

Summary – Volume I

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Executive Summary

I. INTRODUCTION

The President's vision for the Department of Veterans Affairs (VA) is to transform VA into a 21st Century organization that is Veteran-centric, results-driven, and forward-looking. This transformation is demanded by new times, new technologies, new demographic realities, and new commitments to today's Veterans. And it requires a comprehensive review of the fundamentals in every line of operation the Department performs.

VA's budget request for 2010 provides the resources critical to achieving the President's vision and will help ensure that Veterans—our clients—receive timely access to the highest quality benefits and services we can provide and which they earned through their sacrifice and service to our Nation.

The Department's resource request for 2010 is nearly \$113 billion—up \$15 billion, or 16 percent, from the 2009 enacted budget (excluding funds provided by the American Recovery and Reinvestment Act of 2009). This is the largest one-year percentage increase for VA requested by a President in over 30 years.

Nearly two-thirds of the increase (\$9.7 billion) would go to mandatory programs (up 20 percent); the remaining third (\$5.6 billion) would be discretionary funding (up 11 percent). The total budget would be almost evenly split between mandatory funding (\$56.9 billion) and discretionary funding (\$55.9 billion).

II. Strategy and Approach

The President's budget request for 2010 provides the Department of Veterans Affairs (VA) with resources needed to become a 21st Century organization while providing the time and opportunity for VA leadership to develop further the substance, priority, and value of individual investments currently in the budget.

The vision is clear: VA will be a people-centric, results-oriented, forward-looking organization that puts Veterans first. Services will be more coordinated, convenient, and cost effective. Veterans will receive timely access to the highest quality benefits and services that they earned through their sacrifice and service

to our Nation. Better quality, access, and cost-effective service to veterans will result.

But we can not achieve this bold vision by doing business the old way. It will take leadership and new management processes. VA will employ an integrated corporate model with central coordination of common management infrastructure, including those for human resources, financial management, acquisitions, performance measurement, and IT. A strong corporate model will enable decentralized provision of services at VA by medical and benefits professionals in the field while providing integrated policy and coordination through a central office. This allocation of decision rights and responsibilities will result in improved quality and access to services for Veterans and their families.

Consequently, the new leadership team is working to review management fundamentals in the Department's three main operating units, as well as to strengthen the capabilities of critical support functions like human resources, administration, IT, and acquisition. A task force is already underway to identify opportunities for significant improvements in meeting the needs of Veterans in the 21st Century. Several new governance processes have been established. And a comprehensive effort to acquire detailed data and information about current VA operations, including performance measures, with a focus on accountability is being implemented.

These efforts will generate valuable new insights during the coming months. Some may have budget consequences. Therefore, as this work proceeds, the Department looks forward to engaging in a dialogue with the Congress on how VA will transform into a 21st-Century organization with the resources requested for FY 2010.

III. Illustrative Examples of Initiatives Supporting Transformation at the VA in the FY2010 budget

At present, the budget request contains four major categories of transformational activity collectively designed to initiate the process of creating a 21st Century VA. These include creating a reliable management infrastructure, delivering ongoing services, making progress on Congressional priorities, and instituting some new initiatives.

VA will create a reliable **management infrastructure** that expands or enhances corporate transparency at the VA, leader training, and R&D. This infrastructure also is a key to dramatically improved client services and enhanced responsiveness to the needs of Veterans and all VA stakeholders. Examples include dramatically increasing investment in training and career development

for the VA career civil service; improving capacity to manage IT services and major programs; employing a suitable financial management system to track expenditures; and achieving significant realignment of VA's acquisition processes for improved transparency of and accountability for spending across the VA.

VA must deliver on **base** requirements related to ongoing services provided to Veterans on a daily basis. Base activities include access to the highest quality care, delivered at best-in-class facilities, and powered by excellence in medical research. The requirements also encompass fair, consistent, and rapid processing of benefits claims, memorial services that honor service to the Nation, and evolving needs, such as rural care and outreach, care for homeless Veterans, Veterans' families, and women's health care.

VA will assess and revitalize **core** programs that have already been recognized by the VA and Congress as important steps to improve quality and access to services for Veterans. These programs provide access for additional Priority 8 Veterans; improve interoperability and coordination between the Department of Defense and the VA; increase investment in mental health and telemedicine; and complete the final phase of post-9/11 GI Bill implementation plan. Progress on these initiatives, begun in 2009, will be sustained in 2010 to ensure that VA follows through on its existing commitments.

VA will employ **new** approaches to meet emerging needs that will change the way VA does its work. The FY2010 budget modernizes the VA by changing the way Veterans are served and by transforming the management systems that prevent employees from serving Veterans more effectively. The main elements of this category of activity comprise a different kind of service, as well as management systems that underpin a strong corporate model of coordination and control. The on-going work of the Transformation Task Force will inform the further development of these elements. New initiatives include such efforts as the following:

- Integrated Health Care Initiatives include creating a Joint Virtual Lifetime Electronic Record that will ultimately contain administrative and medical information from the day an individual enters military service throughout their military career and after they leave the military.
- Unified Client Relationship Management Channels throughout VA so that Veterans may reach VA on their own terms (phone, web, in person) and gain quick and convenient access to information about all VA services from a single point of contact.

Expanding health care eligibility. Using resources provided by Congress in 2009, VA began a gradual expansion of health care eligibility for non-disabled Veterans earning modest incomes (Priority 8 Veterans). The 2010 budget provides funds to continue this gradual expansion, which will enable over 500,000 Veterans to enroll for VA medical care by 2013. The 2010 budget ensures this will be done while maintaining both the timeliness and quality of VA health care.

- **Enhancing outreach and services related to mental health care.** The 2010 budget improves access to mental health services across the country, particularly for Veterans suffering from post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI) as a result of their service in Operations Enduring and Iraqi Freedom. This budget ensures VA can expand its screening program for depression, PTSD, TBI, and substance use disorders, and can enhance its suicide prevention campaign.
- **Combating homelessness.** Funds are provided for VA to work with other federal departments and agencies, in partnership with non-profit organizations, to reduce homelessness and increase employment opportunities among Veterans. This includes a pilot program aimed at maintaining stable housing for Veterans at risk of homelessness while also providing them with ongoing medical care and supportive services.
- **Ensuring seamless transition.** VA will continue to collaborate with the Department of Defense (DoD) to simplify the transition of military personnel into civilian status through a uniform approach to both registering into VA and accessing electronic records data. The two departments will improve the delivery of benefits and assure the availability of medical data to support the care of patients shared by VA and DoD.
- **Meeting the needs of women Veterans.** VA will respond to the needs of a growing number of women Veterans coming to VA for health care, particularly through enhanced primary care. This effort includes full-time Women Veterans Program Managers serving at all VA medical facilities. These program managers are advisors to, and advocates for, women Veterans to help ensure their care is provided with the appropriate level of privacy and sensitivity.
- **Expanding care for Veterans in rural areas.** The Department is expanding several projects that will improve access to care for Veterans in rural and highly rural areas, including use of rural health resource centers, mobile clinics, rural health consultants, and outreach clinics. VA will also continue to expand its telehealth program that is the largest of its kind in the world.

- **Increasing investments in research.** The 2010 budget provides resources for vital research projects aimed at improving care and clinical outcomes for Veterans. Some of this key research will focus on TBI and polytrauma, specifically studies on blast force-related injuries. VA will strengthen its burn injury research to improve the rehabilitation and daily lives of Veterans who have suffered burns and will enhance research on chronic pain. The Department will also expand research on access to VA health care, including access for Veterans in rural and highly rural areas.
- **Automating the delivery of education benefits.** The 2010 budget provides resources to continue development of an automated system for education claims processing. This initiative is crucial to the timely and efficient delivery of benefits mandated by the Post-9/11 Veterans Educational Assistance Act. The automated solution will be available by the end of calendar year 2010.
- **Processing benefits claims in a paperless environment.** This budget includes resources to continue moving toward the President's goal of reforming the benefits claims process to ensure claims decisions are timely, accurate, fair, and consistent through the use of automated systems. This system will strengthen service to Veterans by providing them the capability to apply for and manage their benefits on-line. It will reduce the movement of paper files and further secure Veterans' personal information. The initial features of the paperless processing initiative will be tested in 2010, and by 2012 VA expects to implement its electronic benefits delivery system.
- **Increasing investment in training and career development.** This budget will help ensure that VA's workforce will remain leaders and standard-setters in their fields. The Department will continue to grow and retain a skilled, motivated, and client-oriented workforce. Training and development (including a leader development program), communications and team building, and continuous learning will all be components of reaching this objective.
- **Establishing a Program Analysis and Evaluation Service.** The Department will establish an office with robust program analysis and evaluation capability. This office will conduct in-depth reviews of VA programs and operations, and will assess their return on investment. These independent evaluations will help inform program and budget decision-making.
- **Funding the new Office of the Assistant Secretary for Acquisition, Construction, and Logistics.** The 2010 budget includes resources to fund this new office that is responsible for overseeing the resources, services, and

projects that comprise VA's capital facilities program, and directing the Department's acquisition and logistics activities (Supply Fund).

These key investments in 2010 directly support the Department's strategic priorities and are critical to achieving the transformation of VA into a 21st Century organization. The resources dedicated to these initiatives are vital to our mission of addressing Veterans' changing needs over time. They will help ensure that VA continues to deliver state-of-the-art health care and benefits; grows and maintains a skilled, motivated, and client-oriented workforce; and implements a comprehensive training and leader development program for long-term professional excellence in the Department.

