

DEPARTMENT OF VETERANS AFFAIRS

The 1997 Budget provides \$18,904 million in discretionary budget authority for veterans' health, benefits, and other services as summarized below:

DESCRIPTION OF DEPARTMENT OF VETERANS AFFAIRS FY 1997 DISCRETIONARY BUDGET AUTHORITY
(in millions of dollars)

Account	Workload (Noncapital operating costs)		Current Infrastructure			New Presence ²		Initia- tives ⁵	Total
	Current	Additional	Equip- ment	NRM ¹	Construc- tion	Construc- tion	Activa- tions ³		
Veterans Health Administration:									
Medical Care	16,306.2		475.2	227.0	311.4	58.6			17,378.4
Medical Research	257.0								257.0
MAMOE (admin)	62.2								62.2
Grants					16.6	24.3			40.9
Veterans Benefits Administration	662.5	5.3	11.2		11.5		12.3	89.7	792.5
National Cemetery System	72.6	3.5			18.1	34.1	0.8		129.1
Other ⁴	245.0	-10.7 ^a	1.4		5.5			3.0	244.2
Total	17,605.5	-1.9	487.8	227.0	363.1	117.0	13.1	92.7	18,904.3

¹ NRM is Non-Recurring Maintenance.
² New Presence refers to funding for construction in locations previously without VA facilities (e.g. construction of the new Brevard County, Fla., hospital, ambulatory clinic in Honolulu, and grants to states for construction of new cemeteries or extended care facilities).
³ Activations also includes funding for equipment.
⁴ Other includes General Operating Expenses for Department-level staff offices and entities such as the Board of Veterans Appeals (VBA), General Counsel, the Office of Inspector General, etc.
⁵ For VBA, this column includes all of the program funds to support Information Technology except equipment costs and funding requirements associated with restructuring initiatives (\$5.9 million).
^a Reduction reflects amount removed from GOE for Franchise Fund.

DEPARTMENT OF VETERANS AFFAIRS IMPLEMENTATION OF THE GOVERNMENT PERFORMANCE AND RESULTS ACT

The Government Performance and Results Act (GPRA) of 1993 represents the primary vehicle through which VA is developing more complete and refined performance information to determine better how well its programs are meeting their intended objectives.

During FY 1995, VA continued its participation in GPRA pilot projects. All three of the formal pilots—National Cemetery System, Loan Guaranty Program, and New York Regional Office—made progress in developing performance measures that are tied to strategic goals and objectives. Several other internal pilot projects are also underway. The experience gained through participation in these pilots is being shared and applied through the Department so that VA will be positioned to implement the performance planning provisions of GPRA by September 1997.

VA continues to make progress in identifying performance measures for its major programs. The identification, development, and use of more meaningful performance measures tied to strategic goals and objectives will continue to be a major focal point for the Department. The ultimate goal is to develop and use a single set of performance goals and measures throughout the program planning, budget formulation, budget execution, and accountability processes.

VETERANS HEALTH ADMINISTRATION

Federal Funds

General and special funds:

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Depart-

ment; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; 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; oversight, engineering and architectural activities not charged to project cost; 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; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; aid to State homes as authorized by 38 U.S.C. 1741; and not to exceed \$8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); \$17,008,447,000, plus reimbursements: Provided, That of the funds made available under this heading, \$570,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1997, and shall remain available until September 30, 1998.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0160-0-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.01 Acute Hospital Care	4,985	4,916	4,698
00.02 Rehabilitative Care	289	280	287
00.03 Psychiatric Care	1,498	1,493	1,536
00.04 Long Term Care	2,381	2,527	2,719
00.05 Outpatient Care	4,173	4,577	5,015
00.06 Community Based Care	287	298	308
00.07 CHAMPVA	94	99	106
00.08 Education and Training	899	939	975
00.09 Miscellaneous Benefits and Services	616	636	656
00.91 Total operating expenses	15,222	15,765	16,300

General and special funds—Continued

MEDICAL CARE—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	1995 actual	1996 est.	1997 est.
Capital investment:			
Provision of veterans health care:			
01.01 Acute Hospital Care	362	331	294
01.02 Rehabilitative Care	10	22	20
01.03 Psychiatric Care	85	81	72
01.04 Long Term Care	147	139	124
01.05 Outpatient care	233	221	197
01.07 Education and Training	1	1	1
01.91 Total capital investment	838	795	708
01.92 Total direct program	16,060	16,560	17,008
02.01 Reimbursable program	66	66	66
10.00 Total obligations	16,126	16,626	17,074
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	415	501	501
22.00 New budget authority (gross)	16,214	16,626	17,074
22.30 Unobligated balance expiring	-3		
23.90 Total budgetary resources available for obligation	16,626	17,127	17,575
23.95 New obligations	-16,126	-16,626	-17,074
24.40 Unobligated balance available, end of year:			
Uninvested balance	501	501	501
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	16,166	16,564	17,008
40.75 Procurement reduction pursuant to P.L. 103-327	-18		
41.00 Transferred to other accounts		-4	
43.00 Appropriation (total)	16,148	16,560	17,008
Permanent:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	72	66	66
68.10 Change in orders on hand from Federal sources	-6		
68.90 Spending authority from offsetting collections (total)	66	66	66
70.00 Total new budget authority (gross)	16,214	16,626	17,074
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Appropriation	2,085	2,151	2,240
72.95 Orders on hand from Federal sources	34	28	28
72.99 Total unpaid obligations, start of year	2,119	2,179	2,268
73.10 New obligations	16,126	16,626	17,074
73.20 Total outlays (gross)	-16,005	-16,537	-17,202
73.40 Adjustments in expired accounts	-60		
Unpaid obligations, end of year:			
74.40 Obligated balance: Appropriation	2,151	2,240	2,112
74.95 Orders on hand from Federal sources	28	28	28
74.99 Total unpaid obligations, end of year	2,179	2,268	2,140
Outlays (gross), detail:			
86.90 Outlays from new current authority	14,005	14,218	14,800
86.93 Outlays from current balances	1,928	2,253	2,336
86.97 Outlays from new permanent authority	66	66	66
86.98 Outlays from permanent balances	6		
87.00 Total outlays (gross)	16,005	16,537	17,202
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-45	-43	-43
88.40 Non-Federal sources	-27	-23	-23
88.90 Total, offsetting collections (cash)	-72	-66	-66
88.95 Change in orders on hand from Federal sources	6		
Net budget authority and outlays:			
89.00 Budget authority	16,148	16,560	17,008
90.00 Outlays	15,933	16,471	17,136

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	16,148	16,560	17,008
Outlays	15,933	16,471	17,136
Legislative proposal, not subject to PAYGO:			
Budget Authority			3
Outlays			3
Adjustment to 1996 continuing resolution levels:			
Budget Authority		213	
Outlays		192	19
Total:			
Budget Authority	16,148	16,773	17,011
Outlays	15,933	16,663	17,158

The following table presents a summary of selected performance trends for medical care, research, and education. The measures address performance covering access, financial management, customer satisfaction, quality, and workload.

	1993 actual	1994 actual	1995 actual	1997 est
Medical Care Summary:				
Unique users	2,764,858	2,787,197	2,858,582	2,858,582
Inpatient days of acute and rehabilitative care per unique user per year	16.0	15.4	14.9	14.0
Outpatient visits per unique user per year	9.0	9.6	10.3	11.6
Median waiting time for a subspecialty referral (stable patient):				
Cardiology (days)	61.7	53.0	39.5	25.0
Ophthalmology (days)	67.8	62.1	38.0	25.0
Obligations per unique user	\$5,285	\$5,525	\$5,641	\$5,973
Obligations per outpatient visit	\$167	\$169	\$171	\$179
Obligations per inpatient discharge	\$9,931	\$10,352	\$10,924	\$12,018
Ratio of outpatient to hospitalized inpatient obligations	0.416	0.438	0.475	0.559
Aggregate customer service standard score for inpatients:				
Medicine	N/A	79%	79%	81%
Surgery	N/A	83%	83%	84%
Psychiatry	N/A	68%	68%	70%
Other (neurology, acute rehabilitation, spinal cord injury)	N/A	72%	72%	73%
All departments	N/A	78%	78%	79%
All except psychiatry	N/A	80%	80%	81%
% of inpatients reporting problems in areas of their preference for care and services:				
Medicine	N/A	17%	16%	12%
Surgery	N/A	13%	12%	8%
Psychiatry	N/A	39%	38%	34%
Other (neurology, acute rehabilitation, spinal cord injury)	N/A	23%	22%	18%
All departments	N/A	23%	22%	18%
All except psychiatry	N/A	18%	17%	13%
Average Joint Commission on Accreditation of Healthcare Organizations grid scores for surveyed hospitals	86%	86%	89%	90%
% of patients receiving care in accordance with set and accepted standards	95%	98%	96%	97%
% of facilities successfully accredited by survey organizations	100%	100%	100%	100%
Turnover rates:				
Physicians:				
Full-time	11.5%	7.5%	7.0%	9.0%
Part-time	16.0%	15.0%	10.0%	13.0%
Nurse practitioners:				
Full-time	N/A	10.0%	6.0%	6.0%
Part-time	N/A	16.0%	9.0%	9.0%
Research Summary:				
Total number of projects funded	2,003	1,870	1,771	1,598
Total number of new projects funded	172	261	334	200
% of projects receiving extramural funds	56%	58%	58%	63%
% of funds coming from extramural sources	55%	54%	54%	61%
As measured by the appeals process, % of applicants for VA research support who accept decisions of merit review boards on their proposals	98.3%	98.5%	98.3%	98.5%
Education Summary:				
Total VA funded positions per year	10,279	10,224	10,637	10,998
Total primary care funded positions per year	2,943	2,926	3,355	3,577
Total individuals rotating through VHA per year	104,964	108,515	108,703	108,703
Mean first year stipend:				
Medical residents:				
National average stipend	\$28,618	\$29,632	\$30,753	\$30,753
VA average stipend	N/A	\$28,294	\$29,846	\$30,530

Optometry residents:				
National average stipend	\$19,222	\$19,222	\$22,500	\$22,500
VA stipend	\$18,500	\$19,222	\$19,222	\$22,500
Podiatry residents:				
National average stipend	\$16,200	\$16,200	\$22,500	\$22,500
VA stipend	\$15,500	\$15,500	\$15,500	\$22,500
Pharmacy residents:				
National average stipend	\$24,500	\$24,500	\$26,500	\$26,500
VA stipend	\$22,500	\$24,500	\$24,500	\$26,500
Psychology interns:				
National average stipend	\$15,700	\$17,000	\$17,000	\$17,000
VA stipend	\$15,700	\$15,700	\$17,000	\$17,000

This request incorporates a realignment of activities towards reflecting functions similar to other medical care institutions across the nation. Workload estimates continue to reflect a shift away from inpatient care to other care settings when consistent with desired medical outcomes.

In 1997, increased costs are associated with: (1) payroll increases; and, (2) the increased cost of drugs and medicines, communications, provisions, prosthetics, medical and dental supplies, and operating supplies.

Provision of Veterans Health Care—

Acute hospital care.—Costs for 1997 are estimated to decrease by \$254 million for operating medical, neurology, surgical and contract hospital beds, reflecting the shift to increased use of ambulatory care.

Estimated operating levels are:

	1995 actual	1996 est.	1997 est.
Patients treated	680,228	653,442	604,232
Average daily census	16,028	14,607	12,851
Average employment (including education and training)	72,764	65,585	57,958

Rehabilitative care.—An increase of \$5 million in 1997 is estimated for providing rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

	1995 actual	1996 est.	1997 est.
Patients treated	19,249	18,858	18,018
Average daily census	1,779	1,643	1,473
Average employment (including education and training)	6,107	5,701	5,244

Psychiatric care.—An increase of \$35 million is estimated in 1997 for the inpatient care of veterans with problems related to mental illness including alcohol and drug problems.

	1995 actual	1996 est.	1997 est.
Patients treated	194,448	193,000	188,000
Average daily census	13,300	12,500	11,760
Average employment (including education and training)	27,012	25,625	24,343

Long-term care.—In 1997, an increase of \$177 million is estimated for the care of residents in intermediate care beds, VA nursing homes and domiciliaries, community nursing homes and state homes.

Estimated operating levels are:

	1995 actual	1996 est.	1997 est.
Patients treated	140,960	138,975	137,476
Average daily census	49,934	50,164	50,856
Average employment (including education and training)	34,734	35,112	35,599

Outpatient care.—An increase of \$414 million is estimated in 1997 for the cost of outpatient medical and dental care provided by staff, physicians, and dentists participating under a fee basis arrangement for certain eligible veterans.

NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS

	1995 actual	1996 est.	1997 est.
Medical visits (in thousands):			
Outpatient clinic visits	26,122	28,195	29,792
Community based visits	2,817	2,867	2,902
Total	28,939	31,062	32,694
Dental:			
Staff:			
Examinations	218,137	220,000	220,000
Treatments	149,535	150,000	150,000
Total	367,672	370,000	370,000

Fee: Cases completed	17,240	17,000	17,000
Average employment (including education and training)	53,793	58,090	66,972

Community based care.—An increase of \$9 million is estimated in 1997 for providing care to veterans through a variety of programs that are primarily non-institutional based. These include: Adult Day Health Care; Community Based Domiciliary Aftercare; Community Residential Care; Compensated Work Therapy/Transitional Residence; Contract Alcohol and Drug Treatment and Rehabilitation; Home Dialysis; Health Care for Homeless Veterans; Home-maker/Home Health Aide Services; Hospital Based Home Care; HUD/VA Supported Housing; Intensive Psychiatric Community Care; Readjustment Counseling; Skilled Home Care; and Spinal Cord Injury Home Care.

Visits and average employment are included in total outpatient activity as well as to show total outpatient levels.

	1995 actual	1996 est.	1997 est.
Visits (in thousands)	2,817	2,867	2,902
Average employment, (including education and training)	3,038	3,038	3,038

Civilian health and medical program of the Department of Veterans Affairs (CHAMPVA).—A net increase of \$7 million is estimated in 1997 for private hospital and outpatient care for dependents and survivors of certain veterans, reflecting the cost of inflation.

	1995 actual	1996 est.	1997 est.
Average daily hospital census	142	150	150
Outpatient (in thousands)	822	850	850
Average employment	147	147	147

Education and training.—An increase of \$36 million is estimated in 1997 for residency and other health training services.

	1995 actual	1996 est.	1997 est.
Average employment (all education and training average employment has been apportioned to the respective activities)	8,096	8,106	8,106
Number of trainees	108,703	108,703	108,703

Miscellaneous benefits and services.—This covers such items of nondirect medical care and treatment as beneficiary travel, care of the dead, operation of personnel quarters at medical facilities, and the cost of furnishing supply, engineering, housekeeping, and other administrative support services to other departments on a nonreimbursable basis. An increase of \$21 million is estimated for 1997.

	1995 actual	1996 est.	1997 est.
Average employment	5,891	5,891	5,891

Object Classification (in millions of dollars)

Identification code 36-0160-0-1-703	1995 actual	1996 est.	1997 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	6,478	6,557	6,757
11.3 Other than full-time permanent	780	790	814
11.5 Other personnel compensation	811	838	852
11.9 Total personnel compensation	8,069	8,185	8,423
12.1 Civilian personnel benefits	1,855	1,888	1,956
13.0 Benefits for former personnel	23	13	14
Travel and transportation of persons:			
21.0 Employee travel	36	50	51
21.0 Beneficiary travel	100	111	112
21.0 Interagency motor pool payments	11	12	12
21.0 All other	31	35	35
22.0 Transportation of things	26	28	28
23.1 Rental payments to GSA	22	23	25
23.2 Rental payments to others	48	52	53
23.3 Communications, utilities, and miscellaneous charges	415	428	443
24.0 Printing and reproduction	13	15	15
25.2 Other contractual services	1,157	1,245	1,284
Medical care:			
25.6 Outpatient dental fees	12	13	13
25.6 Medical and nursing fees	242	261	275
25.6 Community nursing homes	331	331	347

General and special funds—Continued

MEDICAL CARE—Continued

Object Classification (in millions of dollars)—Continued

Identification code 36-0160-0-1-703	1995 actual	1996 est.	1997 est.
25.6 Contract hospitalization	150	165	173
25.6 Civilian health and medical program of the Veterans Administration	86	91	98
Supplies and materials:			
26.0 Supplies and materials	2,303	2,502	2,601
26.0 Provisions	98	100	102
31.0 Equipment	527	571	475
32.0 Land and structures	312	224	232
Grants, subsidies, and contributions:			
41.0 Grants, subsidies, and contributions	186	208	232
41.0 Grants to private organizations	6	7	7
43.0 Interest and dividends	1	2	2
99.0 Subtotal, direct obligations	16,060	16,560	17,008
99.0 Reimbursable obligations	66	66	66
99.9 Total obligations	16,126	16,626	17,074

Personnel Summary

Identification code 36-0160-0-1-703	1995 actual	1996 est.	1997 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	199,605	195,311	195,311
1005 Full-time equivalent of overtime and holiday hours	4,213	4,099	4,099
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	843	843	843
2005 Full-time equivalent of overtime and holiday hours	18	18	18

MEDICAL CARE

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0160-2-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
Provision of veterans health care:			
00.04 Outpatient care			3
10.00 Total obligations (object class 25.6)			3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			3
23.95 New obligations			-3
New budget authority (gross), detail:			
40.25 Appropriation (special fund, indefinite)			3
Change in unpaid obligations:			
73.10 New obligations			3
73.20 Total outlays (gross)			-3
Outlays (gross), detail:			
86.90 Outlays from new current authority			3
87.00 Total outlays (gross)			3
Net budget authority and outlays:			
89.00 Budget authority			3
90.00 Outlays			3

Legislation is being proposed in 1997 that will allow the Veterans Health Administration to retain a portion of third party recoveries above the annual collection goal. Once the Department exceeds the goal defined in the legislation additional collections will be shared, with VA retaining twenty-five percent of third party collections from Category A veterans and one hundred percent of third party collections from

Category C veterans. Medical Care Cost Recovery (MCCR) will transfer these amounts into the Medical Care account to improve the quality of health care for veterans. This transfer will take place in the fiscal year following collection.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 1998, \$257,000,000, plus reimbursements.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0161-0-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
Operating expenses:			
00.01 Medical research	173	192	186
00.02 Rehabilitation research	26	29	27
00.03 Health services research	33	37	36
00.91 Total operating expenses	232	258	249
Capital investment:			
01.01 Medical research	3	9	4
01.02 Rehabilitation research	1	4	2
01.03 Health services research	2	5	3
01.91 Total capital investment	6	18	9
01.92 Total direct program	238	276	258
02.01 Reimbursable program	51	51	45
10.00 Total obligations	289	327	303
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	10	20	1
22.00 New budget authority (gross)	301	308	302
22.30 Unobligated balance expiring	-3		
23.90 Total budgetary resources available for obligation	308	328	303
23.95 New obligations	-289	-327	-303
24.40 Unobligated balance available, end of year:			
Uninvested balance	20	1	
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	251	257	257
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	51	51	45
70.00 Total new budget authority (gross)	301	308	302
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	63	47	67
73.10 New obligations	289	327	303
73.20 Total outlays (gross)	-302	-307	-302
73.40 Adjustments in expired accounts	-3		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	47	67	68
Outlays (gross), detail:			
86.90 Outlays from new current authority	184	189	189
86.93 Outlays from current balances	67	67	68
86.97 Outlays from new permanent authority	50	51	45
87.00 Total outlays (gross)	302	307	302
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-51	-51	-45
Net budget authority and outlays:			
89.00 Budget authority	250	257	257
90.00 Outlays	251	256	257

The Medical and Prosthetic Research account is comprised of the following three programs:

Medical research.—This program is comprised of investigator-initiated and special research. In addition to the broad spectrum of biomedical research projects, priority is given to research Acquired Immune Deficiency Syndrome and conditions that frequently occur among veterans such as aging, alcoholism, schizophrenia, delayed stress disorders and other mental illness, and spinal cord injury and tissue regeneration. Cooperative studies include surgical treatment of angina pectoris, adjunct treatment of diabetes, and relative potency and side-effect liability of new and marketed sedatives.

Rehabilitation research.—This program is dedicated to the development and application of science and technology to improve the care of physically disabled veterans through prostheses for the amputee, improved wheelchairs for the paralyzed, and better joint functions for the arthritic. It also includes care for those with visual, hearing, and speech disorders.

Health services research.—This program provides support for health services projects at Department of Veterans Affairs medical centers for improving the effectiveness and economy of delivery of health services and improving the accessibility of services to veterans.

In support of the research activities of these three programs, VA applies a variety of budgetary resources including appropriations from the Medical Care account and reimbursements from the DOD, Grants from the National Institutes of Health, private proprietary sources, and voluntary agencies which provide additional support for VA's researchers. The first table summarizes all budgetary resources for the Medical and Prosthetic Research account. The second table shows the total number of projects.

