administration and Congress to significantly increase monthly benefits for veterans and dependents training under the Montgomery GI Bill. This resulted in an increase in monthly benefits for veterans and dependents under this education program from \$672 per month in October 2001 to \$1,004 per month in October 2004. This rise of nearly 50 percent in the level of education benefits during the last 3 years has helped ensure that more veterans and servicemembers had the level of financial assistance necessary to assist in achieving their educational and career goals. In addition, the most recent survey data (from FY 2003) revealed that an extremely large share (89 percent) of those filing claims for education benefits were very or somewhat satisfied with the way VA handled their education claims. This continues an improvement trend since 1998 when 78 percent were very or somewhat satisfied.

Program Assessment Rating Tool (PART) Evaluation

During the development of the FY 2005 budget, the Administration conducted a PART evaluation of the education program that relates to the accomplishment of Objective 2.2. This assessment reviewed the combined effectiveness of the legislative and executive branches in designing and implementing the many aspects of the education program. The PART evaluation

for this program resulted in a rating of "Results Not Demonstrated." The primary reason for this rating was the finding that the Department needed to develop better outcome-oriented goals and performance measures.

Major Management Challenges

Neither VA's Office of Inspector General nor the Government Accountability Office identified any major management challenges related to Objective 2.2.

Program Evaluations

In 2000 the Department published the results of an independent program evaluation of VA's education programs. The principal finding of this evaluation was that the Department's primary education programs for veterans and reservists showed some success in meeting the intended purposes of the legislation establishing these programs, and that they returned over \$2 to the economy for every \$1 in taxpayer money funding the 2-year and 4-year degree programs. Compared to those who have not taken advantage of the education program, the men and women who furthered their education with government support have lower unemployment, have increased career and education goals, and enjoy an earnings advantage. In addition, one-half of the users of the education programs believe they could not have pursued their education without the education benefits provided by the Department's programs. This independent evaluation also recommended that the level of VA education program benefits be raised, which the Department has successfully achieved through close collaboration with the Administration and Congress.

New Policies and Procedures

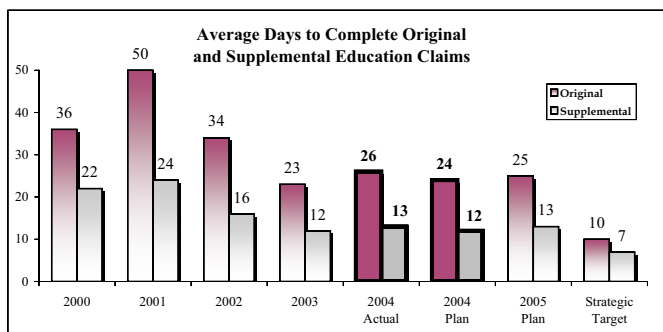
In support of Objective 2.2, VA embarked on an aggressive outreach program to ensure that all potential beneficiaries receive timely information about the VA education programs available to them. This action is in direct response to one of the recommendations from the

program evaluation completed in 2000 which stated that VA should improve its communication of information to beneficiaries and must ensure that this communication is correct, consistent, and coordinated across departments of the federal government. As part of this

effort, VA is now mailing informational brochures to active duty military personnel providing them a description of VA education benefits. These brochures enhance servicemembers' awareness and understanding of these benefits.

Objective 2.2 — Key Performance Goal

Process original and supplemental education claims in 24 and 12 days, respectively.



Description, Importance, and Results

Prompt decisions on education claims assist individuals in securing the financial means to accomplish chosen educational pursuits.

Higher program usage coupled with lower staffing levels early in the fiscal year hindered our ability to meet this goal. With some hiring in the latter part of the year, improvements in timeliness began to occur. We expect this trend to continue as we strive toward next year's goal.

Management and Policy Issues

Overall processing timeliness is affected by the quality of the enrollment and certification information received from school officials. To improve overall processing

time, VA developed an electronic education certification program (VACERT) that allows schools to send enrollment certifications to VA electronically. At this time, over half of all schools use VACERT. VAONCE, an Internet application, will replace VACERT, making the application more attractive to schools. This system was deployed on a limited basis in FY 2003, and will continue to be expanded and improved in FY 2005. In addition, we continued to offer training to school officials in FY 2004 and will continue the training in FY 2005.

Additional ongoing efforts to improve performance include:

- Improvements to the Electronic Certification Automated Processing (ECAP) system.
- Judicious use of seasonal employees and overtime to reduce pending workload during peak enrollment periods.
- On-site visits at each regional processing office, in conjunction with regular quality assurance reviews, to monitor compliance and operational performance.

Data Quality

Please refer to the Key Measures Data Table on page 132.

Objective 2.3

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 2 Ensure a smooth transition for veterans from active military service to civilian life.		\$3,281	4.7%
Objective	Performance Results		
2.3 Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.	Foreclosure Avoidance Through Servicing ratio declined to 44 percent (goal was 47 percent)	\$394	0.6%

Performance

The primary measure of the degree to which the Department is meeting Objective 2.3 is the extent to which VA is able to assist veterans in avoiding foreclosure. During FY 2004, foreclosures would have been 44 percent higher had VA not pursued alternatives to foreclosure. While this share was somewhat below the performance goal for the year, the Department continued to assist numerous veterans in making home ownership a reality. Last year VA guaranteed over 375,000 home loans worth nearly \$50 billion. About 80 percent of the veterans who used the housing program would not have qualified for a conventional loan. VA's home loan program does not require a down payment, and the overwhelming majority (88 percent) of housing program participants cited this as the key reason why they used this program. Even after adjusting for demographic differences related to age and income, veteran home ownership rates exceed those of the general population by 5 percent. This is an excellent indicator of the overall success of the housing program in improving the ability of veterans to purchase a home.