III. Next Steps for Transformation

VA is moving quickly to engage stakeholders, create options, and translate FY2010 initiatives supporting transformation into budget terms. Current efforts include the following:

First, the Secretary of Veterans Affairs established a Transformation Task Force in March that is responsible for conducting a comprehensive review of the VA to develop recommended strategies and investments for a multi-year transformation of the VA.

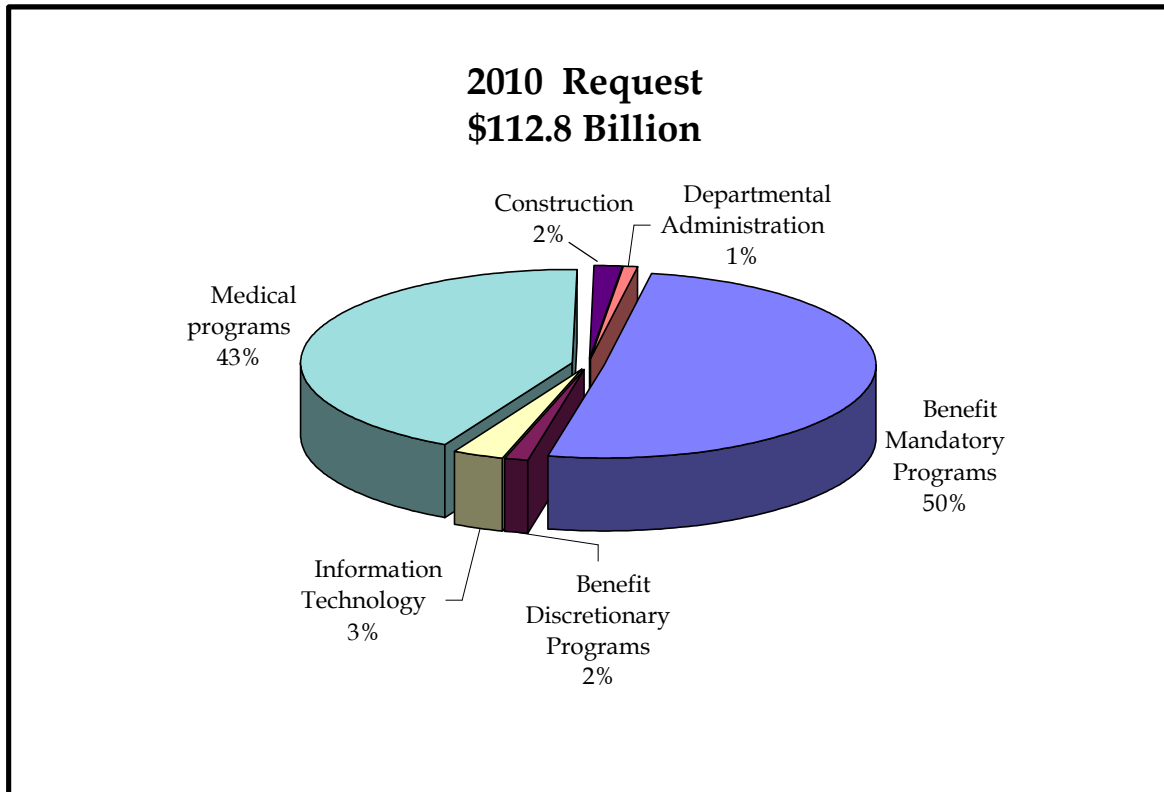
Second, VA leadership initiated targeted management reviews of VA information technology, acquisitions, and strategic human capital management. Other reviews are on the way.

Third, VA will augment performance data with estimation and sampling techniques to develop a better understanding of performance and cost.

Leadership will apply conclusions from these activities that may result in adjustments to the budget request within the 2010 topline during the next several months. The results of this ongoing management decision-making process - in partnership with the Congress - will be a budget that starts the VA down a path toward becoming a 21st Century organization.

Overview of the \$112.8 Billion 2010 Request

- Provides \$112.8 billion for high-quality health care, benefits, and memorial service to our country's veterans.
 - \$55.9 billion in discretionary funding to include medical care collections primarily for medical programs to provide high-quality health care for our veterans and research for conditions and diseases that affect these veterans.
 - \$56.9 billion for mandatory entitlement programs in benefits for our veterans and their beneficiaries.
 - \$15.1 billion above the 2009 current estimate.



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Budget Authority by Account

<i>Budget Authority</i> (dollars in thousands)				
BA/Fund Account	2008	2009	2010	Increase (+)
	Actual	Current Estimate	Request	Decrease (-)
Federal funds:				
Benefit programs:				
Disability Compensation				
Mandatory Benefits	\$37,242,133	\$38,532,052	\$43,002,751	4,470,699
<i>Economic Recovery Act (non-add)</i>		584,000		
Total Disability Compensation	37,242,133	38,532,052	43,002,751	4,470,699
Burial Mandatory Benefits	195,949	197,593	221,408	23,815
Pensions Mandatory Benefits	3,800,773	3,926,264	4,041,041	114,777
<i>Economic Recovery Act (non-add)</i>		116,000		
Subtotal, Compensation and Pension	41,238,855	42,655,909	47,265,200	4,609,291
Education Mandatory Benefits	2,677,341	3,663,261	8,086,344	4,423,083
Vocational rehabilitation and employment Mandatory Benefits	622,948	619,683	577,280	-42,403
Vocational rehabilitation loan subsidy (non-add)	44	61	29	-32
Subtotal, Readjustment Benefits	3,300,289	4,282,944	8,663,624	4,380,680
Insurance Mandatory Benefits	41,250	48,072	49,288	1,216
Housing Mandatory Benefits	809,213	350,916	23,553	-327,363
Non-Appropriated Accounts				
Vocational Rehabilitation Upward Reestimate	82	812	0	-812
Native American Veteran Housing	5,311	1,229	0	-1,229
Housing Benefit Program fund Liquidating	-20,242	-13,993	-12,605	1,388
Trust Funds	1,150,870	1,169,548	1,140,770	-28,778
General Post Fund	39,718	41,137	41,749	612
Proprietary receipts	-1,691,505	-1,206,894	-246,578	960,316
Intragovernmental transactions	-1,191	-1,340	-1,559	-219
Total Benefits Mandatory	44,872,650	47,328,340	56,923,442	9,595,102
Medical Research and Support	480,000	510,000	580,000	70,000
Medical programs:				
Medical services	28,003,345	30,701,013	34,704,500	4,003,487
Medical care collection fund	2,442,563	2,556,855	2,881,462	324,607
Total Medical services with collections	30,445,908	33,257,868	37,585,962	4,328,094
Medical Support and Compliance	3,956,617	4,450,000	5,100,000	650,000
Medical facilities	4,233,182	5,029,000	4,693,000	-336,000
<i>Economic Recovery Act (non-add)</i>		1,000,000		
VA/DoD Health Care Sharing Incentive Fund	90,000	34,000	0	-34,000
Total Medical Care	38,775,707	42,770,868	47,378,962	4,608,094
Total medical programs	39,205,707	43,280,868	47,958,962	4,678,094
National Cemeteries Administration	193,858	230,000	242,000	12,000
<i>Economic Recovery Act (non-add)</i>		50,000		
Department Administration:				
General administration	324,921	335,772	393,500	57,728
<i>Credit Reform - General Counsel (non-add)</i>	5,009	5,160	5,304	144
VBA-GOE	1,426,837	1,461,295	1,825,000	363,705
<i>Credit Reform - VBA (non-add)</i>	115,135	117,849	125,285	7,436
<i>Economic Recovery Act (non-add)</i>		157,100		
Subtotal, GOE	1,751,758	1,797,067	2,218,500	421,433
Filipino Veterans Equity Compensation Fund		198,000		
Office of Inspector General	80,500	87,818	107,000	19,182
<i>Economic Recovery Act (non-add)</i>		1,000		
Construction Major	1,531,477	923,382	1,194,000	270,618
Construction Minor	630,535	741,534	600,000	-141,534
Grants for State Extended Care	165,000	175,000	85,000	-90,000
<i>Economic Recovery Act (non-add)</i>		150,000		
Grants for State Cemeteries	39,500	42,000	42,000	0
Credit Reform	155,545	158,237	166,103	7,866
Information Technology	2,358,122	2,748,081	3,307,000	558,919
<i>Economic Recovery Act (non-add)</i>		50,100		
Total Departmental Administration	6,712,437	6,871,119	7,719,603	848,484
Total Budget Authority	\$90,984,652	\$97,710,327	\$112,844,007	15,133,680
Total Mandatory	\$44,872,650	\$47,328,340	\$56,923,442	9,595,102
Total Discretionary without MCCF	\$43,669,439	\$47,825,132	\$53,039,103	5,213,971
Total Discretionary with MCCF and other receipts	\$46,112,002	\$50,381,987	\$55,920,565	5,538,578