SUMMARY OF BUDGETARY RESOURCES

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Medical and prosthetic research appropriation	251	257	257
Medical care appropriation	378	388	396
Federal grants (NIH)	185	194	203
Other grants (voluntary agencies, private proprietary)	98	101	106
DOD reimbursements	19	14	0
Total budgetary resources	931	954	962

PROGRAM INDICATORS

	1995 actual	1996 est.	1997 est.
Medical and Prosthetic Research projects	1,771	1,743	1,598

Object Classification (in millions of dollars)

Identification code 36-0161-0-1-703	1995 actual	1996 est.	1997 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	38	40	41
11.3 Other than full-time permanent	74	78	79
11.5 Other personnel compensation	5	5	5
11.9 Total personnel compensation	117	123	125
12.1 Civilian personnel benefits	29	30	31
Travel and transportation of persons:			
21.0 Employee travel	2	3	2
21.0 All other		1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	1	1	1
25.5 Research and development contracts	56	66	57
26.0 Supplies and materials	26	32	30
31.0 Equipment	6	18	9
99.0 Subtotal, direct obligations	238	275	257
99.0 Reimbursable obligations	51	52	46
99.9 Total obligations	289	327	303

Personnel Summary

Identification code 36-0161-0-1-703	1995 actual	1996 est.	1997 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	3,002	3,011	2,935
1005 Full-time equivalent of overtime and holiday hours	23	23	23
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	674	653	550

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; \$62,207,000, plus reimbursements.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0152-0-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Operating expenses: Medical, hospital, nursing home, and domiciliary administration	69	68	62
10.00 Total obligations	69	68	62
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	70	68	62
23.95 New obligations	-69	-68	-62
New budget authority (gross), detail:			
40.00 Appropriation	70	64	62
42.00 Transferred from other account		4	
43.00 Appropriation (total)	70	68	62
70.00 Total new budget authority (gross)	70	68	62
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	9	6	6
73.10 New obligations	69	68	62
73.20 Total outlays (gross)	-71	-68	-63
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	6	6	7
Outlays (gross), detail:			
86.90 Outlays from new current authority	65	62	56
86.93 Outlays from current balances	6	6	6
87.00 Total outlays (gross)	71	68	63
Net budget authority and outlays:			
89.00 Budget authority	70	68	62
90.00 Outlays	71	68	63

Medical, hospital, nursing home, and domiciliary administration.—Central office staff elements will continue to provide executive direction for all Department medical and construction programs through program development, implementation, and the administration of policies, plans, and objectives.

The total employment represents 600 FTE for the 1997 Medical Administration and Miscellaneous Operating Expenses appropriation plus 10 FTE transfer of certain information resources management functions from the General Operating Expenses (GOE) appropriation as part of an initiative to establish the Agency Chief Information Officer program.

General and special funds—Continued**MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING
EXPENSES—Continued****Object Classification** (in millions of dollars)

Identification code 36-0152-0-1-703	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	45	45	40
11.3 Other than full-time permanent	2	2	1
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	49	49	43
12.1 Civilian personnel benefits	8	8	7
21.0 Travel and transportation of persons: employee travel	1		1
23.1 Rental payments to GSA	5	5	5
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	3	3	3
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.9 Total obligations	69	68	62

Personnel Summary

Identification code 36-0152-0-1-703	1995 actual	1996 est.	1997 est.
Total compensable workyears:			
1001 Full-time equivalent employment	778	647	610
1005 Full-time equivalent of overtime and holiday hours	1	1	1

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM**Program and Financing** (in millions of dollars)

Identification code 36-0163-0-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	10		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	10		
23.95 New obligations	-10		
New budget authority (gross), detail:			
40.00 Appropriation	10		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	15	11	8
73.10 New obligations	10		
73.20 Total outlays (gross)	-13	-3	
73.40 Adjustments in expired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	11	8	8
Outlays (gross), detail:			
86.90 Outlays from new current authority	3		
86.93 Outlays from current balances	10	3	
87.00 Total outlays (gross)	13	3	
Net budget authority and outlays:			
89.00 Budget authority	10		
90.00 Outlays	13	3	

Health professional scholarship.—To assist in the recruitment and retention of staff, this program provides grants for tuition, stipend, and other educational expenses for eligible students in programs leading to a degree in nursing or other allied health disciplines.

MEDICAL CARE COST RECOVERY FUND**Unavailable Collections** (in millions of dollars)

Identification code 36-5014-0-2-703	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year	1,072	1,101	1,156

Receipts:			
02.01 Medical cost recovery	133	176	204
02.02 Medical cost recovery, legislative proposal		11	49
02.99 Total receipts	133	187	253
04.00 Total: Balances and collections	1,205	1,288	1,409
Appropriation:			
05.01 Medical care cost recovery fund	-104	-132	-119
05.03 Medical care, legislative proposal			-3
05.99 Subtotal appropriation	-104	-132	-122
07.99 Total balance, end of year	1,101	1,156	1,287

Program and Financing (in millions of dollars)

Identification code 36-5014-0-2-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.09 Operating expenses	98	106	111
00.10 Capital investment	4	26	8
10.00 Total obligations	102	132	119

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	4	6	6
22.00 New budget authority (gross)	104	132	119
23.90 Total budgetary resources available for obligation	108	138	125
23.95 New obligations	-102	-132	-119
24.40 Unobligated balance available, end of year:			
Uninvested balance	6	6	6

New budget authority (gross), detail:

60.25 Appropriation (special fund, indefinite)	104	132	119
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Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	14	14	34
73.10 New obligations	102	132	119
73.20 Total outlays (gross)	-102	-112	-138
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	14	34	15

Outlays (gross), detail:

86.97 Outlays from new permanent authority	102	112	118
86.98 Outlays from permanent balances			20
87.00 Total outlays (gross)	102	112	138

Net budget authority and outlays:

89.00 Budget authority	104	132	119
90.00 Outlays	102	112	138

The Medical Care Cost Recovery (MCCR) Fund was established by the Omnibus Budget Reconciliation Act of 1990, P.L. 100-508. This Fund serves as a depository for all third-party insurance collections. A portion of these monies will be utilized to provide for FTE and other administrative costs associated with medical care cost recovery efforts. After providing for the estimated cost of operations for the ensuing year, remaining funds are transferred to the Department of Treasury before January of the next year.

While the MCCR Fund reflects the program costs of both third-party and copayment activities, the receipts only reflect third-party recoveries. The table below presents the complete relationship between the costs of MCCR activities and the total collections, regardless of source, resulting from these activities.

In 1997, the Administration will propose legislation to permanently extend current legal provisions due to expire in 1998. These provisions provide for the collection of third party health insurance payments for care provided by the VA for service-connected veterans with nonservice-connected conditions, including copayments and income verification provisions.

[In millions of dollars]

Program activity	1995 actual	1996 est.	1997 est.
Third-party recoveries	523	565	648
Copayments and other collections	51	77	81
Total collections	574	642	729
Total program costs	102	132	119
Ratio of costs to collections	17.8%	20.6%	16.3%

Object Classification (in millions of dollars)

Identification code 36-5014-0-2-703	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	53	57	59
11.5 Other personnel compensation	14	15	15
11.9 Total personnel compensation	67	72	74
12.1 Civilian personnel benefits	16	17	17
21.0 Travel and transportation of persons	2	4	3
23.3 Communications, utilities, and miscellaneous charges	3	5	5
25.2 Other services	4	5	7
26.0 Supplies and materials	6	4	5
31.0 Equipment	4	25	8
99.9 Total obligations	102	132	119

Personnel Summary

Identification code 36-5014-0-2-703	1995 actual	1996 est.	1997 est.
Total compensable workyears:			
1005 Full-time equivalent of overtime and holiday hours	41	42	42
1011 Exempt Full-time equivalent employment	2,254	2,295	2,295

Public enterprise funds:

MEDICAL FACILITIES REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4138-0-3-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Operating expenses	1	2	2
00.02 Capital investment	1	2	2
10.00 Total obligations	2	4	4
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Fund balance	11	21	23
22.00 New budget authority (gross)	12	6	6
22.20 Unobligated balance transferred			-12
23.90 Total budgetary resources available for obligation	23	27	17
23.95 New obligations	-2	-4	-4
24.40 Unobligated balance available, end of year: Uninvested balance	21	23	13
New budget authority (gross), detail:			
Current:			
42.00 Transferred from other accounts	6		
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	6	6	6
70.00 Total new budget authority (gross)	12	6	6
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	-3	-2	-1
73.10 New obligations	2	4	4
73.20 Total outlays (gross)	-2	-3	-4
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	-2	-1	-1
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	1	2	2
86.98 Outlays from permanent balances	2	2	2
87.00 Total outlays (gross)	2	3	4

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-6	-6	-6

Net budget authority and outlays:

89.00 Budget authority	6		
90.00 Outlays	-4	-3	-2

This account provides funds for the operating expenses of VA medical facilities furnishing nursing home care to certain veterans in receipt of pensions. Title 38 provides that a veteran with no spouse or child will only receive \$90 per month in pension beginning the third full month following the month of admission to VA furnished nursing home care. The difference between the \$90 the veteran receives and the amount otherwise authorized is transferred to this fund for spending expenses at the facility furnishing the nursing care.

Object Classification (in millions of dollars)

Identification code 36-4138-0-3-703	1995 actual	1996 est.	1997 est.
25.2 Other services		1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	2	2
99.0 Subtotal, reimbursable obligations	2	4	4
99.9 Total obligations	2	4	4

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4014-0-3-705	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.01 Acquisitions	119	140	142
00.02 Direct operations	80	93	95
00.91 Total operating expenses	199	233	237
01.01 Capital investment: Sales program: Purchase of equipment and leasehold	6	11	11
10.00 Total obligations	205	244	248
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	21	26	26
22.00 New budget authority (gross)	209	245	248
23.90 Total budgetary resources available for obligation	230	271	274
23.95 New obligations	-205	-244	-248
24.90 Unobligated balance available, end of year: Fund balance	26	26	27
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	209	245	248
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance	22	15	18
73.10 New obligations	205	244	248
73.20 Total outlays (gross)	-212	-242	-245
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	15	18	20
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	209	242	245
86.98 Outlays from permanent balances	3		
87.00 Total outlays (gross)	212	242	245
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-2	-2
88.40 Non-Federal sources	-207	-243	-246
88.90 Total, offsetting collections (cash)	-209	-245	-248

Public enterprise funds—Continued**CANTEEN SERVICE REVOLVING FUND—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 36-4014-0-3-705	1995 actual	1996 est.	1997 est.
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	3	-3	-3

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

Financing.—Operations will be financed from current revenues.

Statement of Operations (in millions of dollars)

Identification code 36-4014-0-3-705	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	214	209	245	248
0102 Expense	-211	-206	-240	-242
0109 Net income or loss (-)	3	3	5	6

Balance Sheet (in millions of dollars)

Identification code 36-4014-0-3-705	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	7	3	14	16
Investments in US securities:				
1102 Treasury securities, par	37	38	39	38
1106 Receivables, net	2	2	2	3
1107 Advances and prepayments		2		
1206 Non-Federal assets: Receivables, net	1			
Other Federal assets:				
1802 Inventories and related properties	26	27	28	31
1803 Property, plant and equipment, net	26	25	31	32
1999 Total assets	99	97	114	120
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable		2		
2104 Resources payable to Treasury	2	1	2	2
Non-Federal liabilities:				
2201 Accounts payable	13	10	8	7
2207 Other	8	5	8	8
2999 Total liabilities	23	18	18	17
NET POSITION:				
3200 Invested capital	45	44	57	60
3600 Other	31	34	40	43
3999 Total net position	76	78	97	103
4999 Total liabilities and net position	99	96	115	120

Object Classification (in millions of dollars)

Identification code 36-4014-0-3-705	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	38	40	41
11.3 Other than full-time permanent	17	17	17
11.9 Total personnel compensation	55	57	58
12.1 Civilian personnel benefits	15	16	16
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	3	3	3
26.0 Supplies and materials	125	156	159
31.0 Equipment	6	11	11
99.0 Subtotal, reimbursable obligations	205	244	248
99.9 Total obligations	205	244	248

Personnel Summary

Identification code 36-4014-0-3-705	1995 actual	1996 est.	1997 est.
2011 Total compensable workyears: Exempt Full-time equivalent employment	3,121	3,200	3,250

SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND**Program and Financing (in millions of dollars)**

Identification code 36-4048-0-3-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Contracts	15	20	21
00.02 Education and training	1	1	1
00.03 Operating expenses	8	10	11
10.00 Total obligations	24	31	33
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	3	5	5
22.00 New budget authority (gross)	26	31	33
23.90 Total budgetary resources available for obligation	29	36	38
23.95 New obligations	-24	-31	-33
24.90 Unobligated balance available, end of year: Fund balance	5	5	5
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	26	31	33
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1	2	2
73.10 New obligations	24	31	33
73.20 Total outlays (gross)	-23	-31	-33
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2	2	2
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	25	31	33
87.00 Total outlays (gross)	23	31	33
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-26	-31	-33
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-3		

This revolving fund, established pursuant to the Veterans Omnibus Health Care Act of 1976, Public Law 94-581, provides a mechanism for the furnishing of rehabilitative services to certain veteran beneficiaries who are receiving medical care and treatment from the Department of Veterans Affairs.

Funds to operate the various rehabilitative activities and provide for the therapeutic work for remuneration for patients and members in VA health care facilities are derived from contractual arrangements with private industry or nonprofit entities. Public Law 102-54 authorizes VA to contract with any Federal agency, including VA, and authorizes the Fund to cover the training, education, and travel costs of employees associated with the rehabilitative programs. This is a self-sustaining fund, and therefore no appropriation is required to support these activities.

Statement of Operations (in millions of dollars)

Identification code 36-4048-0-3-703	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	16	27	33	35
0102 Expense	-15	-23	-33	-35
0109 Net income or loss (-)	1	4		

Balance Sheet (in millions of dollars)

Identification code 36-4048-0-3-703	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	3	7	10	14
Investments in US securities:				
1106 Receivables, net	2	2	2	2

1206	Non-Federal assets: Receivables, net	1	1	1
1803	Other Federal assets: Property, plant and equipment, net	1		
1999	Total assets	6	10	13
	LIABILITIES:			
2101	Federal liabilities: Accounts payable	1	1	4
2999	Total liabilities	1	1	4
	NET POSITION:			
3200	Invested capital	1		
3300	Cumulative results of operations	4	8	8
3999	Total net position	5	8	8
4999	Total liabilities and net position	6	9	12

Object Classification (in millions of dollars)

Identification code 36-4048-0-3-703	1995 actual	1996 est.	1997 est.
25.2 Other services	21	28	29
26.0 Supplies and materials	2	1	3
31.0 Equipment	1	1	1
99.5 Below reporting threshold		1	
99.9 Total obligations	24	31	33

MEDICAL CENTER RESEARCH ORGANIZATIONS

Program and Financing (in millions of dollars)

Identification code 36-4026-0-3-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Operating expenses	24	25	26
00.02 Capital investment	3	3	3
10.00 Total obligations	27	28	29
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	17	17	17
22.00 New budget authority (gross)	27	28	29
23.90 Total budgetary resources available for obligation	44	45	46
23.95 New obligations	-27	-28	-29
24.90 Unobligated balance available, end of year: Fund balance	17	17	17
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	27	28	29
Change in unpaid obligations:			
73.10 New obligations	27	28	29
73.20 Total outlays (gross)	-27	-28	-29
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	27	28	29
87.00 Total outlays (gross)	27	28	29
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-1	-1
88.40 Non-Federal sources	-26	-27	-28
88.90 Total, offsetting collections (cash)	-27	-28	-29
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.

Object Classification (in millions of dollars)

Identification code 36-4026-0-3-703	1995 actual	1996 est.	1997 est.
25.2 Other services	17	18	19
26.0 Supplies and materials	7	7	7
31.0 Equipment	3	3	3
99.9 Total obligations	27	28	29

Trust Funds

**GENERAL POST FUND, NATIONAL HOMES
TRANSITIONAL HOUSING LOAN PROGRAM
(INCLUDING TRANSFER OF FUNDS)**

For the cost of direct loans, \$7,000, as authorized by Public Law 102-54, section 8, which shall be transferred from the "General post fund": 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, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$70,000. In addition, for administrative expenses to carry out the direct loan programs, \$54,000, which shall be transferred from the "General post fund", as authorized by Public Law 102-54, section 8.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Unavailable Collections (in millions of dollars)

Identification code 36-8180-0-7-705	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year	2	2	5
Receipts:			
02.01 General post fund, national homes, deposits	23	27	28
02.02 General post fund, national homes, interest on invest- ments	3	3	3
02.99 Total receipts	26	30	31
04.00 Total: Balances and collections	28	32	36
Appropriation:			
05.01 General post fund, national homes	-26	-27	-28
07.99 Total balance, end of year	2	5	8

Program and Financing (in millions of dollars)

Identification code 36-8180-0-7-705	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Religious, recreational, and entertainment activities	22	23	25
00.02 Research activities	4	4	4
00.03 Therapeutic residence maintenance	1	1	1
00.04 Therapeutic residence purchase and renovation	2	1	
10.00 Total obligations	28	29	30
Budgetary resources available for obligation:			
21.41 Unobligated balance available, start of year: U.S. Securities: Par value	37	35	33
22.00 New budget authority (gross)	26	27	28
23.90 Total budgetary resources available for obligation	63	62	61
23.95 New obligations	-28	-29	-30
24.41 Unobligated balance available, end of year: U.S. Se- curities: Par value	35	33	31
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	26	27	28
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
72.40 Appropriation	2	3	5
73.10 New obligations	28	29	30
73.20 Total outlays (gross)	-27	-27	-28
Unpaid obligations, end of year: Obligated balance:			
74.40 Appropriation	3	5	7
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	26	27	26

GENERAL POST FUND, NATIONAL HOMES—Continued
TRANSITIONAL HOUSING LOAN PROGRAM—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8180-0-7-705	1995 actual	1996 est.	1997 est.
86.98 Outlays from permanent balances	1	2	2
87.00 Total outlays (gross)	27	27	28
Net budget authority and outlays:			
89.00 Budget authority	26	27	28
90.00 Outlays	27	27	28

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. In addition, donations from pharmaceutical companies, non-profit corporations, and individuals to support VA medical research are deposited into this fund. (38 U.S.C. chs. 83 and 85.)

Also under this heading are the activities of the Transitional Housing Loan Program. This program provides loans to nonprofit organizations to assist them in leasing housing units exclusively for use as a transitional group residence for veterans who are in (or who have recently been in) a program for the treatment of substance abuse. The amount of the loan cannot exceed \$4,500 for any single residential unit and each loan must be repaid within two years through monthly installments. The total amount of loans outstanding at any time may not exceed \$100,000.

Object Classification (in millions of dollars)

Identification code 36-8180-0-7-705	1995 actual	1996 est.	1997 est.
21.0 Travel and transportation of persons	6	6	6
25.2 Other services	10	10	10
26.0 Supplies and materials	8	8	8
31.0 Equipment	3	3	3
99.5 Below reporting threshold	1	2	3
99.9 Total obligations	28	29	30

VETERANS BENEFITS ADMINISTRATION

Federal Funds

General and special funds:

COMPENSATION AND PENSIONS

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Activities formerly included in this account are proposed to be financed by three separate appropriation accounts in 1997 and are presented below in the "Compensation", "Pensions", and "Burial benefits and miscellaneous assistance" accounts. Amounts for 1995, 1996, and 1997 are shown on a comparable basis. The following table shows the distribution of the amounts (dollars in millions) appropriated in 1995 and 1996 and requested in 1997.

Distribution of budget authority by account:	1995 actual	1996 est.	1997 est.
Compensation	\$14,579	\$15,203	\$15,393
Pensions	3,017	2,995	2,987
Burial benefits	109	115	118
Distribution of outlays by account:			
Compensation	14,806	14,109	15,382
Pensions	3,024	2,757	2,975
Burial benefits	109	115	118

COMPENSATION

For the payment of compensation benefits to or on behalf of veterans as authorized by law, \$15,393,198,000, to remain available until expended, of which not to exceed \$2,098,000 shall be reimbursed to "General operating expenses" for necessary expenses as authorized by chapters 11, 13, 51, 53, 55 and 61 of title 38, United States Code.