Program Assessment Rating Tool (PART) Evaluation

The PART review of the housing program that relates to the accomplishment of Objective 2.3 is being conducted as part of the formulation of the FY 2006 budget. The results of this review will be presented in future reports.

Major Management Challenges

Neither VA's Office of Inspector General nor the Government Accountability Office identified any major management challenges related to Objective 2.3.

Program Evaluations

An independent evaluation of VA's housing program was completed in 2004. A key conclusion of the study was that the Department successfully and efficiently operates the program to meet legislative requirements for eligibility determination, lender monitoring, and loss mitigation. Over the past decade, significant consolidation of field operations and technology advances have decreased full-time equivalent VA administrative staff from about 1,800 to 900. The consolidation has resulted in greater consistency and accuracy. Dramatic increases in speed of service have complemented the increases in

administrative efficiency. Key recommendations from the final report include the suggestion that VA retain the program's multiple use feature; consider indexing the maximum loan amount based upon the conventional loan limit; and more vigorously use current data systems to routinely report on multiple use, default/foreclosure rates, and cost-efficiency.

New Policies and Procedures

Several procedures have been implemented in the recent past that support the achievement of Objective 2.3. For example, VA has:

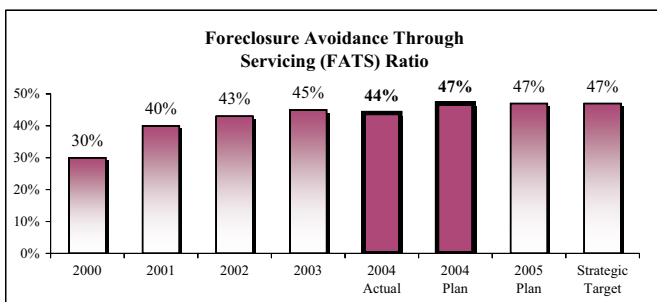
- Consolidated most of its supplemental servicing activities in loan administration sections at nine regional

- loan centers in order to improve the ability to effectively assist veterans who are delinquent on their mortgages.
- Improved customer service by providing veterans with toll-free telephone access and increased hours of operation.
- Implemented several applications to support electronic submission of appraisals, and is now using a new automated application that permits lenders to request a certificate of eligibility online in a matter of seconds.

In FY 2005 and beyond, VA will work to implement many of the policy and technical program recommendations presented in the independent program evaluation completed last year.

Objective 2.3 — Key Performance Goal

Improve the Foreclosure Avoidance through Servicing (FATS) ratio to 47 percent.



Description, Importance, and Results

The Foreclosure Avoidance through Servicing (FATS) ratio represents the extent to which foreclosures would have been greater had VA not pursued alternatives to foreclosure. By lowering the level of foreclosures, the costs to the government are reduced.

The Loan Guaranty Service did not meet its goal for FY 2004. Economic factors such as interest rates, real estate appreciation, and employment levels have impacted on the ability of veterans to purchase a home and avoid foreclosure in the event of default.

Management and Policy Issues

In FY 2003 VBA conducted an internal quality review of the FATS ratio. There are five components of this measure. Four of these are financial transactions that can easily be audited for accuracy. The fifth component is successful interventions, whereby VA staff actively intercedes with lenders to help veterans cure the delinquency on their guaranteed loans. The most common successful intervention is a repayment plan agreed to by all parties involved. VBA quality findings indicated that field offices were misinterpreting the requirements of what is considered a successful intervention. As a result of the review, VBA made a downward adjustment to the final (actual) FATS ratio in FY 2003. VBA issued revised ratios to field offices as well as new instructions on the criteria for successful interventions. The lower figure for FY 2004 reflects the more consistent and stringent requirements established in FY 2003.

At the management and operational levels, we will continue to emphasize the importance of delinquent loan servicing.

Achievement of this performance goal is not directly dependent on other agencies; however, there is close interaction with the real estate industry.

Data Quality

Please refer to the Key Measures Data Table on page 132.

Objective 3.1

		FY 2004 Obligations (\$ in Millions)	% of Total VA Resources
Strategic Goal 3 Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.		\$23,293	33.3%
Objective	Performance Results		
3.1 Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status for all enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the cost, and those statutorily eligible for care.	<ul style="list-style-type: none"> Increased to 77 percent the score on the Clinical Practice Guidelines Index (goal was 70 percent) Increased to 88 percent the score on the Prevention Index II (goal was 82 percent) Increased the percent of primary care appointments scheduled within 30 days of the desired date to 94 percent (goal was 93 percent) Increased the percent of specialist appointments scheduled within 30 days of the desired date to 93 percent (goal was 90 percent) Maintained a score of 74 percent of patients rating VA health care service as "very good" or "excellent" for inpatients (goal was 70 percent); achieved a score of 72 percent for outpatients (goal was 72 percent) Increased to 29,631 the non-institutional long-term care average daily census (goal was 29,631) 	\$17,568	25.1%