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Key Performance Measures

Strategic Goal/ Key Measure	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Strategic Goal 1: Restore the capability of Veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.							
National accuracy rate-compensation rating claims (Measure description changed)	84%	88%	88%	86%	90%	90%	98%
Compensation & Pension rating-related actions - average days to complete (Also supports SG #3)	167	177	183	179	168	150	125
Rating-related actions - average days pending (Compensation) (Measure description changed)	122	130	132	121	116	105	100
Rehabilitation rate (General) (Measure description changed)	63%	73%	73%	76%	76%	76%	80%
Average days to complete - DIC actions (Compensation) (Measure description changed)	124	136	132	121	115	110	90
Strategic Goal 2: Ensure a smooth transition for Veterans from active military service to civilian life.							
Average days to complete original claims (Education)	33	40	32	19	24	24	10
Average days to complete supplemental claims (Education)	19	20	13	9	10	10	7
Strategic Goal 3: Honor and serve Veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.							
Percent of patients rating VA health care service as very good or excellent:		*The survey instrument used in the past has been discontinued. VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Healthcare Plans and Systems. FY 2009 is a re-baseline year to determine both annual and strategic targets.					
Inpatient	77%	78%	78%	79%	*Baseline	TBD	TBD
Outpatient	77%	78%	78%	78%	*Baseline	TBD	TBD
Percent of primary care appointments scheduled within 30 days of the desired date	96%	96%	97%	99%	97%	98%	99%
Percent of specialty care appointments scheduled within 30 days of the desired date	93%	94%	95%	98%	95%	95%	99%
Percent of new patient appointments completed within 30 days of the desired date	N/Av	N/Av	N/Av	89%	92%	93%	95%
Percent of unique patients waiting more than 30 days beyond the desired appointment date	N/Av	N/Av	N/Av	8%	6%	5%	5%



Key Performance Measures

Strategic Goal/ Key Measure	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Clinical Practice Guidelines Index III (The 2005 result is CPGI I. The 2006, 2007, and 2008 results are CPGI II. The 2009 and 2010 targets are CPGI III.)	87%	83%	83%	84%	86%	86%	87%
Prevention Index IV (The 2005 result is PI II. The 2006, 2007, and 2008 results are PI III. The 2009 and 2010 targets are PI IV.)	90%	88%	88%	88%	89%	89%	90%
Non-institutional, long-term care average daily census (ADC)	N/Av	43,325	41,022	54,053	72,352	90,654	109,184
Pension maintenance claims - average days to complete (Measure description changed)	68	92	104	119	85	82	60
National accuracy rate-pension maintenance claims (Measure description changed)	86%	88%	91%	93%	94%	95%	98%
Average number of days to process SGLI death claims (Insurance)	N/Av	N/Av	N/Av	N/Av	N/Av	5	5
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	77.1%	80.2%	83.4%	84.2%	86.9%	90.0%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	94%	94%	98%	98%	100%
Percent of graves in national cemeteries marked within 60 days of interment	94%	95%	94%	93%	95%	95%	95%
Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries	13%	62%	38%	95%	90%	90%	90%
Default Resolution Rate (Housing)	N/Av	N/Av	N/Av	N/Av	56.5%	56.5%	57.0%
Strategic Goal 4:							
Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.							
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (Two milestones to be achieved over two years)	40%	47%	67%	80%	87%	94%	100%
Percent of respondents who rate national cemetery appearance as excellent	98%	97%	97%	98%	99%	99%	100%



Mission

Our Mission: *What we are Here to Do*

To fulfill President Lincoln's promise - "To care for him who shall have borne the battle, and for his widow, and his orphan" - by serving and honoring the men and women who are America's Veterans.

President Lincoln's immortal words - delivered in his Second Inaugural Address more than 140 years ago - describe better than any others the mission of the Department of Veterans Affairs. We care for Veterans and their families - men and women who have responded when their Nation needed help. Our mission is clear-cut, direct, and historically significant. It is a mission that every employee is proud to fulfill.

VA fulfills these words by providing world-class benefits and services to the millions of men and women who have served this country with honor in the military. President Lincoln's words guide the efforts of approximately 250,000 VA employees who are committed to providing the best medical care, benefits, social support, and lasting memorials to Veterans and their dependents in recognition of Veterans' service to this Nation.

Our Programs: *What We Do*

Veterans Health Administration

Providing Medical Care

VA operates the largest direct health care delivery system in America. In this context, VA meets the health care needs of America's Veterans by providing a broad range of primary care, specialized care, and related medical and social support services. VA focuses on providing health care services that are uniquely related to Veterans' health or special needs. VA is also the Nation's largest provider of health care education and training for medical residents and other health care trainees. These education and training programs are designed to help ensure an adequate supply of clinical care providers for Veterans and the Nation.

Web: <http://www1.va.gov/health/index.asp>

Conducting Vet-Centered Medical Research

VA advances medical research and development in ways that support Veterans' needs by pursuing medical research in areas that most directly address the diseases and conditions that affect Veterans.

Shared VA medical research findings contribute to the public good by improving the Nation's overall knowledge of disease and disability.

Web: <http://www.research.va.gov>

Veterans Benefits Administration

Delivering Compensation Benefits

The Compensation program provides monthly payments and ancillary benefits to Veterans in accordance with rates specified by law, in recognition of the average potential loss of earning capacity caused by a disability or disease incurred in or aggravated during active military service.

This program also provides monthly payments, as specified by law, to surviving spouses, dependent children, and dependent parents in recognition of the economic loss caused by the Veteran's death during active military service or, subsequent to discharge from military service, as a result of a service-connected disability. **Web:** www.vba.va.gov/bln/21/compensation/

Providing Pension Benefits

Pension benefits are monthly payments, specified by law, provided to Veterans with nonservice-connected disabilities who served in a time of war. Veterans must meet specific income limitations and must be permanently and totally disabled or must have reached the age of 65. This program also provides monthly payments, as specified by law, to income-eligible surviving spouses and dependent children of deceased wartime Veterans who die as a result of a disability unrelated to military service. **Web:** www.vba.va.gov/bln/21/pension/

Providing Educational Opportunities

VA's education programs provide eligible Veterans, servicemembers, reservists, survivors, and dependents the opportunity to achieve their educational or vocational goals. Education programs also assist the armed forces in their recruitment and retention efforts, and help Veterans in their readjustment to civilian life.

These benefits serve to enhance the Nation's competitiveness through the development of a better educated and more productive workforce. VA administers a number of education programs, including the Montgomery GI Bill, the new Post 9/11 GI Bill, and the Reserve Educational Assistance Program

(REAP) for Reserve and National Guard troops activated in support of the Global War on Terror. **Web:** www.gibill.va.gov

Delivering Vocational Rehabilitation and Employment Services

The Vocational Rehabilitation and Employment program assists Veterans with service-connected disabilities to achieve functional independence in daily activities, become employable, and obtain and maintain suitable employment.

Web: <http://www.vba.va.gov/bln/vre/index.htm>

Promoting Home Ownership

Through loan guaranties, VA's Loan Guaranty program helps eligible Veterans, active duty personnel, surviving spouses, and members of the Reserves and National Guard to purchase homes. We also assist Veterans in retaining their homes through foreclosure avoidance services. In addition, VA offers grants to Veterans who have specific service-connected disabilities for the purpose of constructing an adapted dwelling or modifying an existing one to meet the veteran's needs.

The Loan Guaranty program also provides direct loans to Native American Veterans living on Federal trust land and offers some loans to the public when buying homes owned by the Department as a result of foreclosure.

Web: <http://www.homeloans.va.gov>

Meeting Insurance Needs

The Insurance program provides servicemembers and their families with universally available life insurance (automatically issued to all servicemembers and their families without underwriting), as well as traumatic injury protection insurance for servicemembers. It also provides for the optional continuation of insurance coverage after a servicemember's separation from service. In this context, the program continues to provide life insurance coverage to 1.2 million WWII and Korean War-era Veterans.

In addition, the program provides life insurance to Veterans who have lost or impaired insurability resulting from military service and therefore cannot obtain commercial insurance at standard (healthy) rates. Insurance coverage is made available in reasonable amounts and at premium rates largely comparable to those offered by commercial companies. The program ensures a competitive, secure rate of return on investments held on behalf of the insured.

Web: <http://www.insurance.va.gov>

National Cemetery Administration

Delivering Burial Services to Veterans

Primarily through the National Cemetery Administration (NCA), VA honors Veterans with final resting places in national shrine cemeteries and with lasting tributes that commemorate their service to our Nation.

Web: <http://www.cem.va.gov>

Staff Offices

The Department's staff offices are critical to VA's ability to deliver services to Veterans in a cost-effective manner. These offices provide a variety of services including information technology, human resources management, financial management, acquisition, and facilities management.