For the payment, after June 30 of the current fiscal year, of compensation benefits to or on behalf of veterans as authorized by law, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary. (38 U.S.C. 107, and chapters 11, 13, and 61)

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0153-0-1-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.02 World War I	4	3	2
00.03 World War II	3,478	3,412	3,277
00.04 Korean conflict	1,140	1,155	1,138
00.05 Vietnam era	4,370	4,583	4,687
00.06 Peacetime service	2,307	2,402	2,436
00.07 Persian Gulf conflict	342	432	500
00.91 Total veterans	11,642	11,987	12,040
01.04 World War I	73	65	57
01.05 World War II	1,266	1,302	1,321
01.06 Korean conflict	372	394	411
01.07 Vietnam era	903	945	1,005
01.08 Peacetime service	453	461	465
01.09 Persian Gulf conflict	35	49	58
01.91 Total survivors	3,103	3,216	3,317
02.01 Clothing allowance	36	33	33
02.93 Total compensation	14,781	15,235	15,391
09.01 Payment to general operating expenses	2	2	2
10.00 Total obligations	14,783	15,237	15,393
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	238	34	
22.00 New budget authority (gross)	14,579	15,205	15,393
23.90 Total budgetary resources available for obligation	14,817	15,239	15,393
23.95 New obligations	-14,783	-15,237	-15,393
24.40 Unobligated balance available, end of year:			
Uninvested balance	34		

New budget authority (gross), detail:

40.00 Appropriation	14,173	15,176	15,393
42.00 Transferred from other accounts	406	29	
43.00 Appropriation (total)	14,579	15,205	15,393
70.00 Total new budget authority (gross)	14,579	15,205	15,393

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	36	13	1,142
73.10 New obligations	14,783	15,237	15,393
73.20 Total outlays (gross)	-14,806	-14,109	-15,382
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	13	1,142	1,153

Outlays (gross), detail:

86.90 Outlays from new current authority	14,579	14,063	14,240
86.93 Outlays from current balances	227	46	1,142
87.00 Total outlays (gross)	14,806	14,109	15,382

Net budget authority and outlays:

89.00 Budget authority	14,579	15,205	15,393
90.00 Outlays	14,806	14,109	15,382

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority	14,579	15,205	15,393
Outlays	14,806	14,109	15,382

Legislative proposal, not subject to PAYGO:			
Budget Authority	307		
Outlays	276		
Legislative proposal, subject to PAYGO:			
Budget Authority	-36	-129	
Outlays	-36	-129	
Total:			
Budget Authority	14,579	15,169	15,571
Outlays	14,806	14,073	15,529

This appropriation would provide for the payment of compensation benefits to veterans and survivors. Compensation is paid to veterans for disabilities incurred in or aggravated during active military service. Death 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.

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.

Caseload and cost tables shown below do not include proposed legislation.

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

Veterans:	1995 actual	1996 est.	1997 est.
Mexican border period	13	11	11
World War I	733	530	390
World War II	709,248	674,100	638,700
Korean conflict	192,309	188,600	184,600
Vietnam era	699,729	708,082	715,472
Peacetime service	503,733	521,377	538,327
Persian Gulf conflict	120,179	147,500	169,900
Total	2,225,944	2,240,200	2,247,000
Average payment per case, per year	\$5,230	\$5,351	\$5,357
Total obligations (in millions)	\$11,643	\$11,988	\$12,041

Survivors:	1995 actual	1996 est.	1997 est.
Prior to Spanish-American War	1	1	1
Spanish-American War	26	22	18
Mexican border period	3	2	2
World War I	7,391	6,356	5,466
World War II	127,579	124,788	122,252
Korean conflict	37,443	37,310	37,220
Vietnam era	86,287	88,251	90,261
Peacetime service	45,888	44,832	43,807
Persian Gulf conflict	2,825	3,738	4,273
Total	307,443	305,300	303,300
Average payment per case, per year	\$10,094	\$10,531	\$10,939
Total obligations (in millions)	\$3,104	\$3,216	\$3,319

Clothing allowance:	1995 actual	1996 est.	1997 est.
Number of veterans	72,622	65,600	65,800
Average payment per case, per year	\$490	\$503	\$503
Total obligations (in millions)	\$36	\$33	\$33

COMPENSATION

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0153-2-1-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.02 World War I			64
00.03 World War II			22
00.04 Korean conflict			92
00.05 Vietnam era			48
00.06 Peacetime service			10
00.07 Persian Gulf conflict			
00.91 Total veterans			236
01.04 World War I			1
01.05 World War II			28
01.06 Korean conflict			9
01.07 Vietnam era			21

01.08 Peacetime service			10
01.09 Persian Gulf conflict			1
01.91 Total survivors			70
02.01 Clothing allowance			1
02.93 Total compensation			307
10.00 Total obligations (object class 42.0)			307

Budgetary resources available for obligation:

22.00 New budget authority (gross)			307
23.95 New obligations			-307

New budget authority (gross), detail:

40.00 Appropriation			307
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Change in unpaid obligations:

73.10 New obligations			307
73.20 Total outlays (gross)			-276
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			31

Outlays (gross), detail:

86.90 Outlays from new current authority			276
87.00 Total outlays (gross)			276

Net budget authority and outlays:

89.00 Budget authority			307
90.00 Outlays			276

Legislation will be proposed to provide a cost-of-living adjustment (COLA) to all compensation beneficiaries including spouses and children. This increase, effective December 1, 1996, is expected to be 2.8 percent and cost \$307 million in fiscal year 1997.

COMPENSATION

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0153-4-1-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 COLA round down			-18
00.02 Repeal Gardner decision			-36
10.00 Total obligations (object class 42.0)			-36
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-36
23.95 New obligations			36
New budget authority (gross), detail:			
40.00 Appropriation			-36
Change in unpaid obligations:			
73.10 New obligations			-36
73.20 Total outlays (gross)			36
Outlays (gross), detail:			
86.90 Outlays from new current authority			-36
87.00 Total outlays (gross)			-36
Net budget authority and outlays:			
89.00 Budget authority			-36
90.00 Outlays			-36

This legislative proposal would permanently round down annual COLA increases to the next lower full dollar amount.

Legislation will also be proposed to clarify entitlement to benefits for disabilities resulting from medical care or vocational rehabilitation services provided by VA. This provision would repeal the Supreme Court ruling in the Gardner v. Brown case.

PENSIONS

For the payment of pension benefits to or on behalf of veterans as authorized by law, \$2,986,932,000, to remain available until ex-

General and special funds—Continued

PENSIONS—Continued

pending; of which not to exceed \$24,319,000 shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses as authorized by chapters 51, 53, 55, and 61 of title 38, United States Code; and of which such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by chapter 55: Provided, That \$12,000,000 previously transferred from "Compensation and Pensions" to "Medical Facilities Revolving Fund" shall be transferred to this heading.

For the payment, after June 30 of the current fiscal year, of pension benefits to or on behalf of veterans as authorized by law, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary. (38 U.S.C. chapters 15 and 61.)

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0154-0-1-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Pensions:			
Veterans:			
04.01 Improved law	2,092	2,099	2,105
04.02 Prior law	92	78	66
04.03 Old law	1	1	1
04.91 Total veterans	2,185	2,178	2,172
Survivors:			
05.01 Improved law	667	663	661
05.02 Prior law	140	125	112
05.03 Old law	3	2	2
05.91 Total survivors	810	790	775
06.93 Total pensions	2,995	2,968	2,947
Other expenses:			
09.01 Medical facility expenses	2	3	3
09.02 Reimbursement to GOE and VHA	20	23	24
09.91 Total other expenses	22	26	27
10.00 Total obligations	3,017	2,994	2,974
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3,017	2,994	2,987
22.20 Unobligated balance transferred			12
23.90 Total budgetary resources available for obligation	3,017	2,995	2,999
23.95 New obligations	-3,017	-2,994	-2,974
24.40 Unobligated balance available, end of year:			
Uninvested balance			25

New budget authority (gross), detail:			
Current:			
40.00 Appropriation	3,343	3,044	2,987
41.00 Transferred to other accounts	-326	-50	
43.00 Appropriation (total)	3,017	2,995	2,987
Permanent:			
62.00 Transferred from other accounts	1		
70.00 Total new budget authority (gross)	3,017	2,994	2,987

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	8	3	239
73.10 New obligations	3,017	2,994	2,974
73.20 Total outlays (gross)	-3,024	-2,757	-2,975
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3	239	240

Outlays (gross), detail:			
86.90 Outlays from new current authority	3,015	2,755	2,975
86.93 Outlays from current balances	8	2	
86.97 Outlays from new permanent authority	1		
87.00 Total outlays (gross)	3,024	2,757	2,975

Net budget authority and outlays:			
89.00 Budget authority	3,017	2,995	2,987
90.00 Outlays	3,024	2,757	2,975

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. Income support is provided at established benefit levels.

Veterans who are under the age of 45 and are in receipt of a disability pension will be evaluated to determine whether a vocational goal is reasonably feasible. Those for whom a vocational goal is feasible are eligible for a program of vocational training.

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, 1997, is expected to be 2.8 percent.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

	1995 actual	1996 est.	1997 est.
Veterans:			
Improved law	377,117	372,498	367,151
Prior law	57,388	48,664	41,317
Old law and service	774	638	532
Total	435,279	421,800	409,000
Average payment per case, per year	\$5,019	\$5,163	\$5,310
Total obligations (in millions)	\$2,185	\$2,178	\$2,172
Survivors:			
Improved law	216,191	210,291	205,264
Prior law	142,567	126,988	113,314
Old law and service	4,684	3,821	3,122
Total	363,442	341,100	321,700
Average payment per case, per year	\$2,230	\$2,318	\$2,411
Total obligations (in millions)	\$811	\$791	\$776
Vocational training:			
Trainees	148	100	50
Average benefit per year	\$1,694	\$1,740	\$1,780
Total obligations (in millions) ¹			

¹ Amounts round to less than \$1 million.

BURIAL BENEFITS AND MISCELLANEOUS ASSISTANCE

For the payment of burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law, \$117,724,000, to remain available until expended. (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540-548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198.)

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0155-0-1-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Burial benefits:			
07.01 Burial allowances	38	38	37
07.02 Burial plots	13	13	13
07.03 Service-connected deaths	13	13	13
07.04 Burial flags	14	15	16
07.05 Headstones and markers	24	27	28
07.07 Graveliners	6	8	9

07.91	Total burial benefits	107	113	116
08.03	Special allowance dependents	1	1	1
08.04	Equal access to justice	1	1	1
08.91	Total miscellaneous assistance	2	2	2
10.00	Total obligations (object class 42.0)	109	115	118

Budgetary resources available for obligation:

22.00	New budget authority (gross)	109	115	118
23.95	New obligations	-109	-115	-118

New budget authority (gross), detail:

40.00	Appropriation	111	112	118
41.00	Transferred to other accounts	-2		
42.00	Transferred from other accounts		3	
43.00	Appropriation (total)	109	115	118
70.00	Total new budget authority (gross)	109	115	118

Change in unpaid obligations:

73.10	New obligations	109	115	118
73.20	Total outlays (gross)	-109	-115	-118

Outlays (gross), detail:

86.90	Outlays from new current authority	109	115	118
87.00	Total outlays (gross)	109	115	118

Net budget authority and outlays:

89.00	Budget authority	109	115	118
90.00	Outlays	109	115	118

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 \$150 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 \$1,500 when a veteran dies as the result of 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 graveliners in the National cemetery system.

NUMBER OF BURIAL BENEFITS

	1995 actual	1996 est.	1997 est.
Burial allowance	93,921	92,700	91,500
Burial plot	84,617	84,000	83,400
Service-connected death	10,040	10,300	10,500
Burial flags	447,206	682,800	464,200
Headstone markers	284,786	320,000	326,000
Headstone allowance	30	20	10
Graveliners	45,787	52,284	53,460

Miscellaneous assistance.—Provides for: (a) payments to emergency officers of World War I and certain officers of the Regular Establishment who have retired because of service-connected disability; (b) payments for claims made pursuant to the provision of the World War Adjusted Compensation Act of 1924, as amended; (c) 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 (d) payments authorized by the Equal Access to Justice Act.

MISCELLANEOUS ASSISTANCE CASELOAD

	1995 actual	1996 est.	1997 est.
Retired Officers	6	5	4
Adjusted service and dependence pay			
Special allowance dependents	158	158	158
Equal Access to Justice payments	265	265	265

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, \$1,227,000,000, to remain available until expended: Provided, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98-77, as amended.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0137-0-1-702	1995 actual	1996 est.	1997 est.	
Obligations by program activity:				
Direct program:				
Education and training:				
00.01	Sons and daughters	91	88	86
00.02	Spouses	10	10	10
00.91	Total education and training	101	98	96
Special assistance to disabled veterans:				
01.01	Vocational rehabilitation	298	349	388
01.02	Housing grants	16	16	16
01.03	Automobiles, adaptive equipment, maintenance and repair	27	22	18
01.91	Total special assistance to disabled veterans	341	387	422
02.01	Work study	29	34	38
02.02	Payments to states	13	13	13
02.03	All-volunteer Assistance: Veteran's basic benefits	672	747	809
02.93	Total direct program	1,156	1,279	1,378
Reimbursable program:				
03.01	Veterans' basic benefits	14	17	15
03.02	Veterans' supplementary benefits	75	80	78
03.03	Reservists benefits	108	112	111
03.04	Jobs program	8		
04.92	Total reimbursable	204	209	204
10.00	Total obligations	1,360	1,488	1,582

Budgetary resources available for obligation:

21.40	Unobligated balance available, start of year: Uninvested balance	65	93	152
22.00	New budget authority (gross)	1,395	1,554	1,431
22.30	Unobligated balance expiring	-5	-7	
23.90	Total budgetary resources available for obligation	1,455	1,640	1,582
23.95	New obligations	-1,360	-1,488	-1,582
24.40	Unobligated balance available, end of year: Uninvested balance	93	152	

New budget authority (gross), detail:

Current:				
40.00	Appropriation	1,287	1,345	1,227
41.00	Transferred to other accounts	-95		
43.00	Appropriation (total)	1,192	1,345	1,227
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	202	210	204
70.00	Total new budget authority (gross)	1,395	1,554	1,431

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance: Appropriation	85	51	55
73.10	New obligations	1,360	1,488	1,582
73.20	Total outlays (gross)	-1,394	-1,484	-1,579
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation	51	55	58

Outlays (gross), detail:

86.90	Outlays from new current authority	1,107	1,345	1,227
86.97	Outlays from new permanent authority	197	138	204
86.98	Outlays from permanent balances	89		147
87.00	Total outlays (gross)	1,394	1,484	1,579

General and special funds—Continued

READJUSTMENT BENEFITS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-0137-0-1-702	1995 actual	1996 est.	1997 est.
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-197	-210	-204
88.40 Non-Federal sources	-5		
88.90 Total, offsetting collections (cash)	-202	-210	-204
Net budget authority and outlays:			
89.00 Budget authority	1,192	1,344	1,227
90.00 Outlays	1,191	1,274	1,375

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority	1,192	1,345	1,227
Outlays	1,191	1,273	1,374
Legislative proposal, subject to PAYGO:			
Budget Authority			-20
Outlays			-20
Total:			
Budget Authority	1,192	1,345	1,207
Outlays	1,191	1,273	1,354

This appropriation finances educational assistance allowances for certain peacetime 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. The funding level in 1997 will consist of appropriated funds of \$1,227 million and available funds from 1996 of \$152 million.

The following table provides a comparison of trainees and costs for the Dependents Educational Assistance program.

NUMBER OF TRAINEES AND COST

	1995 actual	1996 est.	1997 est.
Sons and daughters:			
Number of trainees	34,793	33,925	33,097
Average cost per trainee	\$2,607	\$2,608	\$2,609
Total cost (in millions)	\$91	\$88	\$86
Spouses and widow(ers):			
Number of trainees	4,648	4,743	4,841
Average cost per trainee	\$2,052	\$2,052	\$2,051
Total cost (in millions)	\$10	\$10	\$10

Special assistance to disabled veterans.—Service-disabled veterans requiring vocational rehabilitation receive assistance to cover the costs of subsistence, tuition, books, supplies, and equipment.

Specially adapted housing grants, up to a maximum of \$38,000, 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 \$6,500.

An allowance, up to a maximum of \$5,500, 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.

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

CASELOAD AND AVERAGE COST DATA

	1995 actual	1996 est.	1997 est.
Vocational Rehabilitation:			
Number of trainees:			
10% rated disabled	3,806	3,311	2,881
rehabilitated	1,308	1,530	1,835
20% rated disabled	13,913	15,304	16,834
rehabilitated	1,367	1,604	1,925
30% rated disabled	11,218	13,224	14,523
rehabilitated	1,294	1,506	1,807
40% rated disabled	6,649	8,004	8,790
rehabilitated	833	968	1,162
50% rated disabled	3,639	4,176	4,586
rehabilitated	452	510	611
60% rated disabled	2,612	3,132	3,440
rehabilitated	373	411	493
70% rated disabled	1,004	1,392	1,529
rehabilitated	156	187	225
80% rated disabled	489	696	764
rehabilitated	81	97	117
90% rated disabled	151	348	382
rehabilitated	37	44	53
100% rated disabled	4,366	4,872	5,351
rehabilitated	281	310	372
Total number of trainees	47,847	54,459	59,080
Total number rehabilitated	6,182	7,167	8,600
Percent of total rehabilitated	12.92	13.16	14.56
Average cost per trainee	\$6,231	\$6,405	\$6,571
Total cost (in thousands)	\$298,132	\$348,810	\$388,215
Housing grants:			
Number of housing grants	486	486	486
Average cost per grant	\$33,620	\$33,620	\$33,620
Total cost (in thousands)	\$16,327	\$16,327	\$16,327
Automobiles or other conveyances:			
Number of conveyances	1,141	1,141	1,141
Average cost per conveyance	\$4,921	\$4,921	\$4,921
Total cost (in thousands)	\$5,615	\$5,615	\$5,615
Adaptive equipment (including maintenance, repair and installation for automobiles):			
Number of items	6,878	5,097	3,777
Average cost	\$3,139	\$3,224	\$3,311
Total cost (in thousands)	\$21,589	\$16,433	\$12,506

Work-Study.—Certain veterans pursuing a program of rehabilitation, education, or training, who are enrolled as a full-time student, can work up to 250 hours and receive a maximum of \$1,062.50 per semester, paid at the rate of the Federal or State minimum wage, whichever is higher.

	1995 actual	1996 est.	1997 est.
Number of contracts	34,707	46,192	51,888

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.

All Volunteer Force educational assistance (Montgomery GI Bill).—Public Law 98-525, enacted October 19, 1984, established two new peacetime educational programs: an assistance program for veterans who enter active duty during the period beginning July 1, 1985; and an assistance program for certain members of the Selected Reserve. The Readjustment benefits appropriation pays the basic benefit allowance for the peacetime veterans. Supplementary educational assistance for peacetime veterans and the basic benefit allowance for reservists are financed by payments from the Department of Defense and the Department of Transportation.

The following table shows a caseload and cost comparison for these beneficiaries under existing legislation, and reflects the supplemental request.

CASELOAD AND AVERAGE COST DATA

	1995 actual	1996 est.	1997 est.
Veterans:			
Number of trainees	291,958	301,776	320,084

Average cost per trainee	\$2,604	\$2,796	\$2,821
Total cost (in thousands)	¹ \$760,390	² \$843,907	³ \$902,867
Reservists:			
Number of trainees	97,246	114,825	109,243
Average cost per trainee	\$1,111	\$988	\$1,013
Total cost (in thousands)	\$108,004	\$113,471	\$110,693

¹ Includes \$671,873 thousand of basic benefits (VA funded), \$13,663 thousand of basic benefits (DOD funded), and \$74,854 thousand of supplemental benefits (DOD funded).
² Includes \$747,407 thousand of basic benefits (VA funded), \$16,600 thousand of basic benefits, (DOD funded) and \$79,900 thousand of supplemental benefits (DOD funded).
³ Includes \$809,167 thousand of basic benefits (VA funded), \$15,400 thousand of basic benefits (DOD funded) and \$78,300 thousand of supplemental benefits (DOD funded).

Jobs Training.—Public Law 102-484 authorized the Department of Defense to enter into agreements with the Departments of Labor and Veterans Affairs to provide job assistance to members of the Armed Forces who are forced or induced to leave military service on or after August 2, 1990 as part of the drawdown. There was \$9 million available to fund this program until September 30, 1995.

Veterans:	1995 actual	1996 est.	1997 est.
Number of participants	10,994		
Average cost per participant	\$698		
Total cost (in thousands)	\$8,151		

To facilitate account restructuring and consolidation, Readjustment Benefits also reflects budget information for the Veterans' Job Training program. Eligibility for the Veterans' Job Training program terminated on March 31, 1990.

Object Classification (in millions of dollars)

Identification code 36-0137-0-1-702	1995 actual	1996 est.	1997 est.
41.0 Direct obligations: Grants, subsidies, and contributions	1,156	1,279	1,378
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	204	209	204
99.9 Total obligations	1,360	1,488	1,582

READJUSTMENT BENEFITS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-0137-4-1-702	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
Special assistance to disabled veterans:			
01.01 Vocational rehabilitation			-20
02.93 Total direct program			-20
10.00 Total obligations			-20
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-20
23.95 New obligations			20
New budget authority (gross), detail:			
40.00 Appropriation			-20
Change in unpaid obligations:			
73.10 New obligations			-20
73.20 Total outlays (gross)			20
Outlays (gross), detail:			
86.90 Outlays from new current authority			-20
87.00 Total outlays (gross)			-20
Net budget authority and outlays:			
89.00 Budget authority			-20

90.00 Outlays	-20
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The Administration is proposing legislation to overturn the Court of Veterans Appeals decision in *Davenport v. Brown*, which invalidated VA's long-standing regulations requiring a substantial linkage between the veteran's service-connected disability and his or her employment handicap.

REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS UNDER PUBLIC LAW 97-377

Program and Financing (in millions of dollars)

Identification code 36-0200-0-1-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
00.01 Benefit payments	21	19	17
00.02 Administrative expenses, VA	1	1	1
00.03 Cole v. Brown payments	4	1	
00.91 Total direct program	26	21	18
01.01 Return of overpayment	1		
10.00 Total obligations	27	21	18
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	26	21	18
23.95 New obligations	-27	-21	-18
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	26	21	18
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	19	10	6
73.10 New obligations	27	21	18
73.20 Total outlays (gross)	-35	-24	-18
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	10	6	6
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	16	21	18
86.98 Outlays from permanent balances	19	4	
87.00 Total outlays (gross)	35	24	18
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-26	-21	-18
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	9	4	

In accordance with Public Law 97-377, this program restores social security benefits to certain surviving spouses or children of veterans who died of service-connected causes. Financing is provided in the form of offsetting collections from the Department of Defense.