Population of American Veterans

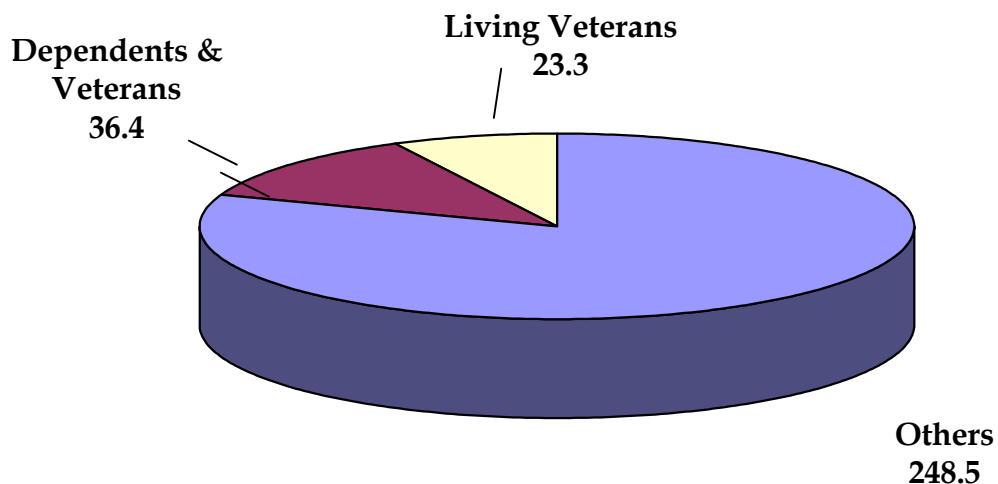
Veterans Population

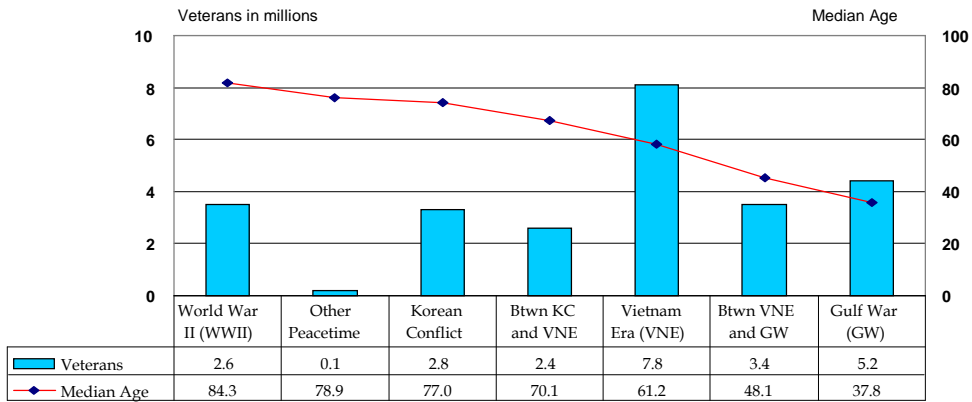
On September 30, 2008, there were an estimated 23.4 million living Veterans, with 23.3 million of them in the U.S. and Puerto Rico. There were an estimated 35.8 million dependents (spouses, dependent children and parents) of living Veterans in the U.S. and Puerto Rico. There were about 540,000 survivors of deceased Veterans receiving VA survivor benefits. Thus, more than 59.6 million people, or 19.4 percent of the total estimated resident population of the U.S. and Puerto Rico, (308.2 million) were recipients, or potential recipients, of Veterans' benefits from the Federal Government.

The pie chart represents the estimated number (in millions) in the resident population of the U.S. and Puerto Rico classified as living Veterans, dependents of living Veterans and survivors of Veterans receiving VA survivor benefits, and others (the remainder of the resident population) as of September 30, 2008.

**Estimated Population (in Millions) of Living Veterans, Dependents of Living Veterans, Survivors of Veterans Receiving VA Survivor Benefits, and Others
U.S. and Puerto Rico, September 30, 2008**

**Estimated Number and Median Age of Veterans by Period of Service*,
September 30, 2008**





***Veterans are included in all wartime periods in which they served. Therefore, period categories do NOT add to total Veteran population.**



Estimates & Projections of the Veterans Population

Estimates and Projections of the Veteran Population of the United States, Puerto Rico, US Island Areas⁽⁶⁾, and Foreign Countries
September 30, 2003 – September 30, 2017
(Number of Veterans in Thousands)

	Estimates										Projections					
	9/30/2003	9/30/2004	9/30/2005	9/30/2006	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011	9/30/2016	9/30/2017					
All Veterans ⁽¹⁾	25,217	24,863	24,521	24,179	23,816	23,442	23,067	22,658	22,234	20,141	19,749					
Wartime Veterans ⁽¹⁾	18,812	18,534	18,274	18,017	17,739	17,456	17,175	16,854	16,502	14,433	14,022					
Gulf War ⁽²⁾⁽³⁾	3,756	4,054	4,367	4,682	4,966	5,239	5,507	5,725	5,902	6,274	6,303					
GW Only	3,408	3,695	4,004	4,315	4,602	4,878	5,150	5,373	5,554	5,955	5,992					
GW, VNE Only	341	352	356	360	358	355	351	347	342	315	308					
GW, VNE, KC Only	6	6	6	6	5	5	5	5	5	3	3					
GW, VNE, KC, WWII Only	1	1	1	1	1	1	1	1	1	*	*					
Vietnam Era ⁽²⁾	8,238	8,164	8,080	7,989	7,884	7,773	7,653	7,526	7,391	6,588	6,401					
VNE Only	7,510	7,444	7,373	7,297	7,215	7,125	7,029	6,925	6,813	6,127	5,964					
VNE, KC Only	250	242	232	223	213	203	193	182	171	115	104					
VNE, KC, WWII Only	130	121	111	102	93	84	75	67	59	27	22					
Korean Conflict ⁽²⁾	3,606	3,450	3,290	3,126	2,961	2,792	2,621	2,448	2,275	1,426	1,268					
KC Only	2,913	2,799	2,681	2,559	2,435	2,307	2,176	2,042	1,905	1,220	1,089					
KC, WWII Only	306	282	259	236	214	193	172	152	134	60	49					
WWII ⁽²⁾	4,384	3,997	3,621	3,257	2,912	2,583	2,272	1,981	1,711	698	562					
WWII Only	3,947	3,593	3,250	2,918	2,604	2,306	2,024	1,761	1,517	611	490					
Peacetime Veterans ⁽⁴⁾	6,406	6,329	6,247	6,162	6,077	5,987	5,892	5,804	5,732	5,708	5,727					
Post GW ⁽⁵⁾	0	0	0	0	0	0	0	11	44	611	762					
Between GW & VNE	3,476	3,469	3,461	3,452	3,443	3,434	3,423	3,411	3,398	3,312	3,289					
Between KC & VNE	2,732	2,676	2,615	2,551	2,486	2,416	2,343	2,266	2,184	1,724	1,624					
Pre-KC, not WWII II	197	184	172	159	148	137	126	115	105	60	53					

Detail may not add to totals or subtotals due to rounding.

⁽¹⁾ Veterans serving in more than one period of service are counted only once in the total.

⁽²⁾ This sum includes veterans who served in multiple periods.

⁽³⁾ Purely for the purpose of allocating veterans to period of service, the Gulf War is assumed to end on September 30, 2008 in these estimates and projections.

⁽⁴⁾ Veterans who served both in wartime and peacetime are only counted as serving in wartime.

⁽⁵⁾ These data differ slightly from published census data because they include 17 year-old veterans and veterans in foreign counties, neither of which are included in the published census.

⁽⁶⁾ US Island Areas is composed of Virgin Islands, Guam, American Samoa, and the Northern Marianas.

* Fewer than 500.

Source: VetPop2007, VA Office of the Actuary

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2010 Budget Highlights

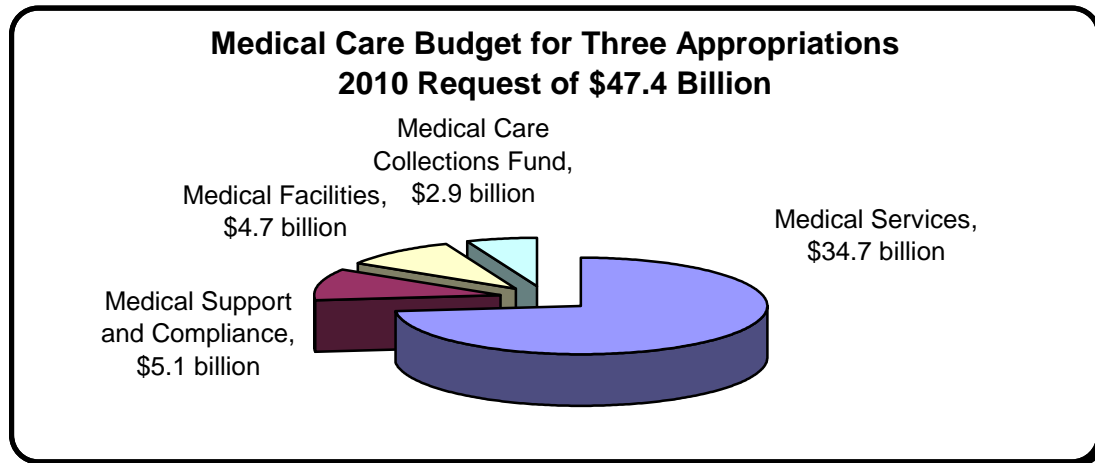
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Medical Programs