CASELOAD AND AVERAGE COST DATA

	1995 actual	1996 est.	1997 est.
Spouses	496	440	390
Average benefit	\$9,936	\$10,277	\$10,631
Obligations (in millions)	\$5	\$5	\$4
Children	1,922	1,710	1,520
Average benefit	\$8,120	\$8,327	\$8,493
Obligations (in millions)	\$16	\$14	\$13

Object Classification (in millions of dollars)

Identification code 36-0200-0-1-701	1995 actual	1996 est.	1997 est.
25.2 Other services	1	2	1
42.0 Insurance claims and indemnities	25	19	17
44.0 Refunds	1		
99.9 Total obligations	27	21	18

General and special funds—Continued

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 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, \$38,970,000, to remain available until expended.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0120-0-1-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.04 Payment to national service life insurance fund	2	2	1
00.05 Payment to service-disabled veterans insurance fund	29	35	31
00.06 Total operating expenses	8	8	9
10.00 Total obligations	39	45	41
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	2		
22.00 New budget authority (gross)	38	45	41
23.90 Total budgetary resources available for obligation	40	45	41
23.95 New obligations	-39	-45	-41
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	24	25	39
42.00 Transferred from other accounts	11	18	
43.00 Appropriation (total)	35	43	39
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	2	2	2
70.00 Total new budget authority (gross)	38	45	41
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1		
73.10 New obligations	39	45	41
73.20 Total outlays (gross)	-39	-45	-41
Outlays (gross), detail:			
86.90 Outlays from new current authority	34	41	37
86.97 Outlays from new permanent authority	2	2	2
86.98 Outlays from permanent balances	3		
87.00 Total outlays (gross)	39	45	41
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	36	43	39
90.00 Outlays	37	43	39

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.

Military and naval insurance.—Payments are made to the U.S. Government life insurance 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.—Payments are made to the national service life insurance 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.

Payments are also made to policyholders and beneficiaries on nonparticipating national service life insurance policies is-

sued to World War II 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 1997 as indicated in the following table (dollars in thousands).

	1995 actual	1996 est.	1997 est.
National service life insurance policies:			
Number of policies	1,680	1,557	1,436
Amount of insurance	\$8,522	\$7,789	\$7,093
VMLI policies:			
Number of policies	4,002	3,850	3,700
Amount of insurance	\$224,933	\$219,400	\$218,200

Payment to service-disabled veterans insurance fund.—Payments are made to the service-disabled veterans insurance 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.

Object Classification (in millions of dollars)

Identification code 36-0120-0-1-701	1995 actual	1996 est.	1997 est.
41.0 Grants, subsidies, and contributions	29	37	32
42.0 Insurance claims and indemnities	10	8	9
99.9 Total obligations	39	45	41

Public enterprise funds:

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4012-0-3-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.01 Death claims	38	42	45
00.02 All other	11	13	13
00.91 Total operating expenses	49	55	58
Capital investment:			
01.01 Total capital investment	17	12	10
10.00 Total obligations	66	67	68
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund			
balance	8	3	6
22.00 New budget authority (gross)	62	70	66
23.90 Total budgetary resources available for obligation	70	73	72
23.95 New obligations	-66	-67	-68
24.90 Unobligated balance available, end of year: Fund			
balance	3	6	5
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	61	70	66
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	3	5	4
73.10 New obligations	66	67	68
73.20 Total outlays (gross)	-63	-70	-68
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	5	4	4
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	52	62	58
86.98 Outlays from permanent balances	11	8	10
87.00 Total outlays (gross)	63	70	68

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Payments from VI and I	-29	-35	-31
Non-Federal sources:				
88.40	Interest on loans	-1	-2	-2
88.40	Insurance premiums earned	-23	-24	-24
88.40	Optional settlements	-1	-1	-1
88.40	Repayments of loans	-7	-8	-8
88.90	Total, offsetting collections (cash)	-61	-70	-66
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	2	2	2

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. Administrative expenses are paid from the General operating expenses appropriation.

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 (dollars in thousands):

	1995 actual	1996 est.	1997 est.
Number of policies	166,203	163,679	161,265
Insurance in force	\$1,518,916	\$1,503,900	\$1,490,800

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 \$462 million by September 30, 1997.

Statement of Operations (in millions of dollars)

Identification code 36-4012-0-3-701	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	43	64	73	68
0102 Expense	-66	-66	-70	-71
0109 Net income or loss (-)	-23	-2	3	-3

Balance Sheet (in millions of dollars)

Identification code 36-4012-0-3-701	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	11	8	10	8
1206 Non-Federal assets: Receivables, net	2	1	2	3
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross	40	49	56	60
1999 Total assets	53	58	68	71
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	3	4	4	4
2206 Pension and other actuarial liabilities	509	516	523	528
2207 Other	1	1	1	1
2999 Total liabilities	513	521	528	533
NET POSITION:				
3100 Appropriated capital	8	3	6	5
3200 Invested capital	-468	-466	-466	-467

3999	Total net position	-460	-463	-460	-462
4999	Total liabilities and net position	53	58	68	71

Object Classification (in millions of dollars)

Identification code 36-4012-0-3-701	1995 actual	1996 est.	1997 est.	
33.0	Investments and loans	17	15	13
42.0	Insurance claims and indemnities	49	52	55
99.9	Total obligations	66	67	68

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4010-0-3-701	1995 actual	1996 est.	1997 est.	
Obligations by program activity:				
Operating expenses:				
00.01	Death claims	29	32	35
00.02	Dividends	31	31	29
00.03	All other	9	10	9
00.91	Total operating expenses	69	73	73
Capital investment:				
01.01	Policy loans	7	6	6
10.00	Total obligations	76	79	79

Budgetary resources available for obligation:

Unobligated balance available, start of year:				
21.90	Fund balance	1		1
21.91	U.S. Securities: Par value	500	498	491
21.99	Total unobligated balance, start of year	501	498	492
22.00	New budget authority (gross)	73	72	67
23.90	Total budgetary resources available for obligation	574	570	559
23.95	New obligations	-76	-79	-79
Unobligated balance available, end of year:				
24.90	Fund balance		1	1
24.91	U.S. Securities: Par value	498	490	478
24.99	Total unobligated balance, end of year	498	491	479

New budget authority (gross), detail:

68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)	73	72	67

Change in unpaid obligations:

72.91	Unpaid obligations, start of year: Obligated balance:			
	U.S. Securities: Par value	24	28	32
73.10	New obligations	76	79	79
73.20	Total outlays (gross)	-72	-76	-76
74.91	Unpaid obligations, end of year: Obligated balance:			
	U.S. Securities: Par value	28	32	35

Outlays (gross), detail:

86.97	Outlays from new permanent authority	72	72	67
86.98	Outlays from permanent balances		4	9
87.00	Total outlays (gross)	72	76	76

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Interest on U.S. securities	-50	-48	-44
Non-Federal sources:				
88.40	Interest on loans	-1	-1	-1
88.40	Insurance premiums earned	-18	-17	-16
88.40	Repayments of loans	-5	-6	-6
88.90	Total, offsetting collections (cash)	-73	-72	-67

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-2	4	9

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

Public enterprise funds—Continued

VETERANS REOPENED INSURANCE FUND—Continued

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 payments to the General operating expenses appropriation 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 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 (dollars in thousands):

	1995 actual	1996 est.	1997 est.
Number of policies	102,020	97,650	92,990
Insurance in force	\$770,664	\$751,800	\$729,800

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.

Statement of Operations (in millions of dollars)

Identification code 36-4010-0-3-701	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	71	69	68	63
0102 Expense	-72	-78	-69	-69
0109 Net income or loss (-)	-1	-9	-1	-6

Balance Sheet (in millions of dollars)

Identification code 36-4010-0-3-701	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1			
Investments in US securities:				
1102 Treasury securities, par	524	526	522	514
1106 Receivables, net	12	12	11	10
1206 Non-Federal assets: Receivables, net	1		1	1
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross	24	26	28	29
1999 Total assets	562	565	562	553
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	34	38	41	43
2206 Pension and other actuarial liabilities	508	516	510	506
2207 Other	3	2	3	3
2999 Total liabilities	545	557	555	553
NET POSITION:				
3100 Appropriated capital	501	498	491	479
3200 Invested capital	-484	-489	-483	-477
3999 Total net position	17	9	8	2
4999 Total liabilities and net position	562	566	563	555

Object Classification (in millions of dollars)

Identification code 36-4010-0-3-701	1995 actual	1996 est.	1997 est.
33.0 Investments and loans	7	7	7
42.0 Insurance claims and indemnities	35	38	40
43.0 Interest and dividends	34	35	32
99.9 Total obligations	76	79	79

SERVICEMEN'S GROUP LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-4009-0-3-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Premium payments	485	486	499
00.02 All other	4		1
10.00 Total obligations (object class 41.0)	489	486	500
Budgetary resources available for obligation:			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value	42	15	1
22.00 New budget authority (gross)	461	472	500
23.90 Total budgetary resources available for obligation	503	487	501
23.95 New obligations	-489	-486	-500
24.91 Unobligated balance available, end of year: U.S. Securities: Par value	15	1	1

New budget authority (gross), detail:

Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	459	472	500
68.10 Change in orders on hand from Federal sources	2		
68.90 Spending authority from offsetting collections (total)	461	472	500
70.00 Total new budget authority (gross)	461	472	500

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Obligated balance: Offsetting Collections		3	3
72.95 Orders on hand from Federal sources	2	4	4
72.99 Total unpaid obligations, start of year	2	7	7
73.10 New obligations	489	486	500
73.20 Total outlays (gross)	-484	-486	-500
Unpaid obligations, end of year:			
74.40 Obligated balance: Offsetting Collections	3	3	3
74.95 Orders on hand from Federal sources	4	4	4
74.99 Total unpaid obligations, end of year	7	7	7

Outlays (gross), detail:

86.97 Outlays from new permanent authority	440	467	500
86.98 Outlays from permanent balances	44	19	
87.00 Total outlays (gross)	484	486	500

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Withholdings from serviceman's pay	-459	-472	-500
88.95 Change in orders on hand from Federal sources	-2		

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	23	14	

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

Statement of Operations (in millions of dollars)

Identification code 36-4009-0-3-701	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	418	461	472	500
0102 Expense	-529	-489	-486	-500

0109	Net income or loss (-)	-111	-28	-14
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Credit accounts:

GUARANTY AND INDEMNITY PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the purpose of the program, as authorized by 38 U.S.C. chapter 37, as amended: 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, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$107,703,000, which may be transferred to and merged with the appropriation for "General operating expenses".

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Unavailable Collections (in millions of dollars)

Identification code 36-1119-0-1-704	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year	469	176	216
03.00 Offsetting Collections	176	216	
04.00 Total: Balances and collections	645	392	216
Appropriation:			
05.01 Guaranty and indemnity program account	-469	-176	-216
07.99 Total balance, end of year	176	216	

Program and Financing (in millions of dollars)

Identification code 36-1119-0-1-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct loan subsidy	6	17	13
00.02 Guaranteed loan subsidy	262	375	361
00.05 Reestimates of direct loan subsidy	7	13	
00.06 Interest on reestimates of the direct loan subsidy	1	3	
00.07 Reestimates of the guaranteed loan subsidy	290	238	
00.08 Interest on reestimates of the guaranteed loan subsidy	53	11	
00.09 Administrative expenses	65	65	108
10.00 Total obligations	684	722	482
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	684	722	482
23.90 Total budgetary resources available for obligation	684	722	482
23.95 New obligations	-684	-722	-482

New budget authority (gross), detail:

Current:			
40.00	Appropriation	65	108
40.05	Appropriation (indefinite)	150	158
43.00	Appropriation (total)	215	266
Permanent:			
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash) Total downward reestimate	176	697
68.26	Offsetting collections (unavailable balances)	469	176
68.45	Portion not available for obligation (limitation on obligations)	-176	-216
68.90	Spending authority from offsetting collections (total)	469	657
70.00	Total new budget authority (gross)	684	722

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	1	
73.10	New obligations	684	482
73.20	Total outlays (gross)	-684	-482
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation		

Outlays (gross), detail:

86.90	Outlays from new current authority	215	65	266
86.93	Outlays from current balances	1		
86.97	Outlays from new permanent authority	468	657	216
87.00	Total outlays (gross)	684	722	482

Offsets:

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-176	-697	

Net budget authority and outlays:

89.00	Budget authority	508	25	482
90.00	Outlays	509	25	482

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

Identification code 36-1119-0-1-704	1995 actual	1996 est.	1997 est.	
Direct loan levels supportable by subsidy budget authority:				
1159	Total direct loan levels	604	1,197	1,417
Direct loan subsidy (in percent):				
1329	Weighted average subsidy rate	1.06	1.46	0.95
Direct loan subsidy budget authority:				
1339	Total subsidy budget authority	6	17	13
Direct loan subsidy outlays:				
1349	Total subsidy outlays	6	17	13
Guaranteed loan levels supportable by subsidy budget authority:				
2159	Total loan guarantee levels	22,161	24,032	24,547
Guaranteed loan subsidy (in percent):				
2329	Weighted average subsidy rate	1.18	1.56	1.47
Guaranteed loan subsidy budget authority:				
2339	Total subsidy budget authority	262	375	361
Guaranteed loan subsidy outlays:				
2349	Total subsidy outlays	262	375	361
Administrative expense data:				
3510	Budget authority	65	65	108
3590	Outlays	65	65	108

As required by the Federal Credit Reform Act of 1990, this account records, for this program, 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 this program. The subsidy amounts are estimated on a net present value basis.

The Guaranty and Indemnity Fund was established to replace the Loan Guaranty Revolving Fund with respect to loans closed after December 31, 1989. The following Federal guaranty protects lenders against 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 greater than \$144,000, the lesser of \$50,750 or 25 percent of the loan.

The Administration is proposing legislation which will make permanent three provisions of OBRA 1993 due to expire in 1998: (1) the loan origination fee increase of .75 percent; (2) the three-percent fee for multiple home loans with less than five percent down; and (3) the current law on resale losses on loans.

Object Classification (in millions of dollars)

Identification code 36-1119-0-1-704	1995 actual	1996 est.	1997 est.	
25.3	Purchases of goods and services from Government accounts	65	65	108
41.0	Grants, subsidies, and contributions	619	657	374
99.9	Total obligations	684	722	482

Credit accounts—Continued

GUARANTY AND INDEMNITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4127-0-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct loans	604	1,197	1,417
00.02 Interest on Treasury borrowing	57	19	34
00.03 Cash advances	1		
00.04 Property sales expense			1
00.05 Property improvement expense			1
00.06 Property management/other expense		1	
00.07 Pymt of downward reest. to Program Acct		102	
00.08 Pymt. of excess interest earned to Program Acct.		11	
10.00 Total obligations	662	1,330	1,453
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	662	1,330	1,453
23.95 New obligations	-662	-1,330	-1,453
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	590	1,277	1,404
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	578	951	1,219
68.47 Portion applied to debt reduction	-506	-898	-1,170
68.90 Spending authority from offsetting collections (total)	72	53	49
70.00 Total new financing authority (gross)	662	1,330	1,453
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	41	2	5
73.10 New obligations	662	1,330	1,453
73.20 Total financing disbursements (gross)	-701	-1,328	-1,453
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	2	5	5
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	701	1,328	1,453
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-15	-33	-14
Non-Federal sources:			
88.40 Repayments of principal	-4	-7	-12
88.40 Interest received on loans	-17	-38	-51
88.40 Fees	-5	-12	-14
88.40 Interest from Treasury	-41		
88.40 Loan sale proceeds, net	-499	-820	-1,074
88.40 Cash sale of properties		-5	-11
88.40 Other revenue	3	-36	-43
88.90 Total, offsetting collections (cash)	-578	-951	-1,219
Net financing authority and financing disbursements:			
89.00 Financing authority	84	379	234
90.00 Financing disbursements	123	377	234

Status of Direct Loans (in millions of dollars)

Identification code 36-4127-0-3-704	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	604	1,197	1,417
1150 Total direct loan obligations	604	1,197	1,417
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	150	227	546
1231 Disbursements: Direct loan disbursements	604	1,197	1,417
Repayments:			
1251 Repayments and prepayments	-21	-7	-12
1253 Proceeds from loan asset sales to the public with recourse	-495	-820	-1,074
1262 Adjustments: Discount on loan asset sales to the public or discounted	-3	-46	-63

1263 Write-offs for default: Direct loans	-8	-5	-12
1290 Outstanding, end of year	227	546	802

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	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	93	113		
1206 Non-Federal assets: Receivables, net	3	5		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	126	185	425	617
1404 Foreclosed property		1		
1499 Net present value of assets related to direct loans	126	186	425	617
1999 Total assets	222	304	425	617
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	40			
2104 Resources payable to Treasury	181		420	609
Non-Federal liabilities:				
2201 Accounts payable	1	2	5	8
2204 Liabilities for loan guarantees		302		
2999 Total liabilities	222	304	425	617
4999 Total liabilities and net position	222	304	425	617

GUARANTY AND INDEMNITY GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4129-0-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Acquisition of homes	406	1,324	1,433
00.02 Losses on defaulted loans	107	366	388
00.03 Property sales expense	19	75	91
00.04 Property management expense	10	24	31
00.05 Property improvement expense	7	14	17
00.06 Loans acquired	33	13	16
00.07 Payment of downward reestimate to program account	167	462	
00.08 Payment of excess interest to program account	9	122	
00.09 Other expenses	3		
10.00 Total obligations	761	2,400	1,976
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	2,854	3,428	3,343
22.00 New financing authority (gross)	1,335	2,315	2,327
23.90 Total budgetary resources available for obligation	4,189	5,743	5,670
23.95 New obligations	-761	-2,400	-1,976
24.90 Unobligated balance available, end of year: Fund balance	3,428	3,343	3,693
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	1,335	2,315	2,327
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	12	18	56
73.10 New obligations	761	2,400	1,976
73.20 Total financing disbursements (gross)	-755	-2,362	-1,986
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	18	56	47

Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	755	2,362	1,986
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from program account	-604	-624	-361
88.00	Recoveries from direct loans conveyed to the direct loan financing account	-33	-875	-1,068
88.25	Interest on uninvested funds	-207	-154	-164
Non-Federal sources:				
88.40	Funding fees	-424	-441	-476
88.40	Cash sale of properties	-50	-210	-246
88.40	Other collections	-17	-11	-11
88.90	Total, offsetting collections (cash)	-1,335	-2,315	-2,326
Net financing authority and financing disbursements:				
89.00	Financing authority			1
90.00	Financing disbursements	-580	47	-340

Status of Guaranteed Loans (in millions of dollars)				
Identification code 36-4129-0-3-704				
		1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:				
2131	Guaranteed loan commitments exempt from limitation	22,161	24,032	24,547
2150	Total guaranteed loan commitments	22,161	24,032	24,547
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	101,094	121,307	142,769
2231	Disbursements of new guaranteed loans	22,161	24,032	24,547
2232	Guarantees of loans sold to the public with recourse	495	820	1,074
2251	Repayments and prepayments	-1,930	-2,316	-2,725
Adjustments:				
2261	Terminations for default that result in loans receivable	115	366	388
2262	Terminations for default that result in acquisition of property	-406	-1,324	-1,433
2263	Terminations for default that result in claim payments	-107	-120	-135
2264	Other adjustments, net	-115	4	
2290	Outstanding, end of year	121,307	142,769	164,485
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	44,700	55,215	83,743
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	22	37	109
2331	Disbursements for guaranteed loan claims	115	366	388
2351	Repayments of loans receivable	-2	-4	-11
2361	Write-offs of loans receivable	-98	-290	-353
2390	Outstanding, end of year	37	109	133

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). 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					
		1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:					
1101	Federal assets: Fund balances with Treasury	2,866	3,445	3,399	3,740
Net value of assets related to post-1991 direct loans receivable:					
1403	Accounts receivable from foreclosed property	121	37	36	40
1499	Net present value of assets related to direct loans	121	37	36	40

Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1504	Foreclosed property	194	336	337	
1599	Net present value of assets related to defaulted guaranteed loans	194	336	337	
1999	Total assets	2,987	3,676	3,771	4,117
LIABILITIES:					
2101	Federal liabilities: Accounts payable	18			
2204	Non-Federal liabilities: Liabilities for loan guarantees	2,987	3,658	3,771	4,117
2999	Total liabilities	2,987	3,676	3,771	4,117
4999	Total liabilities and net position	2,987	3,676	3,771	4,117