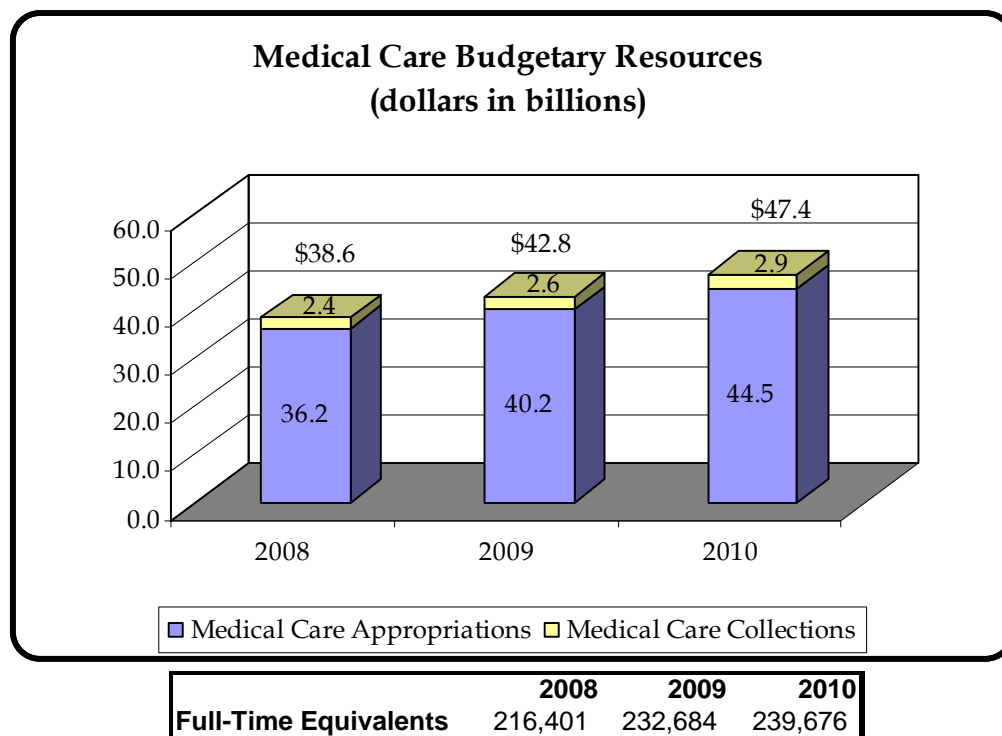
Overview



- Requests \$47.4 billion to strengthen the quality of health care provided to our Nation's Veterans.
- Increases funding dramatically for health care by \$4.6 billion, a 10.8 percent increase over the 2009 level.
- Provides health care to 5.5 million Veteran patients in 2010.
 - Includes 419,256 OIF/OEF Veterans (6.9% of all patients).
- Expands health care eligibility for VA health care, for the first time since 2003, to non-disabled Veterans earning modest incomes. The expansion will enable over 500,000 new enrollees by 2013.
- Expands and improves access by funding:
 - \$4.6 billion to continue our effort to improve access to mental health services across the country including increases in funding in 2010 for post-traumatic stress disorder, substance use disorder, and suicide prevention.
 - \$2.1 billion to meet the needs of 419,256 Veterans with service in OIF/OEF.

- \$1.9 billion to support the rising demand for prosthetics to improve Veterans' quality of life through new and innovative technology.
- \$500 million for specific programs to assist homeless Veterans to include:
 - \$26 million devoted to a new Presidential initiative to combat homelessness through a collaborative pilot program with non-profit organizations.
 - \$144 million for the Homeless Grants and Per Diem program to assist community-based organizations with services for homeless Veterans.
 - \$75 million for the Housing and Urban Development (HUD)-VA Supportive Housing program to provide case management services to Veterans who receive HUD Section 8 rental assistance vouchers.
- \$496.9 million for spinal cord injury (SCI) continuum of care at VA's 24 regional spinal cord injury centers. VA has the largest single network of SCI care in the nation that provides a full range of care for our Veterans.
- \$440 million for rural health initiatives to continue providing access and quality care to Veterans in rural areas with initiatives such as: mobile clinics, new outpatient clinics, expanding fee-basis care, operating Rural Health Resource Centers, accelerating telemedicine deployment, and exploring collaborations with other federal and community providers.
- \$297.6 million for screening and treatment of traumatic brain injury (TBI) to provide the highest quality care for our Veterans with TBI and polytrauma through VA's TBI and polytrauma system of care.
- \$192 million for readjustment counseling and outreach services provided through our 299 Vet Centers to meet the needs of our Veterans. There are 50 mobile Vet Centers that provide outreach at active-duty, National Guard, and Reserve activities nationally.
- \$182.8 million to enhance primary care for women Veterans—one of VA's top priorities. VA will have 144 full-time Women Veterans Program Managers serving at VA medical facilities to help ensure care is provided with the appropriate level of privacy and sensitivity.
- \$104.4 million for treating Veterans with vision injuries and the establishment of the Department of Defense and VA vision center of excellence. This center will concentrate on the prevention, diagnosis, mitigation, treatment, and rehabilitation of eye injuries.

Summary of the Health Care Budget Request



- Requests \$47.4 billion for health care services, long-term care, other health care programs, and initiatives.
- **Presidential Initiatives** request of \$26 million to support a pilot program partnering with non-profits, consumer co-ops and other agencies to assist Veterans that might otherwise become homeless. VA is also participating in a governmentwide Presidential initiative to reduce real property-related operating costs required to maintaining surplus physical assets. In 2010, the disposal of surplus assets scheduled to exit VA's inventory will reduce these costs by an estimated \$3.5 million.
- **Health Care Services** request of \$40.6 billion.
 - Acute care request of \$32.9 billion to treat inpatients requiring acute care for general medical ailments and surgery; provide ambulatory outpatient care to deliver community-based health care to our eligible Veterans; and deliver pharmacy services to provide these Veterans with medication.
 - Mental health services request of \$4.6 billion to improve access to mental health services across the country.
 - Prosthetics request of \$1.8 billion to purchase and repair prosthetics and sensory aids such as hearing aids, pacemakers, artificial hip and knee joints, and ocular lenses.

- Rehabilitative care of \$698 million and dental care request of \$631 million to provide these services to our veterans.
- **Long-Term Care** request of \$5.9 billion.
 - Non-institutional care request of \$1.2 billion includes increases for programs like home-based primary care (up \$66 million) and care coordination/home telehealth (up \$45 million).
 - VA community living centers (formerly VA nursing homes) care request of \$3.4 billion for 10,514 ADC due to increased intensity of services.
 - Community nursing home care request of \$591 million for 6,377 ADC, an additional 280 ADC.
 - State nursing home care request of \$678 million for 18,946 ADC, an increase of 184 ADC.
- **Other Health Care Programs** request of \$1.6 billion for various other health care services such as the Civilian Health and Medical Program of the Department of Veterans Affairs, readjustment counseling, and non-veterans.
- **New Transformation Initiatives** are being developed to maximize health and functionality, improve health outcomes, and improve the Veteran's experience of care. In 2010, VHA will develop programmatic standards, operational policies, and other support services/materials to rollout the Patient Centered Care and Medical Home and Care Coordination models.

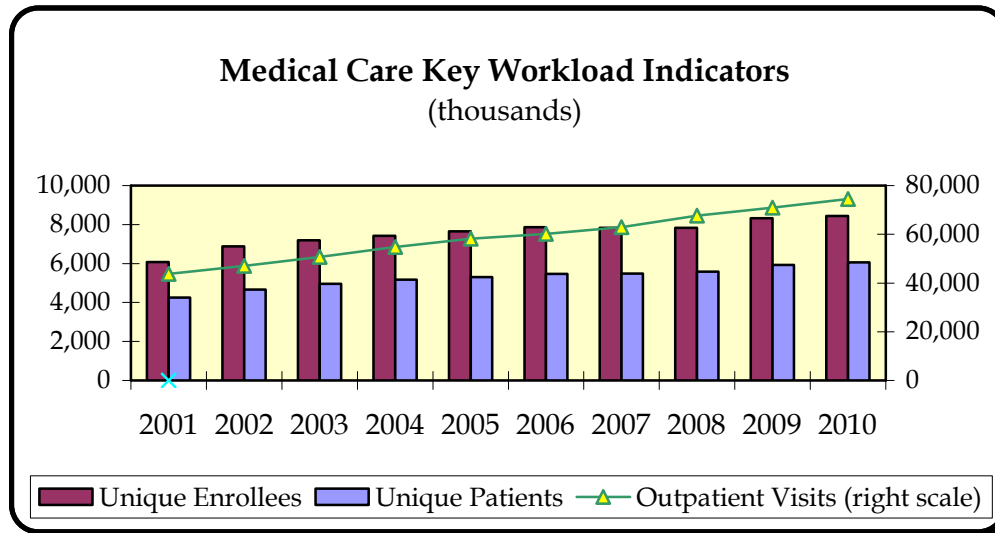
- **Patient Centered Care**

VHA will deploy a patient centered care model called Veteran Centered Care, based on best practices in private sector health care, which will result in a fully engaged partnership between Veteran, family, and health care team, established through healing relationships and provided in optimal healing environments in order to improve health outcomes and the Veteran's experience of care.

- **Medical Home and Care Coordination**

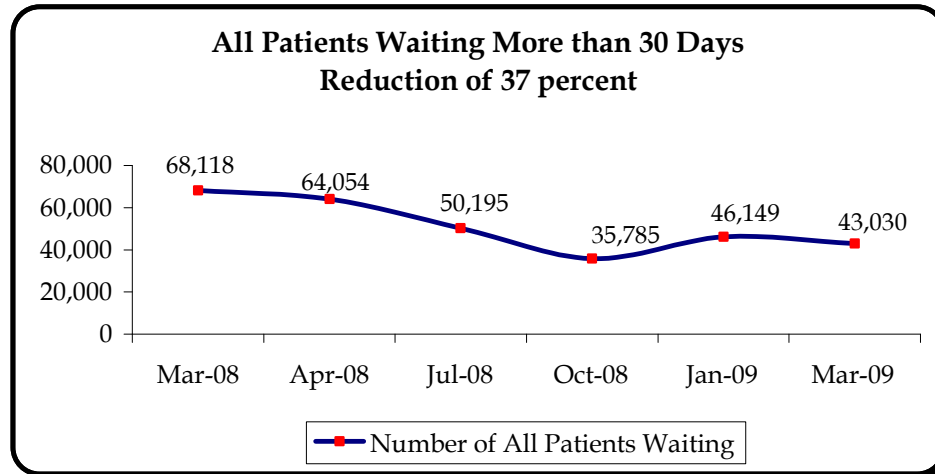
The patient centered medical home is a team based model of care that provides continuous, first contact, comprehensive care to maximize health and functionality. The model emphasizes a holistic approach that addresses the medical, psychological, and social needs of the patient. These teams consist of medical professionals, mental health providers, including behaviorists, nurses, nutritionists, and care coordinators. These models can be adapted to meet the specific needs of unique patient populations such as those with advanced heart disease.

Medical Patient Case Load – 2010 Request



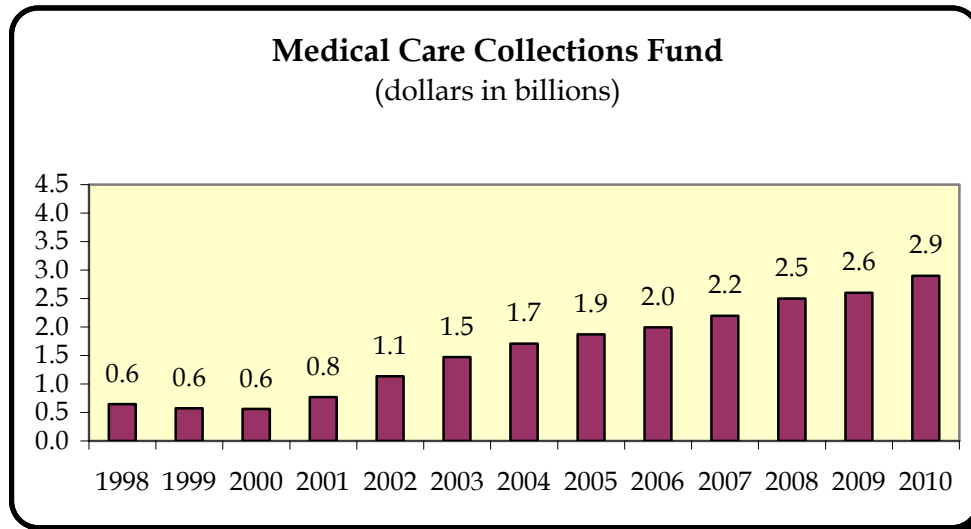
- Continues to focus its health care system priorities on meeting the needs of our highest priority veterans – those who need VA the most.
- Supports an increase of nearly 122,000, or 2.1 percent, unique patients over the 2009 estimate.
 - Priority 1-6 patients. In 2010, there are 4 million patients, an increase of over 2009 of 2.7 percent, or 104,570 new patients. We devote 84 percent of our health care resources to meet the needs of these veterans.
 - Priority 7-8 patients. In 2010, there are 1.5 million patients, 11,293 more Priority 7 and 8 patients, or .7 percent more patients.
- Increases outpatient visits from 71.0 million in 2009 to 74.5 million in 2010, an increase of 3.5 million, or 5.0 percent.
- Increases inpatients treated from 862,681 in 2009 to 884,841 in 2010, an increase of 22,160, or 2.6 percent.

Quality of Care for Our Veterans – Resources Support Secretary’s Priorities



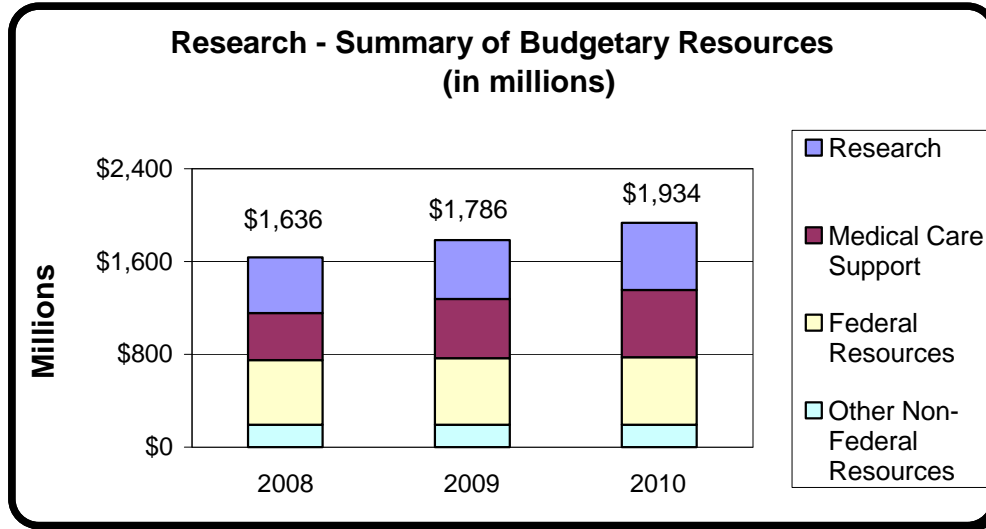
- Provide quality, timely, and accessible health care that sets a national standard of excellence for the health care industry.
- Continue our exceptional performance in 2010 by scheduling 98 percent of primary care appointments within 30 days of the desired date and scheduling 95 percent of specialist appointments within 30 days of the desired date.
- Continue substantial improvements in reducing the number of all veterans waiting more than 30 days beyond their desired appointment date. As of March 1, 2009, the number of patients waiting more than 30 days for their desired appointments has been reduced by 37 percent from March 1, 2008.

Medical Care Collections Fund (MCCF)



- VA estimates collections of \$2.9 billion, representing over 8 percent of the available resources in 2010 and an increase of \$324.6 million, or a 12.7 percent increase, over the 2009 estimate.
- This fund supplements our appropriations by collecting co-payments from veterans for pharmacy co-payments, and first-party other co-payments which includes inpatient and outpatient co-payments, and nursing home co-payments. VA also collects third-party insurance payments.
- Of the \$324.6 million increase in collections, \$261.1 million is for additional third-party insurance collections; \$18.5 million is for increased first-party other co-payments; and \$45 million is for increased pharmacy co-payments.

Medical and Prosthetic Research



	2008	2009	2010
Full-Time Equivalents	3,142	3,201	3,345

- VA is anticipating \$1.9 billion in total resources for Medical and Prosthetic Research in 2010.
- The direct Medical and Prosthetic Research appropriation request is \$580 million, an increase of \$70 million, or 13.7 percent.
- Other Federal and Other Non-Federal resources will grow in 2010 to \$774 million, an increase of \$8 million, or 1.0 percent.
- Total projects for Research are anticipated to be 2,350.
- Medical Research Obligations are expected to be \$630 million in 2010.

Research Funding Priorities

- **Research Related to Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) Veterans and Deployment Health** - VA Research has implemented a comprehensive agenda to develop new treatments and tools for clinicians to ease physical and psychological pain, improve access to VA healthcare services, and address the full range of health issues of OEF/OIF veterans. These health issues include: Traumatic Brain Injury and Other Neurotrauma (Spinal Cord Injury and Sensory Loss), Combat-related Mental Health - PTSD, Prosthetics and Amputation Healthcare, Polytrauma, and Gulf War Veterans' Illnesses.
- **Other Research Priorities include: Aging, Mental Health, Personalized Medicine, Access to Care and Rural Health, Women's Health, and Reducing Homelessness for Veterans.**

New Research Initiatives

In 2010 VA R&D has identified new initiatives totaling \$48 million for critical needs of (OEF)/(OIF) Veterans research activity and other programs. The programs are intended to expand, and to continue to meet the needs and improve the care of OEF/OIF service members and Veterans. The three initiatives are listed in the chart below and include an additional 144 FTE.

New Initiatives for Medical and Prosthetic Research (Dollars in Thousands)		
	2010	FTE
Prevention, Treatment and Rehabilitation Research which is Related to OEF/OIF Veterans Including Traumatic Brain Injury and Polytrauma Research, Burn Injury Research and Pain Research, Post-deployment Mental Health Research, and Blind Rehabilitation Research	\$20,000	65
Personalized Medicine	\$14,000	45
Access to Care and Rural Health	\$14,000	34
Total Research initiatives	\$48,000	144

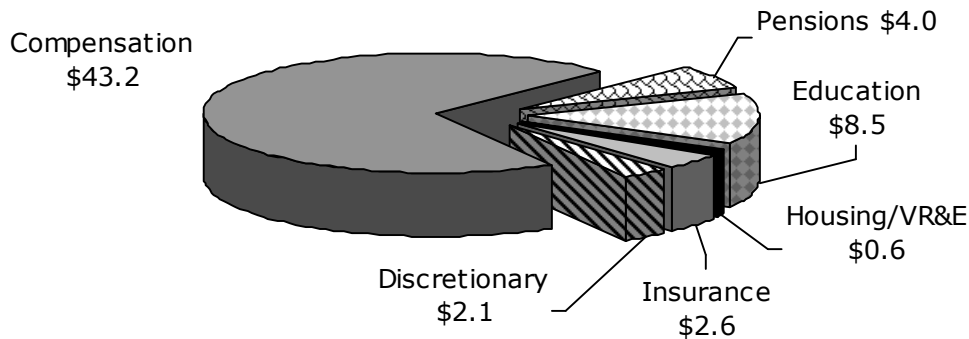
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Veterans Benefits Administration