GUARANTY AND INDEMNITY FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4023-0-3-704				
		1995 actual	1996 est.	1997 est.
Obligations by program activity:				
Capital investment:				
00.01	Acquisition of homes	239	267	245
00.02	Property improvements	6	6	6
00.04	Cash advances		2	2
00.05	Acquisition of defaulted guaranteed loans	12	11	9
00.91	Total capital investment	257	286	262
Operating expenses:				
01.01	Property management expense	12	10	10
01.02	Sales expense	19	15	17
01.03	Claims-Individual Homes	150	176	161
01.91	Total operating expenses	181	201	188
02.93	Claims-Individual Homes	438	487	450
10.00	Total obligations (object class 33.0)	438	487	450
Budgetary resources available for obligation:				
21.90	Unobligated balance available, start of year: Fund balance	251	439	311
22.00	New budget authority (gross)	626	361	390
23.90	Total budgetary resources available for obligation	877	800	701
23.95	New obligations	-438	-487	-450
24.90	Unobligated balance available, end of year: Fund balance	439	311	251
New budget authority (gross), detail:				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)	626	361	390
Change in unpaid obligations:				
72.90	Unpaid obligations, start of year: Obligated balance:			
	Fund balance	41	23	26
73.10	New obligations	438	487	450
73.20	Total outlays (gross)	-456	-485	-452
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance	23	26	24
Outlays (gross), detail:				
86.97	Outlays from new permanent authority	286	361	390
86.98	Outlays from permanent balances	170	123	62
87.00	Total outlays (gross)	456	485	452
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal Sources: Payments from Direct Loan Financing Account	-571	-322	-349
Non-Federal sources:				
88.40	Loan and other repayments	4	3	3
88.40	Sale of homes, cash	-49	-34	-38
88.40	Interest on loans	-3	-2	-2
88.40	Collection of claims (veteran indebtedness)	-7	-5	-4
88.40	Other revenue	-1		
88.90	Total, offsetting collections (cash)	-626	-361	-390

Credit accounts—Continued**GUARANTY AND INDEMNITY FUND LIQUIDATING ACCOUNT—
Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 36-4023-0-3-704	1995 actual	1996 est.	1997 est.
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-170	124	62

Status of Direct Loans (in millions of dollars)

Identification code 36-4023-0-3-704	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	22	13	12
1231 Disbursements: Direct loan disbursements	4		
1251 Repayments: Repayments and prepayments	-1		
1264 Write-offs for default: Other adjustments, net	-12	-1	
1290 Outstanding, end of year	13	12	12

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4023-0-3-704	1995 actual	1996 est.	1997 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	17,668	16,569	15,467
2251 Repayments and prepayments	-703	-659	-615
Adjustments:			
2262 Terminations for default that result in acquisition of property	-246	-267	-245
2263 Terminations for default that result in claim payments	-150	-176	-162
2290 Outstanding, end of year	16,569	15,467	14,445
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	6,214	5,800	5,417
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	40	18	21
2331 Disbursements for guaranteed loan claims	149	127	108
2351 Repayments of loans receivable	-7	-5	-4
2361 Write-offs of loans receivable	-164	-119	-100
2390 Outstanding, end of year	18	21	25

As required by section 502 of the Congressional Budget Act of 1974, this account records all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Budget program—
Acquisition of homes.—**

	1995 actual	1996 est.	1997 est.
Number of property acquisitions processed	3,534	3,765	3,381
Average amount per acquisition	\$69,614	\$71,006	\$72,568
Total obligations (in millions)	\$246	\$267	\$245

Property improvements.—

	1995 actual	1996 est.	1997 est.
Number of properties improved	3,720	3,765	3,381
Average amount per property	\$1,681	\$1,715	\$1,752
Total obligations (in millions)	\$6	\$6	\$6

Cash advances—

Vendee loans.—Small cash advances are occasionally made to borrowers to cover taxes, hazard insurance, and necessary repairs. These amounts are added to the loan balance.

	1995 actual	1996 est.	1997 est.
Total obligations (in millions)	-\$7	\$2	\$2

Property management expense.—Property management expenses include all the costs of ownership of acquired properties except capitalized expenditures made incident to the acquisition and rehabilitation of properties.

	1995 actual	1996 est.	1997 est.
Average number of properties	1,660	1,546	1,639
Average amount per property	\$7,015	\$6,291	\$6,429
Total obligations (in millions)	\$12	\$10	\$11

Property sales expense.—Sales expense includes brokers' fees and advertising costs incident to the sale of properties owned by VA.

	1995 actual	1996 est.	1997 est.
Number of sales	4,327	3,339	3,574
Average amount per sale	\$4,451	\$4,540	\$4,640
Total obligations (in millions)	\$19	\$15	\$17

Loss on defaulted guaranteed loans.—These payments are made to lenders in accordance with the VA guaranty contract. In most home loan cases, they represent the difference between the amount owed by the veteran on a defaulted loan and the value of the foreclosed property as established by VA.

	1995 actual	1996 est.	1997 est.
Individual homes:			
Number of claims	3,631	4,183	3,757
Average amount per payment	\$41,222	\$42,046	\$42,971
Total obligations (in millions)	\$150	\$176	\$161

Statement of Operations (in millions of dollars)

Identification code 36-4023-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	347	563	450	360
0102 Expense	-403	-446	-356	-285
0109 Net income or loss (-)	-56	117	94	75

Balance Sheet (in millions of dollars)

Identification code 36-4023-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	273	453	319	264
Net value of assets related to post-1991 direct loans receivable:				
1402 Interest receivable			2	2
1403 Accounts receivable from foreclosed property	23	84	176	161
1499 Net present value of assets related to direct loans	23	84	178	163
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1706 Foreclosed property		13		
1799 Value of assets related to loan guarantees		13		
Other Federal assets:				
1803 Property, plant and equipment, net	170	103	133	117
1901 Other assets		-84		
1999 Total assets	466	569	630	544
LIABILITIES:				
2101 Federal liabilities: Accounts payable	21	13	11	9
2207 Non-Federal liabilities: Other		-1		
2999 Total liabilities	21	12	11	9
NET POSITION:				
3200 Invested capital	193	116	99	84
3300 Cumulative results of operations	251	441	520	451
3999 Total net position	444	557	619	535
4999 Total liabilities and net position	465	569	630	544

LOAN GUARANTY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: 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, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$33,810,000, which may be transferred to and merged with the appropriation for "General operating expenses".

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-81, P.L. 104-92, and P.L. 104-99.

Unavailable Collections (in millions of dollars)

Identification code 36-1025-0-1-704	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year	131	87	22
03.00 Offsetting Collections		11	
04.00 Total: Balances and collections	131	98	22
Appropriation:			
05.01 Loan guaranty program	-44	-76	-14
07.99 Total balance, end of year	87	22	8

Program and Financing (in millions of dollars)

Identification code 36-1025-0-1-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct loan subsidy	21	16	14
00.05 Reestimates of the direct loan subsidy	14	50	
00.06 Interest on reestimates of the direct loan subsidy	8	10	
00.09 Administrative expenses	59	52	34
10.00 Total obligations	103	128	48
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	103	128	48
23.95 New obligations	-103	-128	-48
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	59	52	34
Permanent:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)		11	
68.26 Offsetting collections (unavailable balances)	44	76	14
68.45 Portion not available for obligation (limitation on obligations)		-11	
68.90 Spending authority from offsetting collections (total)	44	76	14
70.00 Total new budget authority (gross)	103	128	48
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	2		
73.10 New obligations	103	128	48
73.20 Total outlays (gross)	-105	-128	-48

Outlays (gross), detail:			
86.90 Outlays from new current authority	59	52	34
86.93 Outlays from current balances	2		
86.97 Outlays from new permanent authority	44	76	14
87.00 Total outlays (gross)	105	128	48
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-11	
Net budget authority and outlays:			
89.00 Budget authority	103	117	48
90.00 Outlays	104	117	48

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

Identification code 36-1025-0-1-704	1995 actual	1996 est.	1997 est.
Direct loan levels supportable by subsidy budget authority:			
1159 Total direct loan levels	899	885	894
Direct loan subsidy (in percent):			
1329 Weighted average subsidy rate	2.34	1.81	1.56
Direct loan subsidy budget authority:			
1339 Total subsidy budget authority	21	16	14
Direct loan subsidy outlays:			
1349 Total subsidy outlays	21	16	14
Guaranteed loan levels supportable by subsidy budget authority:			
2159 Total loan guarantee levels	1	1	1
Guaranteed loan subsidy (in percent):			
2329 Weighted average subsidy rate	13.34	14.29	15.04
Administrative expense data:			
3510 Budget authority	59	52	34
3590 Outlays	59	52	34

As required by the Federal Credit Reform Act of 1990, this account records, for this program, 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 the administrative expenses of this program. The subsidy amounts are estimated on a net present value basis.

The purpose of the VA home loan guaranty program is to facilitate the extension of mortgage credit on favorable terms by private lenders to eligible veterans. As of January 1, 1990, the guaranty on all new loan originations is provided by the Guaranty and Indemnity Fund, except for manufactured home loans. Guaranty amounts made prior to the establishment of the new Fund will be paid from the Loan Guaranty Revolving Fund in case of foreclosure. The guaranty protects lenders against the following 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 greater than \$144,000, the lesser of \$50,750 or 25 percent of the loan.

Object Classification (in millions of dollars)

Identification code 36-1025-0-1-704	1995 actual	1996 est.	1997 est.
25.3 Purchases of goods and services from Government accounts	59	52	34
33.0 Investments and loans	44	76	14
99.9 Total obligations	103	128	48

LOAN GUARANTY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4125-0-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct loans	899	885	894
00.02 Interest on Treasury borrowing	139	9	13
00.03 Property sales expense	1	1	1
00.04 Property management expense		1	1
00.05 Property improvement expense		1	1
00.06 Pymt. to receipt acct. for downward reest.		10	
00.07 Payment of excess interest earned to receipt account		1	
00.09 Cash advances/other expenses	1		
10.00 Total obligations	1,040	908	910
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	1,040	908	910

Credit accounts—Continued**LOAN GUARANTY DIRECT LOAN FINANCING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 36-4125-0-3-704	1995 actual	1996 est.	1997 est.
23.95 New obligations	-1,040	-908	-910
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	856	869	880
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	987	842	854
68.47 Portion applied to debt reduction	-803	-803	-824
68.90 Spending authority from offsetting collections (total)	184	39	30
70.00 Total new financing authority (gross)	1,040	908	910
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance	152	4	4
73.10 New obligations	1,040	908	910
73.20 Total financing disbursements (gross)	-1,187	-908	-910
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	4	4	4
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	1,187	908	910
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-43	-27	-14
Non-Federal sources:			
88.40 Repayment and prepayments of principal (-)	-9	-17	-19
88.40 Interest received on loans	-98	-66	-73
88.40 Loan sale proceeds, net	-833	-673	-684
88.40 Fees	-8	-9	-9
88.40 Cash sale of properties	-1	-24	-29
88.40 Other revenue	5	-26	-26
88.90 Total, offsetting collections (cash)	-987	-842	-854
Net financing authority and financing disbursements:			
89.00 Financing authority	53	66	56
90.00 Financing disbursements	200	66	56

Status of Direct Loans (in millions of dollars)

Identification code 36-4125-0-3-704	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	923	885	894
1150 Total direct loan obligations	923	885	894
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	428	473	669
1231 Disbursements: Direct loan disbursements	933	885	894
Repayments:			
1251 Repayments and prepayments	-41	-16	-19
1253 Proceeds from loan asset sales to the public with recourse	-828	-711	-724
1262 Adjustments: Discount on loan asset sales to the public or discounted	-4	38	40
Write-offs for default:			
1263 Direct loans	-7		
1264 Other adjustments, net	-8		
1290 Outstanding, end of year	473	669	860

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 36-4125-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	925	905	890	900
1206 Non-Federal assets: Accounts Receivables, net	15	12		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable and related foreclosed property, net	319	355	355	358
1404 Foreclosed property		5		
1499 Net present value of assets related to direct loans	319	360	355	358
1999 Total assets	1,259	1,277	1,245	1,258
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	4			
2102 Interest payable		5	10	13
2104 Resources payable to Treasury		1,272	1,338	1,395
Non-Federal liabilities:				
2201 Interest payable	148			
2203 Debt	1,107			
2999 Total liabilities	1,259	1,277	1,348	1,408
NET POSITION:				
3100 Appropriated capital			-103	-150
3999 Total net position			-103	-150
4999 Total liabilities and net position	1,259	1,277	1,245	1,258

LOAN GUARANTY DIRECT LOAN FINANCING ACCOUNT**(Legislative proposal, not subject to PAYGO)****Program and Financing (in millions of dollars)**

Identification code 36-4125-2-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.03 Interest on Treasury Borrowing		2	4
00.04 Payment to Liquidating Account for Enhanced Debt Collection		90	
10.00 Total obligations		92	4
Budgetary resources available for obligation:			
22.00 New financing authority (gross)		92	4
23.95 New obligations		-92	-4
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)		90	
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)		29	25
68.47 Portion applied to debt reduction		-27	-21
68.90 Spending authority from offsetting collections (total)		2	4
70.00 Total new financing authority (gross)		92	4
Change in unpaid obligations:			
73.10 New obligations		92	4
73.20 Total financing disbursements (gross)		-92	-4
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)		92	4
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Repayment from Liquidating Account for debt collection		-29	-25
Net financing authority and financing disbursements:			
89.00 Financing authority		63	-21
90.00 Financing disbursements		63	-21

This schedule shows the off-budget financing effects of the Administration's proposal to repeal restrictions on the collection of loan guaranty debts and authorize VA to collect all

loan guaranty debts by Federal income tax refund offset. This proposal would take effect in 1996.

LOAN GUARANTY GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4126-0-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations			
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance		1	1
22.00 New financing authority (gross)			
23.90 Total budgetary resources available for obligation		1	1
23.95 New obligations			
24.90 Unobligated balance available, end of year: Fund balance	1	1	
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)			
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4126-0-3-704	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation	1	1	1
2150 Total guaranteed loan commitments	1	1	1
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	2	836	1,510
2231 Disbursements of new guaranteed loans	1	1	1
2232 Guarantees of loans sold to the public with recourse	833	673	684
2251 Repayments and prepayments			
2263 Adjustments: Terminations for default that result in claim payments			
2290 Outstanding, end of year	836	1,510	2,195
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	834	674	685

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). 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 36-4126-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury		1	1	1
1999 Total assets		1	1	1
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable				
2104 Resources payable to Treasury				
2105 Other		1		
Non-Federal liabilities: Liabilities for loan guarantees				
2204				
2999 Total liabilities		1		
NET POSITION:				
3100 Appropriated capital				
3999 Total net position				

4999 Total liabilities and net position	1		
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LOAN GUARANTY REVOLVING FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4025-0-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Capital investment:			
00.01 Acquisition of homes	692	890	729
00.02 Property improvements	38	49	40
00.03 Repurchase of loans sold, net	32	24	19
00.06 Cash advances, vendee loans	3	2	2
00.07 Acquisition of defaulted guaranteed loans	63	48	37
00.91 Total capital investment	828	1,013	827
Operating expenses:			
01.01 Property management expense	41	41	42
01.02 Sales expense	63	62	64
01.05 Claims processed	178	175	149
01.06 Other expenses	24	1	
01.91 Total operating expenses	306	279	255
10.00 Total obligations (object class 33.0)	1,134	1,292	1,082

Budgetary resources available for obligation:

21.90 Unobligated balance available, start of year: Fund balance	282	403	287
22.00 New budget authority (gross)	1,255	1,176	1,163
23.90 Total budgetary resources available for obligation	1,537	1,579	1,450
23.95 New obligations	-1,134	-1,292	-1,082
24.90 Unobligated balance available, end of year: Fund balance	403	287	369

New budget authority (gross), detail:

68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	1,255	1,176	1,163

Change in unpaid obligations:

72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	58	49	57
73.10 New obligations	1,134	1,292	1,082
73.20 Total outlays (gross)	-1,143	-1,285	-1,091
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	49	57	48

Outlays (gross), detail:

86.97 Outlays from new permanent authority	1,143	1,176	1,091
86.98 Outlays from permanent balances		109	
87.00 Total outlays (gross)	1,143	1,285	1,091

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from loan guarantee direct loan financing account	-899	-885	-894
Non-Federal sources:			
88.40 Loan and other repayments	-70	-56	-45
88.40 Cash sale of properties	-140	-133	-136
88.40 Collection of veteran indebtedness	-48	-46	-44
88.40 Interest income	-65	-53	-42
88.40 Sale of loans, net	-30		
88.40 Other Income	-3	-3	-2
88.90 Total, offsetting collections (cash)	-1,255	-1,176	-1,163

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-112	109	-72

Summary of Budget Authority and Outlays

(in millions of dollars)

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority			
Outlays	-112	109	-72
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays		-90	

Credit accounts—Continued**LOAN GUARANTY REVOLVING FUND LIQUIDATING ACCOUNT—
Continued****Summary of Budget Authority and Outlays—Continued**

(in millions of dollars)

	1995 actual	1996 est.	1997 est.
Total:			
Budget Authority			
Outlays	-112	19	-72

Status of Direct Loans (in millions of dollars)

Identification code 36-4025-0-3-704	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	628	528	513
1231 Disbursements: Direct loan disbursements	24		
Repayments:			
1251 Repayments and prepayments	-47	-40	-38
1253 Proceeds from loan asset sales to the public with recourse	-28		
1261 Adjustments: Capitalized interest	9	8	7
Write-offs for default:			
1263 Direct loans	-8	-7	-7
1264 Other adjustments, net	-50	24	19
1290 Outstanding, end of year	528	513	494

Status of Guaranteed Loans (in millions of dollars)

Identification code 36-4025-0-3-704	1995 actual	1996 est.	1997 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	38,665	15,774	7,308
2251 Repayments and prepayments	-22,021	-7,487	-2,546
Adjustments:			
2262 Terminations for default that result in acquisition of property	-692	-890	-729
2263 Terminations for default that result in claim payments	-178	-89	-44
2290 Outstanding, end of year	15,774	7,308	3,989
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	8,046	4,749	2,801
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	1,699	1,499	1,360
2331 Disbursements for guaranteed loan claims	216	191	173
2351 Repayments of loans receivable	-94	-46	-44
2361 Write-offs of loans receivable	-322	-284	-258
2390 Outstanding, end of year	1,499	1,360	1,231

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Budget program—
Acquisition of homes.**

	1995 actual	1996 est.	1997 est.
Number of property acquisitions processed	12,613	15,901	12,746
Average amount per acquisition	\$54,872	\$55,969	\$57,201
Total obligations (in millions)	\$692	\$890	\$729

Property improvements.

	1995 actual	1996 est.	1997 est.
Number of properties improved	13,817	17,419	13,963
Average amount per property	\$2,751	\$2,806	\$2,868
Total obligations (in millions)	\$38	\$49	\$40

Repurchase of loans sold, net.

	1995 actual	1996 est.	1997 est.
Number of loans repurchased	1,037	778	584
Average amount per repurchase	\$30,655	\$31,268	\$31,956
Total obligations (in millions)	\$32	\$24	\$19

Cash advances—

Vendee loans.—Small cash advances are occasionally made to borrowers to cover taxes, hazard insurance, and necessary repairs. These amounts are added to the loan balance.

	1995 actual	1996 est.	1997 est.
Total obligations (in millions)	\$3	\$2	\$2

Property management expense.—Property management expenses include all the costs of ownership of acquired properties except capitalized expenditures made incident to the acquisition and rehabilitation of properties.

	1995 actual	1996 est.	1997 est.
Average number of properties	6,644	6,391	6,455
Average amount per property	\$6,227	\$6,352	\$6,492
Total obligations (in millions)	\$41	\$41	\$42

Sales expense.—Sales expense include brokers' fees and advertising costs incident to the sale of properties owned by VA.

	1995 actual	1996 est.	1997 est.
Number of sales	15,935	15,480	15,517
Average amount per sale	\$3,943	\$4,022	\$4,110
Total obligations (in millions)	\$63	\$62	\$64

Loss on defaulted guaranteed loans.—These payments are made to lenders in accordance with the VA guaranty contract. In most home loan cases, they represent the difference between the amount owed by the veteran on a defaulted loan and the value of the foreclosed property as established by VA.

	1995 actual	1996 est.	1997 est.
Individual homes:			
Number of claims	13,264	12,909	10,854
Average amount per payment	\$13,081	\$13,343	\$13,637
Total obligations (in millions)	\$174	\$172	\$148
Manufactured homes:			
Number of claims	743	412	224
Average amount per payment	\$6,236	\$6,361	\$6,501
Total obligations (in millions)	\$5	\$3	\$1

Statement of Operations (in millions of dollars)

Identification code 36-4025-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	1,096	898	787	809
0102 Expense	-661	-923	-857	-825
0109 Net income or loss (-)	435	-25	-70	-16

Balance Sheet (in millions of dollars)

Identification code 36-4025-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	354	457	287	369
Investments in US securities:				
1106 Investments	394	273	265	255
1206 Non-Federal assets: Accounts Receivable, net	1	1	1	1
Net value of assets related to post-1991 direct loans receivable:				
1402 Interest receivable	10	8	7	7
1403 Credit program receivables and related foreclosed property, net		540	526	505
1499 Net present value of assets related to direct loans	10	548	533	512
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1706 Foreclosed property	597			
1799 Value of assets related to loan guarantees	597			

Other Federal assets:					
1803	Property, plant and equipment, net	533	342	332	320
1901	Other assets	-2	-2		
1999	Total assets	1,887	1,619	1,418	1,457
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable	58	43	41	40
2105	Other	38	37		
2204	Non-Federal liabilities: Liabilities for loan guarantees	894	747	727	699
2999	Total liabilities	990	827	768	739
NET POSITION:					
3200	Invested capital	1,525	1,154	924	739
3300	Cumulative results of operations	269	385	212	246
3500	Future funding requirements	-897	-747	-486	-267
3999	Total net position	897	792	650	718
4999	Total liabilities and net position	1,887	1,619	1,418	1,457

Note.—This statement excludes unfunded contingent liabilities under loan guarantee and insurance programs.