Overview

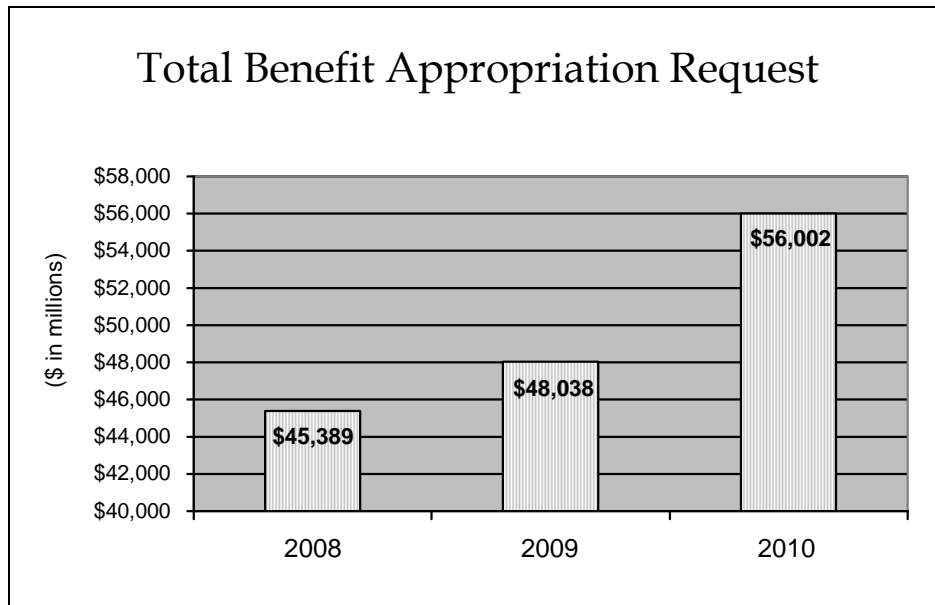
Total VBA Mandatory and Discretionary 2010 Obligations of \$61 Billion



Highlights of the 2010 Request

- Of the \$61.0 billion in total obligations, 96.6 percent is for mandatory Veterans Benefits payments.
 - 71 percent of the total represents costs associated with Compensation while 7 percent is for the Pension programs.
 - 14 percent of the total funds the Education Program.
 - 4 percent represents the Insurance Program.
 - 1 percent is a combined total for the Vocational Rehabilitation & Employment (VR&E) Program and the Housing Program.
- 3 percent will fund the discretionary costs associated with administering all benefit programs.

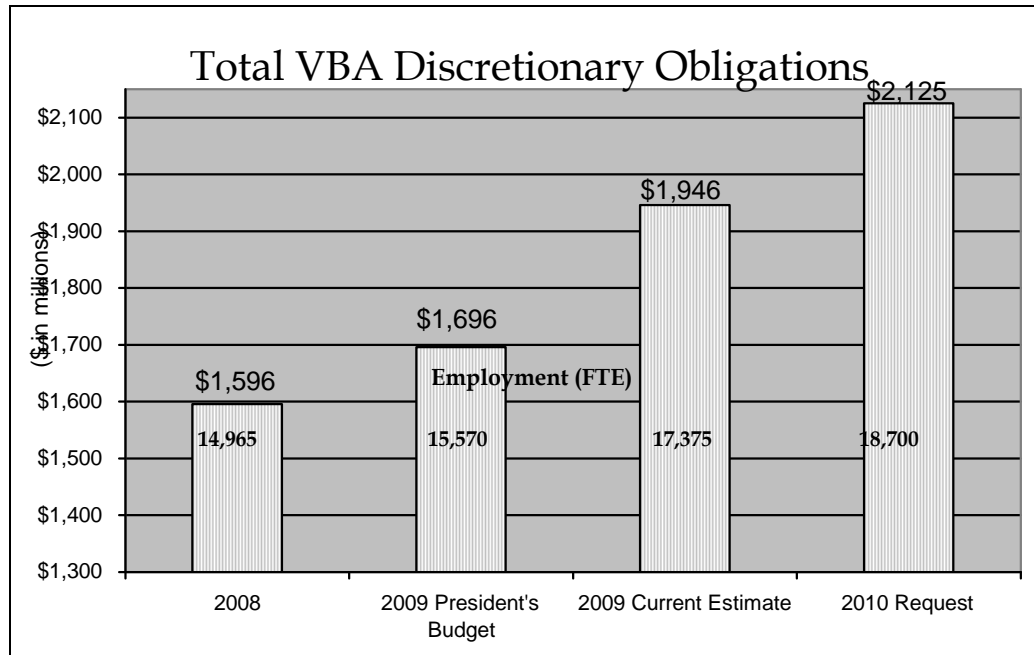
Summary of VBA Benefits Budget Request



2010 Benefit Budget Highlights

- Total 2010 benefit appropriation request for VBA is \$56.0 billion; an increase of \$8.0 billion or 16.6 percent over the 2009 level.
- An estimated 3.5 million Veterans and survivors will receive Compensation, and nearly 491 thousand will receive Pension benefits in 2010, surpassing 2009 total recipients by 132 thousand.
- Over 765,000 Veterans, reservists, and dependents will receive Readjustment Benefits in 2010, including nearly 704,000 receiving education benefits and over 61,000 receiving VR&E payments.
- Almost 6.9 million servicemembers, Veterans, and family members will be insured under VA life insurance programs in 2010.
- An estimated 220,000 servicemembers and Veterans will receive VA-guaranteed housing loans in 2010, with a face value of \$46 billion.

Summary of the VBA Discretionary Budget Request



2010 Discretionary Budget Highlights

With a workforce that is correctly sized and balanced, VBA can successfully meet the needs of our Veterans while also ensuring the stewardship of taxpayer funds. The 2010 request includes:

- \$2,125 million in obligations for administrative expenses and 18,700 FTE in 2010.
- \$178.9 million increase for pay raises, inflation, increased employee benefits, travel, contracts, and rent/utilities/supplies/equipment costs to fund 1,325 additional FTE.¹
- Administrative costs of implementing Chapter 33 of title 38 U.S.C. (Post-9/11 GI Bill).
- Funding for the Paperless Delivery of Veterans Benefits initiative. This initiative will integrate VBA's core business applications and modernized payment system, VETSNET, as well as existing and planned infrastructure.

¹ This FTE increase includes the 1500 new staff hired for part of 2009 under the American Recovery and Reinvestment Act of 2009.

Customer Relations Management

The Veterans Benefits Administration (VBA) is undertaking a major transformation initiative to create a Veteran-focused business model and a customer relations management (CRM) system integrated across all VA benefit programs.

VBA's communications with Veterans with respect to their eligibility for VA benefit programs remain primarily paper-based. Interactions on the status of their benefits and changes thereto are accomplished through the mail and in face-to-face and telephonic encounters. While some Veterans continue to prefer to communicate with VA through these methods, increasing numbers of Veterans now desire to access their benefits using today's technologies.

Today more and more Veterans are well-versed in technology and are quick to adopt new systems and technological advances. VBA will create the electronic presence, with connectivity to DoD and other business partners and Veterans Service Organizations. Personalized web portals will be established and services dispensed through multi-channel methods that connect our clients to their benefits and services. This process must provide accurate, complete, and consistent answers to Veterans' questions and support the opportunity for self service when, where, and how Veterans choose. A critical aspect will be providing VBA representatives with full and easy access to all necessary Veteran information so the personal services we provide are efficient and effective and benefits are timely delivered.

The Veteran-Focused Business Model will include these components:

1. Enhanced personalized electronic self-service;
2. Customized outreach to Veterans through technology, including social media, to afford Veterans unprecedented access to VBA services; and
3. Customer relations management business processes and software for VA staff to answer Veterans' questions and concerns effectively.

These service improvements will require connectivity with a number of VA back-end systems and are integral to the VBA Paperless Delivery of Veterans Benefits Initiative. VA will standardize the interfaces and communication protocols of VA information repositories enterprise wide. Implementation will be prioritized for previously identified VA Registration and Eligibility / Contact Management (RE/CM) initiatives including enhanced telephone and web functionality.

Administrative Workload

	2008 Actual	2009 Estimate	2010 Estimate
Compensation and Pensions			
Rating Related Actions	888,112	923,704	972,027
Non-Rating Related Actions	1,213,843	1,262,395	1,328,040
Education			
Original Claims	251,515	290,577	313,317
Adjustments/Supplemental Claims	1,381,128	1,596,287	1,721,207
VR&E			
Total workload (all active participants)	91,735	93,799	95,675

- Direct FTE in the Compensation and Pension program will increase by 1,203 in 2009 as VBA meets the demands of the increasing volume and complexity of the workload.
- As a result of the Post-9/11 GI Bill, Education workload is expected to increase significantly from previous fiscal years. Productivity improvements will be gained as new staff become more experienced, thus enabling them to complete claims more quickly and accurately.
- VR&E is poised to meet the additional demands of an increasing workload. VR&E has already implemented over ninety of the recommendations from the Vocational Rehabilitation and Employment Program for the 21st Century Veteran Report, 2004.

Program Goals, Objectives, and Performance Measures

Performance Summary Table: Average Days in Claims Processing			
Measure Description	2008 Actual	2009 Target	2010 Target
Average Days to Process Compensation and Pension Claims - Rating Related Actions	179	168	150
Average Days Pending - Compensation Claims- Rating Related Actions	121	116	105

- The table above highlights two of the major performance measures used to monitor the effectiveness and efficiency of VBA operations.
- “Average days to process” refers to the average amount of time it takes for claims to be adjudicated.
- “Average days pending” refers to the average age of all compensation claims pending in VBA’s inventory.