LOAN GUARANTY REVOLVING FUND LIQUIDATING ACCOUNT
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 36-4025-4-3-704	1995 actual	1996 est.	1997 est.	
Obligations by program activity:				
Capital investment:				
00.06	Payment to Direct Loan Financing due to enhanced debt collection		29	25
10.00	Total obligations (object class 33.0)		29	25
Budgetary resources available for obligation:				
22.00	New budget authority (gross)		119	25
22.40	Capital transfer to general fund		-90	
23.90	Total budgetary resources available for obligation		29	25
23.95	New obligations		-29	-25
New budget authority (gross), detail:				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)		119	25
Change in unpaid obligations:				
73.10	New obligations		29	25
73.20	Total outlays (gross)		-29	-25
Outlays (gross), detail:				
86.97	Outlays from new permanent authority		29	25
87.00	Total outlays (gross)		29	25
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Receipt from financing account due to debt collection		-90	
88.40	Non-Federal sources: Enhanced debt collection		-29	-25
88.90	Total, offsetting collections (cash)		-119	-25
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays		-90	

This schedule shows the effects of the Administration's proposal to repeal restrictions on collection of loan guaranty debts. The VA would be permitted to collect all loan guaranty debts by Federal salary offset or Federal income tax refund offset. This proposal would take effect in 1996.

Status of Direct Loans (in millions of dollars)

Identification code 36-4025-4-3-704	1995 actual	1996 est.	1997 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year			-29

1251	Repayments: Repayments and prepayments	-29	-25
1290	Outstanding, end of year	-29	-54

Statement of Operations (in millions of dollars)

Identification code 36-4025-4-3-704	1994 actual	1995 actual	1996 est.	1997 est.
0101	Revenue		119	25
0102	Expense		-29	-25
0109	Net income or loss (-)		90	

Balance Sheet (in millions of dollars)

Identification code 36-4025-4-3-704	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury		90	75
1999	Total assets		90	75
LIABILITIES:				
2105	Federal liabilities: Other		90	75
2999	Total liabilities		90	75
4999	Total liabilities and net position		90	75

DIRECT LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: 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, as amended: Provided further, That during 1997, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct loan program, \$80,000, which may be transferred to and merged with the appropriation for "General operating expenses".

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-1024-0-1-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.09	Administrative expenses	1	
10.00	Total obligations (object class 25.3)	1	
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	1	
New budget authority (gross), detail:			
40.00	Appropriation	1	
Change in unpaid obligations:			
73.10	New obligations	1	
73.20	Total outlays (gross)	-1	
Outlays (gross), detail:			
86.90	Outlays from new current authority	1	
87.00	Total outlays (gross)	1	
Net budget authority and outlays:			
89.00	Budget authority	1	
90.00	Outlays	1	

Credit accounts—Continued**DIRECT LOAN PROGRAM ACCOUNT—Continued**
(INCLUDING TRANSFER OF FUNDS)—Continued**Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program** (in millions of dollars)

Identification code 36-1024-0-1-704	1995 actual	1996 est.	1997 est.
Direct loan subsidy (in percent):			
1329 Weighted average subsidy rate	11.76	28.13	46.77
Administrative expense data:			
3510 Budget authority	1		
3590 Outlays	1		

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year) as well as the administrative expenses of this program. The subsidy amounts are estimated on a net present value basis.

Direct loans to veterans.—Specially Adapted Housing (SAH) loans are made to certain totally disabled veterans to supplement grants authorized to assist the veteran in acquiring suitable housing units with special features necessary due to the nature of their disabilities. Veterans receiving SAH loans are exempt from the loan origination fee.

Direct (vendee) loans.—A vendee loan is established when a VA-owned property is sold on terms to a veteran or a non-veteran. Under current law, a veteran or a non-veteran receiving a vendee loan is charged a loan origination fee of 1 percent.

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

Identification code 36-4128-0-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct loans/Recoveries paid to other accounts	6	20	31
00.02 Interest on treasury borrowing	1	1	2
10.00 Total obligations	7	21	33
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	7	21	33
23.95 New obligations	-7	-21	-33
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	6	19	29
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1	3	6
68.47 Portion applied to debt reduction		-1	-2
68.90 Spending authority from offsetting collections (total)	1	2	4
70.00 Total new financing authority (gross)	7	21	33
Change in unpaid obligations:			
73.10 New obligations	7	21	33
73.20 Total financing disbursements (gross)	-7	-21	-33
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	7	21	33
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal source: Payments from program account		-2	-2
Non-Federal sources:			
88.40 Non-Federal sources: repayment of principal			-1
88.40 Interest on loans		-1	-3
88.40 Interest on uninvested funds	-1		

88.90 Total, offsetting collections (cash)	-1	-3	-6
Net financing authority and financing disbursements:			
89.00 Financing authority	6	18	27
90.00 Financing disbursements	6	18	27

Status of Direct Loans (in millions of dollars)

Identification code 36-4128-0-3-704	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	1		
1112 Unobligated direct loan limitation	-52	-31	
1113 Unobligated limitation carried forward	57	51	31
1150 Total direct loan obligations	6	20	31
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	6	27
1231 Disbursements: Direct loan disbursements	6	20	31
1251 Repayments: Repayments and prepayments	-1		
1264 Write-offs for default: Other adjustments, net		1	
1290 Outstanding, end of year	6	27	58

To facilitate account restructuring and consolidation, the Direct Loan Financing Account also reflects budget information for the Native American Veterans Housing Direct Loan Financing Account and the Transitional Housing Loans Financing Account.

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 36-4128-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	1	2	1	1
Net value of assets related to post-1991 direct loans receivable:				
1403 Accounts receivable from foreclosed property		6	7	8
1499 Net present value of assets related to direct loans		6	7	8
1999 Total assets	1	8	8	9
LIABILITIES:				
2103 Federal liabilities: Debt	1			1
2203 Non-Federal liabilities: Debt	1	7	8	8
2999 Total liabilities	1	8	8	9
4999 Total liabilities and net position	1	8	8	9

DIRECT LOAN REVOLVING FUND LIQUIDATING ACCOUNT**Program and Financing** (in millions of dollars)

Identification code 36-4024-0-3-704	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations			
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	14		
22.00 New budget authority (gross)	5	4	3
22.40 Capital transfer to general fund	-18	-4	-3
23.90 Total budgetary resources available for obligation	1		
23.95 New obligations			

24.90	Unobligated balance available, end of year: Fund balance			
New budget authority (gross), detail:				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)	5	4	3
Change in unpaid obligations:				
72.90	Unpaid obligations, start of year: Obligated balance:			
	Fund balance	3	2	1
73.10	New obligations			
73.20	Total outlays (gross)	-1	-2	
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance	2	1	
Outlays (gross), detail:				
86.97	Outlays from new permanent authority		1	
86.98	Outlays from permanent balances	1	1	
87.00	Total outlays (gross)	1	2	
Offsets:				
	Against gross budget authority and outlays:			
	Offsetting collections (cash) from:			
	Non-Federal sources:			
88.40	Loan and other repayments	-4	-3	-2
88.40	Interest on loans	-1	-1	-1
88.90	Total, offsetting collections (cash)	-5	-4	-3
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-5	-2	-3

Status of Direct Loans (in millions of dollars)

Identification code 36-4024-0-3-704	1995 actual	1996 est.	1997 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	17	14	11
1251	Repayments: Repayments and prepayments	-5	-4	-3
1264	Write-offs for default: Other adjustments, net	2	1	
1290	Outstanding, end of year	14	11	8

Statement of Operations (in millions of dollars)

Identification code 36-4024-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
0101	Revenue	2	1	1
0102	Expense			
0109	Net income or loss (-)	2	1	1

Balance Sheet (in millions of dollars)

Identification code 36-4024-0-3-704	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury	18	3	3
	Net value of assets related to post-1991 direct loans receivable:			
1403	Accounts receivable from foreclosed property	17	13	11
1499	Net present value of assets related to direct loans	17	13	11
	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1706	Foreclosed property		1	
1799	Value of assets related to loan guarantees		1	
1999	Total assets	35	17	14
LIABILITIES:				
	Federal liabilities:			
2101	Accounts payable	2	2	1
2105	Other	1		
2999	Total liabilities	3	2	1
NET POSITION:				
3200	Invested capital	17	13	12

3300	Cumulative results of operations	15	2	1	1
3999	Total net position	32	15	14	13
4999	Total liabilities and net position	35	17	15	14

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, \$434,000; which may be transferred to and merged with the appropriation for "General operating expenses".

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-1120-0-1-704	1995 actual	1996 est.	1997 est.	
Obligations by program activity:				
00.01	Direct loan subsidy	1	2	2
10.00	Total obligations (object class 41.0)	1	2	2
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance	4	4	2
22.00	New budget authority (gross)			
23.90	Total budgetary resources available for obligation	4	4	2
23.95	New obligations	-1	-2	-2
24.40	Unobligated balance available, end of year:			
	Uninvested balance	4	2	
New budget authority (gross), detail:				
70.00	Total new budget authority (gross)			
Change in unpaid obligations:				
73.10	New obligations	1	2	2
73.20	Total outlays (gross)	-1	-2	-2
Outlays (gross), detail:				
86.93	Outlays from current balances	1	2	2
87.00	Total outlays (gross)	1	2	2
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	1	2	2

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

Identification code 36-1120-0-1-704	1995 actual	1996 est.	1997 est.	
Direct loan levels supportable by subsidy budget authority:				
1159	Total direct loan levels	6	20	31
Direct loan subsidy (in percent):				
1329	Weighted average subsidy rate	7.72	7.72	7.72
Direct loan subsidy budget authority:				
1339	Total subsidy budget authority	1	2	2
Direct loan subsidy outlays:				
1349	Total subsidy outlays	1	2	2

EDUCATION LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4118-0-3-702	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00	Total obligations		
Budgetary resources available for obligation:			
21.90	Unobligated balance available, start of year: Fund balance	8	

Credit accounts—Continued

EDUCATION LOAN FUND LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4118-0-3-702	1995 actual	1996 est.	1997 est.
22.00 New budget authority (gross)	1	1	1
22.40 Capital transfer to general fund	-8	-1	-1
23.90 Total budgetary resources available for obligation	1		
23.95 New obligations			
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	1	1	1
Change in unpaid obligations:			
73.10 New obligations			
Outlays (gross), detail:			
87.00 Total outlays (gross)			
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Deductions for			
offsetting collections: Non-Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1	-1	-1

Status of Direct Loans (in millions of dollars)

Identification code 36-4118-0-3-702	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3	3	3
1290 Outstanding, end of year	3	3	2

To facilitate account restructuring and consolidation, the Education Loan Fund Liquidating Account also reflects budget information for the Vocational Rehabilitation Revolving Fund Liquidating Account.

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

WORKLOAD, AMOUNT LOANED AND REPAID

	1995 actual	1996 est.	1997 est.
Number of loans outstanding	3,547	3,047	2,547
Average amount per loan outstanding	\$825	\$809	\$799
Repayment of loans (in thousands)	\$433	\$431	\$404

Balance Sheet (in millions of dollars)

Identification code 36-4118-0-3-702	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with				
Treasury	8			
Net value of assets related to pre-1992				
direct loans receivable and ac-				
quired defaulted guaranteed loans				
receivable:				
1601 Direct loans, gross	3	3	2	2
1603 Allowance for estimated uncollectible				
loans and interest (-)	-2	-2	-2	-1
1604 Direct loans and interest receivable,				
net	1	1		1
1699 Value of assets related to direct				
loans	1	1	1	1
1999 Total assets	9	1	1	1
NET POSITION:				
3100 Appropriated capital	8	8		

3300 Cumulative results of operations	1	-7	1	1
3999 Total net position	9	1	1	1
4999 Total liabilities and net position	9	1	1	1

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$49,000 as authorized by 38 U.S.C. chapter 31, as amended: 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, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$2,822,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$507,000 which may be transferred to and merged with the appropriation for "General operating expenses".

EDUCATION LOAN FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$1,000, as authorized by 38 U.S.C. 3698, as amended: 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, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$3,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$204,000; which may be transferred to and merged with the appropriation for "General operating expenses".

Note.—A regular 1996 appropriation for these accounts had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-1114-0-1-702	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.09 Administrative expenses	1	1	1
10.00 Total obligations (object class 25.3)	1	1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	1	1
New budget authority (gross), detail:			
40.00 Appropriation	1	1	1
Change in unpaid obligations:			
73.10 New obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	1	1
87.00 Total outlays (gross)	1	1	1
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

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

Identification code 36-1114-0-1-702	1995 actual	1996 est.	1997 est.
Direct loan levels supportable by subsidy budget authority:			
1159 Total direct loan levels	2	2	2
Direct loan subsidy (in percent):			
1320 Voc. Rehab. Loan Subsidy rate	2.75	2.75	1.75
1320 Education Loan Subsidy rate	0.00	26.53	34.83
1329 Weighted average subsidy rate	2.75	2.75	1.75
Administrative expense data:			
3510 Budget authority	1	1	1
3590 Outlays	1	1	1

This fund provides loans of up to \$791 (based on indexed Chapter 31 Subsistence allowance rate) to veterans enrolled in a program of vocational rehabilitation who are temporarily in need of additional funds to meet their expenses.

To facilitate account restructuring and consolidation, the Vocational Rehabilitation Loan Program Account also reflects budget information for the Education Loan Fund Program Account. The Education Loan program provides loans of up to \$2,500 to dependents of veterans who are eligible for training benefits under chapter 35, title 38, U.S.C. and who are without sufficient funds to meet their education related expenses.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as the administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 36-4112-0-3-702	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct loans	2	2	2
10.00 Total obligations	2	2	2
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	2	2	2
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	2	2	2
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2	2	2
68.47 Portion applied to debt reduction	-2	-2	-2
68.90 Spending authority from offsetting collections (total)			
70.00 Total new financing authority (gross)	2	2	2
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1	1	1
73.10 New obligations	2	2	2
73.20 Total financing disbursements (gross)	-2	-2	-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1	1	1
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	2	2	2
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-2	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			
Status of Direct Loans (in millions of dollars)			
Identification code 36-4112-0-3-702	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	2	2	2
1150 Total direct loan obligations	2	2	2
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	1	1
1231 Disbursements: Direct loan disbursements	2	2	2
1251 Repayments: Repayments and prepayments	-2	-2	-2

1290 Outstanding, end of year	1	1	1
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Balance Sheet (in millions of dollars)

Identification code 36-4112-0-3-702	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2	3	1	1
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	1	1	1	1
1499 Net present value of assets related to direct loans	1	1	1	1
1999 Total assets	3	4	2	2
LIABILITIES:				
2103 Federal liabilities: Debt	2	2	2	3
2999 Total liabilities	2	2	2	3
NET POSITION:				
3300 Cumulative results of operations	1	1		
3999 Total net position	1	1		
4999 Total liabilities and net position	3	3	2	3

To facilitate account restructuring and consolidation, the Vocational Rehabilitation Direct Loan Financing Account also reflects budget information for the Education Direct Loan Financing Account.

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. The amounts in the account are means of financing and are not included in the budget totals.

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 36-8133-0-7-702	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year	65	64	64
Receipts:			
02.01 Deductions from military pay	5	5	4
02.02 Contributions	16	11	15
02.99 Total receipts	21	16	19
04.00 Total: Balances and collections	86	80	83
Appropriation:			
05.01 Post-Vietnam era veterans education account	-22	-16	-19
05.99 Subtotal appropriation	-22	-16	-19
07.99 Total balance, end of year	64	64	64

Program and Financing (in millions of dollars)

Identification code 36-8133-0-7-702	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Payment to post-Vietnam era trainees	33	24	18
00.02 Payment to section 901 trainees	1	1	1
00.03 Participant disenrollments	26	32	56
10.00 Total obligations	60	57	75
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	264	226	185
22.00 New budget authority (gross)	22	16	19
23.90 Total budgetary resources available for obligation	286	242	204
23.95 New obligations	-60	-57	-75
24.40 Unobligated balance available, end of year:			
Uninvested balance	226	185	130

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8133-0-7-702	1995 actual	1996 est.	1997 est.
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	27	21	23
60.45 Portion precluded from obligation	-5	-5	-4
63.00 Appropriation (total)	22	16	19
70.00 Total new budget authority (gross)	22	16	19
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	-8	-6	-4
73.10 New obligations	60	57	75
73.20 Total outlays (gross)	-58	-54	-75
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	-6	-4	-4
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	22	16	19
86.98 Outlays from permanent balances	36	38	56
87.00 Total outlays (gross)	58	54	75
Net budget authority and outlays:			
89.00 Budget authority	22	16	19
90.00 Outlays	58	54	75

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. The estimated activity in the fund follows:

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

(In thousands)

	1995 actual	1996 est.	1997 est.
Total budget authority	\$21,689	\$15,860	\$19,008
Servicepersons	\$5,339	\$4,743	\$4,216
Transferred from Department of Defense (bonus)		8,470	6,292
Transferred from Department of Defense (matching)	15,285	1,808	7,800
Transferred from Department of Defense (Section 901)	1,054	839	700
Transferred from Department of Defense (Section 903)	11		
Total participants (end of year)	355,159	325,059	243,550
Total contributors (end of year)	3,039	2,700	2,400
Average contribution per contributor (actual dollars)	\$1,757	\$1,757	\$1,757
Number of disenrollments	24,488	30,100	81,509
Total refunds	\$25,817	\$31,725	\$56,036
Total trainees	18,927	14,000	10,400
Total trainee cost	\$32,593	\$24,108	\$17,909
Average cost per trainee (actual dollars)	\$1,722	\$1,722	\$1,722
Section 901 trainees	232	194	162
Section 901 trainee cost	\$1,003	\$839	\$700

The status of the fund, excluding noncash transactions, is as follows (in thousands of dollars):

	1995 actual	1996 est.	1997 est.
Undisbursed balance of fund, start of year	-198,659	-155,596	-110,041
Cash income during the year: Proprietary receipts (contributions from servicepersons)	5,339	4,743	4,216
Intrabudgetary transactions: (contributions from Department of Defense)	16,350	11,117	14,792
Total annual income	21,689	15,860	19,008
Cash outlays during the year:			
Payments to trainees	33,596	24,947	18,609
Refunds to participants (disenrollments)	25,817	31,725	56,036
Total cash outlay	59,413	56,672	74,645

Balance unavailable for obligation	-5,339	-4,743	-4,216
Undisbursed balance of fund, end of year	155,596	110,041	50,188

Object Classification (in millions of dollars)

Identification code 36-8133-0-7-702	1995 actual	1996 est.	1997 est.
41.0 Grants, subsidies, and contributions	34	25	19
44.0 Refunds	26	32	56
99.9 Total obligations	60	57	75

NATIONAL SERVICE LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8132-0-7-701	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			1
Receipts:			
02.01 Premium and other receipts	272	281	258
02.02 Interest	1,074	1,042	991
02.03 Payments from general and special funds	2	2	2
02.99 Total receipts	1,348	1,325	1,251
04.00 Total: Balances and collections	1,348	1,325	1,252
Appropriation:			
05.01 National Service Life Insurance fund	-1,348	-1,324	-1,250
07.99 Total balance, end of year		1	2

Program and Financing (in millions of dollars)

Identification code 36-8132-0-7-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.01 Death claims	746	825	860
00.02 Disability claims	31	31	30
00.03 Matured endowments	35	37	21
00.04 Cash surrenders	32	29	26
00.05 Dividends	790	779	730
00.06 Interest paid on dividend credits and deposits	73	78	78
00.07 Payment to general operating expenses		28	28
00.91 Total operating expenses	1,706	1,807	1,773
Capital investment:			
01.01 Policy loans	143	136	138
01.02 Policy liens	1		
01.91 Total capital investment	144	136	138
10.00 Total obligations	1,850	1,943	1,911
Budgetary resources available for obligation:			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value	10,836	10,854	10,748
22.00 New budget authority (gross)	1,868	1,837	1,754
23.90 Total budgetary resources available for obligation	12,704	12,691	
23.95 New obligations	-1,850	-1,943	-1,911
24.91 Unobligated balance available, end of year: U.S. Securities: Par value	10,854	10,748	10,590

New budget authority (gross), detail:

60.27 Appropriation (trust fund, indefinite)	1,348	1,324	1,250
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	520	513	504
70.00 Total new budget authority (gross)	1,868	1,837	1,754

Change in unpaid obligations:

Unpaid obligations, start of year:			
Obligated balance:			
72.40 Appropriation	14	10	5
72.41 U.S. Securities: Par value	1,017	1,100	1,133
72.99 Total unpaid obligations, start of year	1,031	1,110	1,138
73.10 New obligations	1,850	1,943	1,911
73.20 Total outlays (gross)	-1,770	-1,916	-1,858
Unpaid obligations, end of year:			
Obligated balance:			
74.40 Appropriation	10	5	5

74.41	U.S. Securities: Par value	1,100	1,133	1,185
74.99	Total unpaid obligations, end of year	1,110	1,138	1,190

Outlays (gross), detail:

86.97	Outlays from new permanent authority	520	513	504
86.98	Outlays from permanent balances	1,249	1,403	1,355
87.00	Total outlays (gross)	1,770	1,916	1,858

Offsets:

Against gross budget authority and outlays:

Offsetting collections (cash) from:

Non-Federal sources:

88.40	Repayments of loans	-113	-117	-121
88.40	Optional settlements	-7	-7	-5
88.40	Net income offsets adjustments	-400	-389	-378
88.90	Total, offsetting collections (cash)	-520	-513	-504

Net budget authority and outlays:

89.00	Budget authority	1,348	1,324	1,250
90.00	Outlays	1,249	1,403	1,354

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 for the World War II servicemen's and veterans' insurance program. Over 22 million policies have been issued under this program. Activity of the fund reflects a rising claim workload. The trend in the number and amount of policies in force is shown as follows (dollars in millions):

	1995 actual	1996 est.	1997 est.
Number of policies	2,219,497	2,124,277	2,025,027
Insurance in force	\$19,862	\$19,465	\$19,023

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 Treasury interest-bearing securities and in policy loans, are expected to decrease from \$12,932 million as of September 30, 1996 to \$12,829 million as of September 30, 1997. The actuarial estimate of policy obligations as of September 30, 1997, total \$12,717 million, leaving a balance of \$112 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows (in millions of dollars):

Status of Funds (in millions of dollars)

Identification code 36-8132-0-7-701	1995 actual	1996 est.	1997 est.
Unexpended balance, start of year:			
0100 Uninvested balance	14	10	5
0101 U.S. Securities: Par value	11,853	11,954	11,983
0199 Total balance, start of year	11,867	11,964	11,988
Cash income during the year:			
Proprietary receipts:			
0220 NSLI fund, Premium and other receipts	272	287	258
Intragovernmental transactions:			
0240 NSLI fund, Interest	1,074	1,047	991
0241 NSLI fund, Payments from general and special funds	2	2	2
Offsetting collections:			
0289 Offsetting Collections	520	513	504
0299 Total cash income	1,868	1,848	1,755
Cash outgo during year:			
0500 National Service Life Insurance fund	-1,770	-1,824	-1,355
Unexpended balance, end of year:			
0700 Uninvested balance	10	5	5
0701 U.S. Securities: Par value	11,954	11,983	12,383
0799 Total balance, end of year	11,964	11,988	12,388

Object Classification (in millions of dollars)

Identification code 36-8132-0-7-701	1995 actual	1996 est.	1997 est.
33.0 Investments and loans	143	136	138
42.0 Insurance claims and indemnities	843	922	938
43.0 Interest and dividends	863	885	835
99.5 Below reporting threshold	1		
99.9 Total obligations	1,850	1,943	1,911

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 36-8150-0-7-701	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Interest and profits on investments in public debt securities	9	7	7
Appropriation:			
05.01 United States government life insurance fund	-9	-7	-7
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 36-8150-0-7-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.01 Death claims	8	8	8
00.03 Matured endowments	2	2	1
00.05 Dividends	6	5	5
00.06 Interest paid on dividend credits and deposits	1	1	1
00.91 Total operating expenses	17	16	15
01.01 Capital investment: Policy loans	1		
10.00 Total obligations	18	16	15
Budgetary resources available for obligation:			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value	96	87	79
22.00 New budget authority (gross)	10	9	9
23.90 Total budgetary resources available for obligation	106	96	86
23.95 New obligations	-18	-16	-15
24.91 Unobligated balance available, end of year: U.S. Securities: Par value	87	79	72

New budget authority (gross), detail:

60.27 Appropriation (trust fund, indefinite)	9	7	7
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	1
70.00 Total new budget authority (gross)	10	9	9

Change in unpaid obligations:

Unpaid obligations, start of year:			
Obligated balance:			
72.40 Appropriation	1		
72.41 U.S. Securities: Par value	19	19	18
72.99 Total unpaid obligations, start of year	20	19	18
73.10 New obligations	18	16	15
73.20 Total outlays (gross)	-20	-19	-15
Unpaid obligations, end of year:			
Obligated balance:			
74.40 Appropriation			
74.41 U.S. Securities: Par value	19	18	18
74.99 Total unpaid obligations, end of year	19	18	18

Outlays (gross), detail:

86.97 Outlays from new permanent authority	2	2	1
86.98 Outlays from permanent balances	16	17	14
87.00 Total outlays (gross)	20	19	15

UNITED STATES GOVERNMENT LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-8150-0-7-701	1995 actual	1996 est.	1997 est.
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Repayments of loans	-2	-2	-1
Net budget authority and outlays:			
89.00 Budget authority	9	7	7
90.00 Outlays	18	17	14

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 (dollars in millions):

	1995 actual	1996 est.	1997 est.
Number of policies	25,108	23,088	21,428
Insurance in force	\$85	\$77	\$71

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 since 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 \$105 million as of September 30, 1996, to \$97 million as of September 30, 1997, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 1997, totals \$95 million, leaving a balance of \$2 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows (in millions of dollars):

Status of Funds (in millions of dollars)

Identification code 36-8150-0-7-701	1995 actual	1996 est.	1997 est.
Unexpended balance, start of year:			
0100 Uninvested balance	1		
0101 U.S. Securities: Par value	116	106	97
0199 Total balance, start of year	117	106	97
Cash income during the year:			
Intragovernmental transactions:			
0240 Interest and profits on investments in public debt securities, USGLI, VA	9	7	7
Offsetting collections:			
0289 Offsetting Collections	2	2	1
0299 Total cash income	9	9	8
Cash outgo during year:			
0500 United States government life insurance fund	-20	-17	-14
Unexpended balance, end of year:			
0700 Uninvested balance			
0701 U.S. Securities: Par value	107	97	90
0799 Total balance, end of year	107	95	90

Object Classification (in millions of dollars)

Identification code 36-8150-0-7-701	1995 actual	1996 est.	1997 est.
33.0 Investments and loans	1		
42.0 Insurance claims and indemnities	10	11	11
43.0 Interest and dividends	7	5	4
99.9 Total obligations	18	16	15

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 36-8455-0-8-701	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.01 Death claims	39	45	48
00.02 Cash surrenders	5	5	4
00.03 Dividends	103	103	101
00.04 All other	46	52	54
00.91 Total operating expenses	193	205	207
Capital investment:			
01.01 Total capital investment	26	25	26
10.00 Total obligations	219	230	233
Budgetary resources available for obligation:			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value	1,378	1,397	1,409
22.00 New budget authority (gross)	238	242	239
23.90 Total budgetary resources available for obligation	1,616	1,639	1,648
23.95 New obligations	-219	-230	-233
24.91 Unobligated balance available, end of year: U.S. Securities: Par value	1,397	1,409	1,415

New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	238	242	239

Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.90 Fund balance	1	1	1
72.91 U.S. Securities: Par value	131	150	161
72.99 Total unpaid obligations, start of year	132	151	162
73.10 New obligations	219	230	233
73.20 Total outlays (gross)	-201	-218	-219
Unpaid obligations, end of year:			
Obligated balance:			
74.90 Fund balance	1	1	1
74.91 U.S. Securities: Par value	150	161	176
74.99 Total unpaid obligations, end of year	151	162	177

Outlays (gross), detail:			
86.97 Outlays from new permanent authority	72	68	39
86.98 Outlays from permanent balances	130	150	180
87.00 Total outlays (gross)	201	218	219

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on U.S. securities	-146	-145	-142
Non-Federal sources:			
88.40 Interest on loans	-2	-5	-5
88.40 Insurance premiums earned	-74	-73	-72
88.40 Optional settlements	-2	-3	-3
88.40 Repayments of loans	-13	-15	-17
88.90 Total, offsetting collections (cash)	-238	-242	-239

Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-37	-23	-20

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 (dollars in millions):

	1995 actual	1996 est.	1997 est.
Number of policies	262,851	256,690	250,110
Insurance in force	\$2,858	\$2,831	\$2,801

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

Operating results and financial condition.—Favorable mortality experience on insurance written against this fund has kept death claim payments well below the amount of premium and interest receipts, thereby producing an annual increase in the total revenue of the fund. Excess earnings of the fund are now distributed to the policyholders in the form of an annual dividend.

Statement of Operations (in millions of dollars)

Identification code 36-8455-0-8-701	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	229	228	229	225
0102 Expense	-229	-226	-229	-225
0109 Net income or loss (-)		2		

Balance Sheet (in millions of dollars)

Identification code 36-8455-0-8-701	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1	1	1	1
Investments in US securities:				
1102 Treasury securities, par	1,509	1,546	1,570	1,590
1106 Receivables, net	36	94	37	37
1206 Non-Federal assets: Receivables, net	2		3	3
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross	81	37	104	112
1999 Total assets	1,630	1,678	1,715	1,744
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	151	168	184	198
2206 Pension and other actuarial liabilities	1,435	1,465	1,486	1,500
2207 Other	20	20	19	19
2999 Total liabilities	1,606	1,652	1,689	1,717
NET POSITION:				
3100 Appropriated capital	1,378	1,397	1,409	1,415
3200 Invested capital	-1,353	-1,370	-1,382	-1,388
3999 Total net position	25	27	27	27
4999 Total liabilities and net position	1,631	1,679	1,716	1,744

Object Classification (in millions of dollars)

Identification code 36-8455-0-8-701	1995 actual	1996 est.	1997 est.
33.0 Investments and loans	26	25	26
42.0 Insurance claims and indemnities	76	88	91
43.0 Interest and dividends	117	117	116
99.9 Total obligations	219	230	233

CONSTRUCTION

Federal Funds

General and special funds:

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities 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, 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 \$10,000,000 or more or where funds for a project were made available in a previous major project appropriation, \$249,900,000, to remain available until expended; Provided, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process; Provided further, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0110-0-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Replacement and modernization	143	98	53
00.02 Nursing home care	36		
00.04 Research and education	11		
00.05 Outpatient improvements	48	95	116
00.06 Other improvements	141	159	26
00.07 National cemeteries	34	6	134
00.08 Replacement or renovation of regional offices	34	5	1
10.00 Total obligations	447	363	330

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	891	768	541
22.00 New budget authority (gross)	323	136	250
23.90 Total budgetary resources available for obligation	1,214	904	791
23.95 New obligations	-447	-363	-330
24.40 Unobligated balance available, end of year:			
Uninvested balance	768	541	460

New budget authority (gross), detail:			
40.00 Appropriation	324	136	250
40.75 Reduction pursuant to P.L. 104-19	-1		
43.00 Appropriation (total)	323	136	250
70.00 Total new budget authority (gross)	323	136	250

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	810	826	773
73.10 New obligations	447	363	330
73.20 Total outlays (gross)	-431	-416	-322
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	826	773	781

Outlays (gross), detail:			
86.90 Outlays from new current authority	1	6	11
86.93 Outlays from current balances	430	410	311
87.00 Total outlays (gross)	431	416	322

Net budget authority and outlays:			
89.00 Budget authority	323	136	250
90.00 Outlays	431	416	322

General and special funds—Continued

CONSTRUCTION, MAJOR PROJECTS—Continued

Summary of Budget Authority and Outlays

(in millions of dollars)

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	323	136	250
Outlays	431	416	322
Adjustment to 1996 continuing resolution levels:			
Budget Authority	62		
Outlays	3		17
Total:			
Budget Authority	323	198	250
Outlays	431	419	339

The major construction request improves access to VA health care for thousands of veterans and expands VA's national cemetery system. Funds are included for a new hospital and nursing home at Brevard County, Florida, and a replacement hospital at Travis Air Force Base in California. Funds are also requested for construction of an outpatient clinic and renovation of related support space at Tripler Army Medical Center in Honolulu, Hawaii. Outpatient improvements will also be funded at Wilkes-Barre, Pennsylvania. Funds are provided to correct patient environmental deficiencies at VA hospitals in Marion, Indiana; Salisbury, North Carolina; and Pittsburgh (UD), Pennsylvania. Two new cemeteries will be constructed at Chicago, Illinois, and Dallas/Fort Worth, Texas. Additional funds are provided to remove asbestos from Department-owned buildings, to pay VA's share of the costs related to the cleanup of hazardous waste, to reimburse the Judgment Fund for the payment of claims and settlements, and to support advanced planning and design activities.

(In millions of dollars)

	1995 actual	1996 est.	1997 est.
Replacement and modernization	105	33	75
Research and Education	26		
Outpatient and extended care	205	28	59
Safety deficiencies			
Functional modernization and plant maintenance	33	71	84
Other departments	13	10	35
Supplemental appropriation provided under P.L. 103-211			
Reprogramming/transfer	-26		
Design fund offset		-5	-3
Rescission pursuant to P.L. 104-19	-31		
Procurement reduction pursuant to P.L. 103-327	-1		
Total budget authority	323	136	250

Object Classification (in millions of dollars)

Identification code 36-0110-0-1-703	1995 actual	1996 est.	1997 est.
11.3 Personnel compensation: Other than full-time permanent	1	1	1
25.2 Other services	34	28	32
26.0 Supplies and materials	1	1	2
31.0 Equipment	4	3	3
32.0 Land and structures	407	330	292
99.9 Total obligations	447	363	330

Personnel Summary

Identification code 36-0110-0-1-703	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment	37	50	50

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, 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, and 8122 of title 38, United States Code, where the estimated cost of a project is less than \$10,000,000; \$189,241,000, 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 less than \$10,000,000: 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, (2) temporary measures necessary to prevent or to minimize further loss by such causes, and (3) capital contribution payments under enhanced-use leases, authorized by subchapter V of chapter 81 of title 38, United States Code, not to exceed \$3,000,000 per lease.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0111-0-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Nursing home care	15	18	13
00.02 Research and education	9	3	4
00.04 Other improvements	111	140	140
00.06 National cemeteries	9	9	15
00.07 Computer centers, additions and alterations	2	7	7
00.08 Replacement or renovation of regional offices	5	10	11
10.00 Total obligations	151	187	190
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	29	30	32
22.00 New budget authority (gross)	153	190	189
23.90 Total budgetary resources available for obligation	182	220	221
23.95 New obligations	-151	-187	-190
24.40 Unobligated balance available, end of year:			
Uninvested balance	30	32	32
New budget authority (gross), detail:			
40.00 Appropriation	154	190	189
40.75 Reduction pursuant to P.L. 104-19	-1		
43.00 Appropriation (total)	153	190	189
70.00 Total new budget authority (gross)	153	190	189
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	138	157	181
73.10 New obligations	151	187	190
73.20 Total outlays (gross)	-133	-163	-177
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	157	181	195
Outlays (gross), detail:			
86.90 Outlays from new current authority	29	49	49
86.93 Outlays from current balances	104	114	127
87.00 Total outlays (gross)	133	163	177
Net budget authority and outlays:			
89.00 Budget authority	153	190	189
90.00 Outlays	133	163	177

The Construction, minor projects appropriation, which funds construction projects costing less than \$3 million, is used to reduce risks to patient life and safety, correct code deficiencies, and improve ambulatory care settings. Legislation is being proposed to increase the limit on minor construction projects from \$3 million to \$10 million.

Object Classification (in millions of dollars)

Identification code 36-0111-0-1-703	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.3 Other than full-time permanent	4	5	5
11.9 Total personnel compensation	4	5	5
25.2 Other services	31	38	39
26.0 Supplies and materials	1	2	2
31.0 Equipment	3	4	4
32.0 Land and structures	112	138	140
99.9 Total obligations	151	187	190

Personnel Summary

Identification code 36-0111-0-1-703	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment	80	80	80

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 38 U.S.C. 8131-8137, \$39,909,000, to remain available until expended.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0181-0-1-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	53	47	40
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	6		
22.00 New budget authority (gross)	47	47	40
23.90 Total budgetary resources available for obligation	53	47	40
23.95 New obligations	-53	-47	-40
New budget authority (gross), detail:			
40.00 Appropriation	47	47	40
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	146	134	140
73.10 New obligations	53	47	40
73.20 Total outlays (gross)	-64	-41	-44
73.40 Adjustments in expired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	134	140	136
Outlays (gross), detail:			
86.93 Outlays from current balances	64	41	44
87.00 Total outlays (gross)	64	41	44
Net budget authority and outlays:			
89.00 Budget authority	47	47	40
90.00 Outlays	64	41	44

In 1996, the Department plans to obligate \$47.4 million to assist nine States to acquire or construct State home facilities for furnishing domiciliary or nursing home care to veterans, and expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, \$1,000,000, to remain available until expended.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0183-0-1-705	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations	5	9	4
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	10	10	3
22.00 New budget authority (gross)	5	1	1
23.90 Total budgetary resources available for obligation	15	11	4
23.95 New obligations	-5	-9	-4
24.40 Unobligated balance available, end of year:			
Uninvested balance	10	3	
New budget authority (gross), detail:			
40.00 Appropriation	5	1	1
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	7	9	12
73.10 New obligations	5	9	4
73.20 Total outlays (gross)	-3	-5	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	9	12	13
Outlays (gross), detail:			
86.93 Outlays from current balances	3	5	3
87.00 Total outlays (gross)	3	5	3
Net budget authority and outlays:			
89.00 Budget authority	5	1	1
90.00 Outlays	3	5	3

This program will enable the Department to assist States in establishing, expanding, or improving State-operated veteran cemeteries.

Public enterprise funds:

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care".

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-4538-0-3-703	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Operating expenses: Parking leases	1	2	2
01.01 Capital investment: parking construction program	17	6	2
10.00 Total obligations	18	8	4
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	25	26	21
22.00 New budget authority (gross)	18	3	3
23.90 Total budgetary resources available for obligation	43	29	24
23.95 New obligations	-18	-8	-4
24.40 Unobligated balance available, end of year:			
Uninvested balance	26	21	20

Public enterprise funds—Continued

PARKING REVOLVING FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4538-0-3-703	1995 actual	1996 est.	1997 est.
New budget authority (gross), detail:			
Current:			
40.00	Appropriation	16	
Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	2	3
70.00	Total new budget authority (gross)	18	3
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	17	24
73.10	New obligations	18	8
73.20	Total outlays (gross)	-11	-15
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	24	17
Outlays (gross), detail:			
86.90	Outlays from new current authority	1	
86.93	Outlays from current balances	8	12
86.97	Outlays from new permanent authority	2	3
87.00	Total outlays (gross)	11	15
Offsets:			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	-2	-3
Net budget authority and outlays:			
89.00	Budget authority	16	
90.00	Outlays	9	12

The Parking Revolving Fund provides funding for the construction and lease of parking facilities at various medical centers. Income from fees collected will be used for leases.

Object Classification (in millions of dollars)

Identification code 36-4538-0-3-703	1995 actual	1996 est.	1997 est.
23.2	Rental payments to others	1	2
32.0	Land and structures	17	6
99.0	Subtotal, reimbursable obligations	18	8
99.9	Total obligations	18	8

PERSHING HALL REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 36-4018-0-3-705	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	1	1
22.00	New budget authority (gross)		
23.90	Total budgetary resources available for obligation	1	1
23.95	New obligations		
24.40	Unobligated balance available, end of year:		
	Uninvested balance	1	1
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	1	1
73.10	New obligations		
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	1	1
Outlays (gross), detail:			
87.00	Total outlays (gross)		
Net budget authority and outlays:			
89.00	Budget authority		

90.00 Outlays

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.

To facilitate account restructuring and consolidation, the Pershing Hall Revolving Fund also reflects budget information for the Nursing Home Revolving Fund and Grants to the Republic of the Philippines. The Nursing Home Revolving Fund provides for the construction, alteration, and acquisition (including site acquisition) of nursing home facilities and is available only as provided in appropriations acts. The Grants to the Republic of the Philippines previously provided for the effective care and treatment of U.S. veterans in the Veterans Memorial Medical Center (VMMC). However, with the suspension of U.S. veteran admission to the VMMC, the continuing appropriation of U.S. funds to maintain and upgrade the physical plant at this facility was discontinued.

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, including 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; \$843,730,000: Provided, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0151-0-1-705	1995 actual	1996 est.	1997 est. ¹
Obligations by program activity:			
Direct program:			
Veterans benefits:			
00.01	Executive direction	30	36
00.02	Veterans assistance	73	76
00.03	Compensation, pension, and education	197	209
00.04	Compensation and Pensions		226
00.05	Education		55
00.06	Vocational rehabilitation and counseling	38	39
00.07	Support services	201	199
00.08	Information Resources Management	96	101
00.09	Insurance ²	15	2
00.11	General administration	214	213
00.91	Subtotal, direct program	864	873
Reimbursable program:			
01.01	Loan Guaranty	82	80
01.02	Insurance		32
01.03	Other	120	122
01.91	Subtotal, reimbursable program	202	234
10.00	Total obligations	1,066	1,107
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance		26
22.00	New budget authority (gross)	1,092	1,082
23.90	Total budgetary resources available for obligation	1,092	1,108
23.95	New obligations	-1,066	-1,107
24.40	Unobligated balance available, end of year:		
	Uninvested balance	26	

New budget authority (gross), detail:			
Current:			
40.00	Appropriation	890	848 844
Permanent:			
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	208	234 241
68.10	Change in orders on hand from Federal sources	-6	
68.90	Spending authority from offsetting collections (total)	202	234 241
70.00	Total new budget authority (gross)	1,092	1,082 1,085
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40	Obligated balance: Appropriation	91	121 82
72.95	Orders on hand from Federal sources	10	4 4
72.99	Total unpaid obligations, start of year	101	126 86
73.10	New obligations	1,066	1,107 1,085
73.20	Total outlays (gross)	-1,019	-1,147 -1,086
73.40	Adjustments in expired accounts	-22	
Unpaid obligations, end of year:			
74.40	Obligated balance: Appropriation	121	82 81
74.95	Orders on hand from Federal sources	4	4 4
74.99	Total unpaid obligations, end of year	126	86 85
Outlays (gross), detail:			
86.90	Outlays from new current authority	765	763 760
86.93	Outlays from current balances	58	150 85
86.97	Outlays from new permanent authority	196	234 241
87.00	Total outlays (gross)	1,019	1,147 1,086
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-202	-234 -241
88.95	Change in orders on hand from Federal sources	6	
Net budget authority and outlays:			
89.00	Budget authority	896	848 844
90.00	Outlays	817	913 845

¹The program activity distribution in FY 1997 reflects the first phase of a long-term initiative to shift all VBA administrative and support costs to the five business programs (Compensation and Pensions; Education; Loan Guaranty; Vocational Rehabilitation; and Insurance).

²In FY 1996 and FY 1997, administrative costs of certain Insurance programs will be funded by reimbursements.

This appropriation provides for the administration of nonmedical veterans benefits through the Veterans Benefits Administration (VBA) and the Department's top management direction and administrative support, including data processing, fiscal, personnel, and legal services. The 1997 request includes funds to support restructuring initiatives which focus on improving service to veterans, increasing access points and reducing future operating costs.

Veterans benefits.—Determines eligibility and adjudicates all claims for compensation, pensions, educational assistance, housing loan assistance, and insurance awards. Greater efficiencies will be achieved as a result of an initiative to modernize the data processing and telecommunications capabilities of VBA. A summary of VBA's program objectives and anticipated workload is included in the following paragraphs along with additional performance information for the compensation and pensions and loan guaranty programs. The measures for these programs address performance in the areas of: timeliness; accuracy; financial management; and customer satisfaction.

Veterans assistance.—Provides information, advice, and assistance concerning veterans' benefits under the law to all veterans, their dependents, and survivors.

WORKLOAD

[In thousands]

	1995 actual	1996 est.	1997 est.
Veterans assistance:			
Veterans assistance contacts and other	11,313	10,755	10,744
Fiduciary and field examinations	73	72	72
Compliance surveys/liason action	32	34	35

Compensation and pensions.—Provides timely and efficient processing of claims for veterans and dependents relating to compensation and pension benefits under the various laws enacted by Congress.

	1993 actual	1994 actual	1995 actual	1996 est.	1997 est.
Compensation and Pension Summary:					
Accomplished workload: (in thousands)					
Original claims	444	462	440	418	423
Adjustment/supplemental claims	2,064	1,908	1,250	1,298	1,291
Ancillary and special reviews	480	447	467	574	575
Vocational rehabilitation	70	76	78	74	66
Average days to complete claim:					
Original compensation	189	213	181	150	122
Original pension	119	123	98	89	84
Original death pension	67	65	50	53	49
Original death indemnity compensation	102	111	92	78	72
Average direct labor hours to complete claim:					
Original compensation	5.57	5.35	6.01	N/A	N/A
Original pension	2.77	2.82	3.06	N/A	N/A
Original death pension	1.62	1.82	1.82	N/A	N/A
Original death indemnity compensation	3.75	3.78	3.67	N/A	N/A
Accuracy of claims processing:					
Service/control accuracy	N/A	97.0%	96.9%	97.3%	97.6%
Payment accuracy	N/A	97.5%	97.4%	97.7%	97.8%
Notification accuracy	N/A	94.5%	95.2%	95.2%	95.5%
Standard adjudication productivity	102.3	98.4	93.2	N/A	N/A

Education.—Provides timely and efficient processing of claims for veterans and dependents relating to education benefits under the various laws enacted by Congress.

WORKLOAD

[In thousands]

	1995 actual	1996 est.	1997 est.
Education:			
Original claims	202	189	168
Adjustments/supplemental claims	1,009	1,122	1,143

Loan guaranty.—Facilitates the extension of private capital, on more liberal terms than generally available to non-veterans, to assist veterans and servicepersons in obtaining housing credits; provide grants to aid permanently and totally disabled veterans in acquiring specially adapted housing; and assist veterans in retaining their homes during periods of temporary economic difficulty through intensive supplemental mortgage loan servicing.

	1993 actual	1994 actual	1995 actual	1996 est.	1997 est.
Loan Guaranty Summary:					
Loan guaranties issued (in thousands)					
.....	383	602	263	250	250
Claims paid (in thousands)	31	27	23	35	33
Properties disposed (in thousands)	31	26	25	32	35
Veteran satisfaction in obtaining a certificate of eligibility					
.....	N/A	N/A	N/A	N/A	87%
Early foreclosure rate	0.7%	0.8%	1.2%	1.3%	1.3%
Defaults reported as a % of guaranteed loans outstanding	3.2%	3.2%	3.1%	3.1%	3.1%
Administrative cost:					
Per guaranty issued	N/A	N/A	\$147	\$156	\$317
Per default processed	N/A	N/A	\$188	\$170	\$284
Per portfolio loan	N/A	N/A	\$307	\$257	\$237
Per property sold	N/A	N/A	\$616	\$647	\$911
Property inventory level (in thousands)	11	11	9	14	13
Percent of customers satisfied	N/A	N/A	93%	94%	94%
Percent of lenders satisfied	N/A	N/A	68%	70%	71%
Foreclosure Avoidance Through Servicing (FATS) ratio					
.....	27.5	33.1	37.3	31.0	33.0
Personal supplemental servicing contacts with homeowners (in thousands)					
.....	227	207	232	122	125
Average time in months from default to termination					
.....	N/A	N/A	14.6	14.5	14.5

OTHER WORKLOAD

[In thousands]

	1995 actual	1996 est.	1997 est.
Loan guaranty:			
Construction and valuation	750	778	758
Loan processing	760	775	793
Loan service and claims	428	391	764
Property management	59	57	55

General and special funds—Continued

GENERAL OPERATING EXPENSES—Continued

Vocational rehabilitation and counseling.—Provides counseling and assistance to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, obtain and maintain suitable employment.

WORKLOAD			
(In thousands)			
	1995 actual	1996 est.	1997 est.
Vocational rehabilitation and counseling:			
Evaluation and planning	47	54	60
Rehabilitation services	48	54	59
Employment services status	7	9	10
Interrupted status	18	19	19
Vocational/educational counseling	18	17	15

Insurance.—Provides life insurance protection for servicepersons and veterans. The VA administers five life insurance programs and supervises three others through contractual agreements with commercial companies.

WORKLOAD			
(In thousands)			
	1995 actual	1996 est.	1997 est.
Insurance:			
Policy service actions	1,703	1,537	1,440
Collections	4,040	3,798	3,559
Disability claims	52	50	47
Insurance awards	478	660	698

General administration.—Contains Department executive direction and supporting offices, the General Counsel, the Board of Veterans Appeals, and the Board of Contract Appeals.

Object Classification (in millions of dollars)

Identification code 36-0151-0-1-705			
	1995 actual	1996 est.	1997 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	483	483	467
11.5 Other personnel compensation	19	14	11
11.9 Total personnel compensation	502	497	478
12.1 Civilian personnel benefits	101	103	101
13.0 Benefits for former personnel	3	5	5
Travel and transportation of persons:			
21.0 Employee travel	11	11	10
21.0 Interagency motor pool payments	2	2	2
22.0 Transportation of things	2	2	2
23.1 Rental payments to GSA	81	85	75
23.2 Rental payments to others	10	10	9
23.3 Communications, utilities, and miscellaneous charges	38	47	40
24.0 Printing and reproduction	5	6	5
25.2 Other services	70	70	84
26.0 Supplies and materials	25	11	12
31.0 Equipment	14	24	21
99.0 Subtotal, direct obligations	864	873	844
99.0 Reimbursable obligations	202	234	241
99.5 Below reporting threshold			
99.9 Total obligations	1,066	1,107	1,085

Personnel Summary

Identification code 36-0151-0-1-705			
	1995 actual	1996 est.	1997 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment ¹	12,649	11,990	11,115
1005 Full-time equivalent of overtime and holiday hours	230	173	124
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	3,336	3,547	3,267
2005 Full-time equivalent of overtime and holiday hours	176	128	48

¹ Reflects common service FTE treated as reimbursements in all years and the effects of Credit Reform, per P.L. 101-508.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$31,175,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0170-0-1-705			
	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.10 Direct program	32	31	31
01.01 Reimbursable program	1	1	1
10.00 Total obligations	33	32	32
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	32	32	32
23.95 New obligations	-33	-32	-32
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	32	31	31
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	32	32	32
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	6	7	7
73.10 New obligations	33	32	32
73.20 Total outlays (gross)	-32	-32	-32
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	7	7	7
Outlays (gross), detail:			
86.90 Outlays from new current authority	29	29	29
86.93 Outlays from current balances	3	2	2
86.97 Outlays from new permanent authority	1	1	1
87.00 Total outlays (gross)	32	32	32
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	31	31	31
90.00 Outlays	32	31	31

This appropriation provides Department-wide audit, investigation, and essential inspection and support functions to identify and report weaknesses and deficiencies in VA programs and operations that create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function plans and conducts internal programmatic audits of all facets of VA operations. The investigative function conducts proactive and reactive investigations of improper and illegal activities involving VA programs, personnel, beneficiaries, and other third parties. The support function provides normal office administrative support as well as contract audit services for all applicable Department contracts, personnel, and information security for the VA, and legislatively mandated medical care quality assurance review and oversight.

Public Law 100-527, the Department of Veterans Affairs Act, established a minimum level of full-time positions for the Office of Inspector General (IG) based on the number of full-time positions as of the date of enactment, plus an additional 40 positions. The minimum level for VA's IG office is 417 FTE. This budget request funds 358 FTE positions; 59 fewer than the Secretary is required to provide for under Public Law 100-527.

Object Classification (in millions of dollars)

Identification code 36-0170-0-1-705	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	23	23	23
11.9 Total personnel compensation	23	23	23
12.1 Civilian personnel benefits	5	5	5
21.0 Travel and transportation of persons	2	2	2
23.1 Rental payments to GSA	2	2	2
25.2 Other services	1		
99.9 Total obligations	33	32	32

Personnel Summary

Identification code 36-0170-0-1-705	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment	389	371	358

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System, including uniforms or allowances; cemetery expenses; purchase of passenger motor vehicles for use in cemetery operations; and hire of passenger motor vehicles, \$76,864,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 36-0129-0-1-705	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.10 Direct obligations	72	73	77
10.00 Total obligations	72	73	77
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	73	73	77
23.95 New obligations	-72	-73	-77
New budget authority (gross), detail:			
40.00 Appropriation	73	73	77
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	11	10	10
73.10 New obligations	72	73	77
73.20 Total outlays (gross)	-72	-73	-76
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	10	10	9
Outlays (gross), detail:			
86.90 Outlays from new current authority	63	66	69
86.93 Outlays from current balances	9	7	7
87.00 Total outlays (gross)	72	73	76
Net budget authority and outlays:			
89.00 Budget authority	73	73	77
90.00 Outlays	72	73	76

The following table presents a summary of performance trends for the National Cemetery System. The measures address performance covering workload, productivity, and access.

National Cemetery System Summary:	1993 actual	1994 actual	1995 actual	1997 est.
Interments performed	67,329	68,636	70,522	73,600
Full-casket	50,285	50,354	50,725	52,100
In-ground cremain	15,259	16,782	16,703	18,400
Columbaria niches	1,785	1,500	3,094	3,100
Occupied graves maintained	1,986,719	2,039,379	2,091,683	2,204,500
In-ground gravesites	1,970,166	2,020,946	2,070,673	2,179,500
Columbaria niches	16,553	18,433	21,010	25,000
Developed acres maintained	5,038	5,355	5,410	5,803
Headstone/marker applications processed	342,235	315,383	301,657	345,000

	1995 actual	1996 est.	1997 est.	1998 est.
Presidential Memorial Certificates issued	278,000	282,552	285,076	302,000
Requests for interment taken by hub cemeteries on the weekends	5,558	5,528	5,755	5,800
Requests for interment taken on the weekend that result in final arrangements in the ensuing week	91%	90%	90%	90%
Interments per FTE	250	250	248	250
Veterans using a burial option	10.0%	9.9%	9.7%	10.2%
Veteran population served by the existence of a burial option within a reasonable distance of place of residence	65.6%	66.5%	67.3%	68.8%

The Office of Memorial Affairs provides monuments and other memorial benefits to veterans and their eligible family members, including receiving and processing applications for headstones and markers, ordering headstones and markers, determining the eligibility of decedent, type of headstone or marker to be furnished, authorizing inscriptions, and administering the Presidential Memorial Certificate Program.

To facilitate account restructuring and consolidation, the National Cemetery System also reflects budget information for the National Cemetery Gift Fund. Through this Trust 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.

Object Classification (in millions of dollars)

Identification code 36-0129-0-1-705	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	36	37	38
11.3 Other than full-time permanent	6	6	7
11.9 Total personnel compensation	42	43	45
12.1 Civilian personnel benefits	11	12	12
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	3	3	4
25.2 Other services	6	6	6
26.0 Supplies and materials	5	5	5
31.0 Equipment	3	2	3
99.9 Total obligations	72	73	77

Personnel Summary

Identification code 36-0129-0-1-705	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment	1,315	1,321	1,355

Intragovernmental funds:

SUPPLY FUND

Program and Financing (in millions of dollars)

Identification code 36-4537-0-4-705	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
Procurement, distribution, and services program:			
00.01 Cost of goods sold	405	617	649
00.02 Other	30	36	34
Publication and reproduction program:			
00.03 Cost of goods sold	11	13	14
00.04 Other	7	8	9
00.91 Total operating expenses	453	674	706
Capital investment:			
01.01 Procurement, distribution, and services program: Purchase of equipment	1	14	2
10.00 Total obligations	454	688	708
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	106	62	60

Intragovernmental funds—Continued

SUPPLY FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 36-4537-0-4-705	1995 actual	1996 est.	1997 est.
22.00 New budget authority (gross)	477	686	710
22.40 Capital transfer to general fund	-67		
23.90 Total budgetary resources available for obligation	516	748	770
23.95 New obligations	-454	-688	-708
24.90 Unobligated balance available, end of year: Fund balance	62	60	62
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	495	686	710
68.10 Change in orders on hand from Federal sources	-18		
68.90 Spending authority from offsetting collections (total)	477	686	710
70.00 Total new budget authority (gross)	477	686	710
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90 Obligated balance: Fund balance	95	40	38
72.95 Orders on hand from Federal sources	197	179	179
72.99 Total unpaid obligations, start of year	292	219	217
73.10 New obligations	454	688	708
73.20 Total outlays (gross)	-527	-690	-710
Unpaid obligations, end of year:			
74.90 Obligated balance: Fund balance	40	38	36
74.95 Orders on hand from Federal sources	179	179	179
74.99 Total unpaid obligations, end of year	219	217	215
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	477	686	710
86.98 Outlays from permanent balances	50	4	
87.00 Total outlays (gross)	527	690	710
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-495	-686	-710
88.95 Change in orders on hand from Federal sources	18		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	32	4	

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 publications depot; (5) a service and reclamation program; (6) a national prosthetics distribution center; and (7) 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.

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 1997, Supply Fund sales are estimated to reach \$535.0 million. Average inventory needed to support those sales will be \$36.0 million.

Operating results.—The Fund operated at a profit of \$3.5 million in 1995. The new total of retained earnings is \$40.0 million, which has been used to finance inventory growth. Operating expense as related to sales was 8.4 percent.

Object Classification (in millions of dollars)

Identification code 36-4537-0-4-705	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	18	19	19
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	19	20	20
12.1 Civilian personnel benefits	3	4	5
21.0 Travel and transportation of persons	1	2	2
22.0 Transportation of things	3	4	4
23.1 Rental payments to GSA	2	2	1
23.3 Communications, utilities, and miscellaneous charges	1	2	2
24.0 Printing and reproduction	11	14	14
25.1 Advisory and assistance services	8	8	9
25.2 Other services			
26.0 Supplies and materials	223	394	414
Equipment:			
31.0 Equipment	1	14	2
31.0 Equipment	182	225	237
99.0 Subtotal, reimbursable obligations	454	689	710
99.5 Below reporting threshold		-1	-2
99.9 Total obligations	454	688	708

Personnel Summary

Identification code 36-4537-0-4-705	1995 actual	1996 est.	1997 est.
Total compensable workyears:			
2001 Full-time equivalent employment	404	418	408
2005 Full-time equivalent of overtime and holiday hours	6	6	6

FRANCHISE FUND

There is hereby established in the Treasury a franchise fund pilot, as authorized by section 403 of Public Law 103-356, to be available as provided in such section for costs of capitalizing and operating the following services to be included in the franchise fund: data processing services, payroll services, law enforcement training, security and investigations, records management and storage, and specialized adaptive training: Provided, That any inventories, equipment, and other assets pertaining to the services to be provided by the franchise fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made prior to the current year for the purpose of providing capital, shall be transferred from the General Operating Expense account and merged with the fund: Provided further, That fees charged fund customers may be paid in advance from funds available to the Department and other federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including terminal leave liabilities, depreciation of plant and equipment, and amortization of software: Provided further, That amounts charged fund customers for terminal leave liabilities, depreciation, and amortization of software, and any amounts attributable to operational efficiencies may be retained by the fund for the purposes of liquidating fund terminal leave liabilities and for investments in capital equipment or other enhancements to financial management or data processing systems used to provide franchise fund services: Provided further, That any amounts resulting from operational efficiencies may be retained in the fund up to an amount which, when added to other such amounts retained from each fiscal year, does not exceed, at the end of the fiscal year, ten percent of the gross annual customer billings for the latest fiscal year ended: Provided further, That no later than thirty days after the end of each fiscal year amounts in excess of this reserve limitation shall be transferred to the Treasury: Provided further, That such franchise fund pilot shall terminate pursuant to section 403(f) of Public Law 103-356.

Program and Financing (in millions of dollars)

Identification code 36-4539-0-4-705	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations			50
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			50
23.95 New obligations			-50

New budget authority (gross), detail:			
68.00	Spending authority from offsetting collections (gross):		
	Offsetting collections (cash)		50
Change in unpaid obligations:			
73.10	New obligations		50
73.20	Total outlays (gross)		-50
Outlays (gross), detail:			
86.97	Outlays from new permanent authority		50
87.00	Total outlays (gross)		50
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources		-50
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays		

The VA was chosen as a pilot Franchise Fund agency under P.L. 103-356, the Government Management and Reform Act of 1994. Beginning in FY 1997, administrative services included in the Franchise Fund will be financed on a fee-for-service basis rather than through VA's General Operating Expenses Appropriation. The VA's Franchise Fund is a revolving fund used to supply common administrative services on the basis of services supplied. Service Activities are expected to have billings of about \$55 million and employ 445 people, who were transferred from their parent organizations.

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		1995 actual	1996 est. 1997 est.
11.1	Personnel compensation: Full-time permanent		21
12.1	Civilian personnel benefits		3
21.0	Travel and transportation of persons		2
23.1	Rental payments to GSA		2
23.3	Communications, utilities, and miscellaneous charges		18
25.2	Other services		3
26.0	Supplies and materials		1
99.0	Subtotal, reimbursable obligations		50
99.9	Total obligations		50

Personnel Summary			
Identification code 36-4539-0-4-705		1995 actual	1996 est. 1997 est.
2001	Total compensable workyears: Full-time equivalent employment		445

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1995 actual	1996 est.	1997 est.
Offsetting receipts from the public:			
36-243100 Fees and other charges for medical services, VA	440	466	525
36-247300 Contributions from military personnel, Veteran's Educational Assistance Act of 1984	166	243	253
General Fund Offsetting receipts from the public	606	709	778

ADMINISTRATIVE PROVISIONS
(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for 1997 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for 1997 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects", and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901-7904 or 42 U.S.C. 5141-5204), unless reimbursement of cost is made to the "Medical Care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1997 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 1996.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1997 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1997, 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 Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "General operating expenses" 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 an insurance program in fiscal year 1997, 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 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 1997, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

TITLE V—GENERAL PROVISIONS

SEC. 501. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 502. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Resolution Trust Corporation, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 503. 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. 504. No funds appropriated by this Act may be expended—
(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 505. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 506. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: Provided, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 507. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for Level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 508. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 509. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 510. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder, and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared, and (B) the contractor who prepared the report pursuant to such contract.

SEC. 511. Except as otherwise provided in section 505, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 512. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 513. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 514. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 515. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A-21.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.