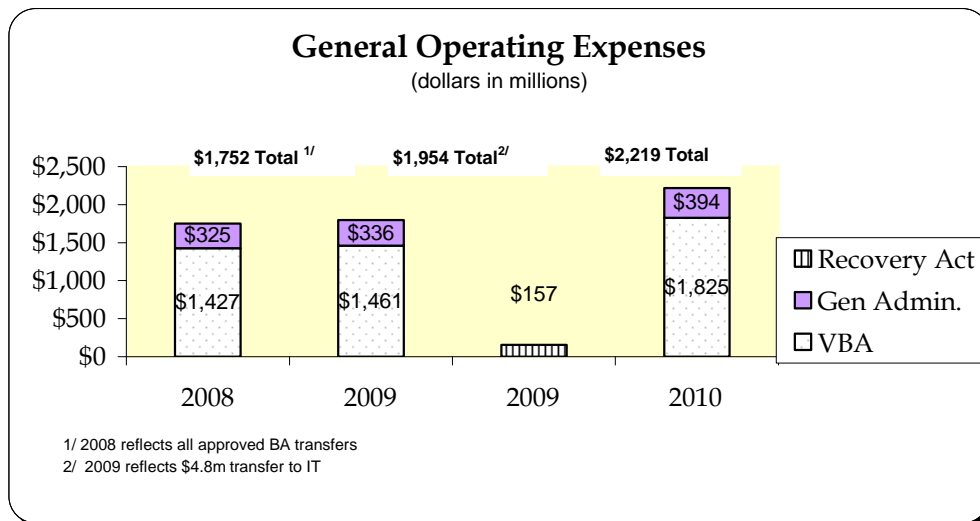


General Operating Expenses

Overview

- The General Operating Expenses program is comprised of two activities: the Veterans Benefits Administration and General Administration.
 - VBA operates a network of 57 regional offices and other specialized centers that assist Veterans with all matters pertaining to non-medical benefits.
 - General Administration account provides funding for the Office of the Secretary, six Assistant Secretaries and three Department-level staff offices. These offices provide policy guidance and technical expertise to the Department in fulfilling the Nation’s commitment to serve Veterans in the highest possible way.

Summary of the GOE Budget Request



Full Time Equivalents	2008	2009	2010
Gen. Ad.	2,420	2,652	2,804
VBA	14,965	17,375	18,700
GOE	17,385	20,027	21,504

* Table reflects both direct and reimbursable FTE

Highlights of the 2010 GOE Request

In 2010 VA is requesting \$2.219 billion and 21,504 FTE in direct appropriations for the GOE account. This consists of \$1.825 billion and 18,700 FTE for the Veterans Benefits Administration (VBA) and \$394 million and 2,804 FTE for the General Administration account. Please see the Veterans Benefits section of the Summary Volume for highlights of the VBA GOE request. The table at the end of this section summarizes the resource level by staff office for the General Administration account. Highlights include:

- A total of \$73.3 million in budget authority and 529 FTE are requested for the Board of Veterans' Appeals (BVA) to address an increasing number of appeals of original claims decisions, reverse the trend of a growing backlog, and reduce case disposition time. The request is an increase of \$4.7 million above the FY 2009 enacted level. The increases will also allow BVA to contract for hearing transcription services and for access to electronic research materials essential for accurate decision writing.
- A total of \$80.8 million and 739 FTE are requested for the Office of the General Counsel. This funding level will allow GC to hire an additional 21 FTE to address an expanding legal workload, including an increasing number of cases before the United States Court of Appeals for Veterans Claims.
- In 2010, \$9.3 million is requested to fund the VA/DoD Collaboration Office within the Office of Policy and Planning (OP&P). This office will provide oversight for joint VA/DoD governance and strategic planning functions, as well as analytical support for policy and program activities that impact VA's responsibilities in the continuum of care that facilitates a wounded Service member's transition to civilian life as a Veteran.
- OP&P's 2010 request also includes \$1.5 million for a Program Analysis and Evaluation (PA&E) service that will conduct special studies, reviews, and other statistical analysis in order to evaluate the merits of policies, proposals, and costs in context with the Department's mission and strategic goals.
- The 2010 request includes \$1.4 million for the Office of Human Resources & Administration (HR&A) to implement the Veterans Employment Coordination Service (VECS). VECS was created to attract, recruit, and hire Veterans into the VA, particularly severely injured Veterans from Iraq and Afghanistan.

- The HR&A Budget request also includes \$2 million for a new enterprise-wide training initiative as part of the Secretary's vision for transforming VA into a 21st century organization. This initiative will bring together all existing leadership programs throughout the Department to achieve economies of scale and to identify where competency gaps exist among VA leadership. This competency assessment will result in the development of a more robust VA Corporate Leadership Program and Curriculum to help grow, develop, and sustain the quality of leadership in VA, ultimately translating into a succession planning pipeline.
- In 2010, \$2.8 million is requested within the Office Operations, Security, and Preparedness for a variety of mission critical activities including: crises management and national emergency response training exercises and evaluations; personnel suitability determinations, background investigations and special access reviews; law enforcement and physical security inspections; management of the VACO personnel identity verification (PIV) program; and a communications liaison to support continuity of operations (COOP) activities.
- Public and Intergovernmental Affairs' 2010 budget request includes \$6.5 million to organize, promote, and facilitate adaptive sports and paralympic events for disabled Veterans and service members. Consistent with Public Law 110-389, funding will be used for the following: 1) grants to the U.S. Paralympics, inc. and local partners to help plan and implement the program; 2) subsistence payments to Veterans and service members participating in the program; and 3) personnel and operating costs to manage and oversee VA's paralympic program.
- The 2010 request includes \$645 thousand in budget authority to support the Office of Acquisition, Logistics, and Construction (OALC) to provide executive leadership and management oversight for the Department's capital assets and acquisitions programs.
- The 2010 request includes \$781 thousand to fully fund the Office of Survivors Assistance (OSA) within the Office of the Secretary. OSA's mission is to ensure improved policies for outreach benefits, and services to survivors. OSA serves as a resource regarding all survivor's benefits and services furnished by the Department of Veterans Affairs (VA).

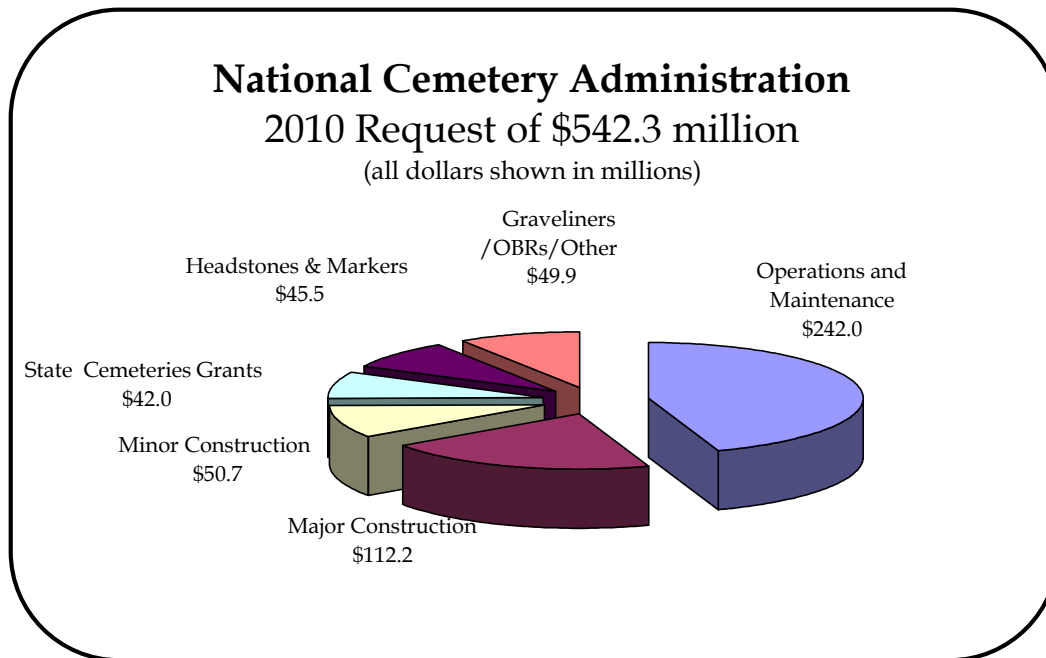
General Administration						
(\$ in thousands)						
	<u>2008 Actual</u>		<u>2009 Current</u>		<u>2010 Request</u>	
	<u>BA</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>	<u>BA</u>	<u>FTE</u>
Office of the Secretary	8,567	78	7,146	76	9,270	84
Board of Veterans' Appeals	62,269	469	68,582	519	73,273	529
Office of the General Counsel	68,405	670	74,343	718	80,778	739
Office of Management	36,846	230	37,546	262	43,956	286
Office of Human Resources & Admin.	61,291	493	61,901	534	68,590	539
Office of Policy & Planning	14,456	55	14,602	64	26,015	93
Office of Operations, Security & Preparedness	11,911	58	12,025	71	16,746	95
Office of Public and Intergovernmental Affairs	9,920	63	10,005	73	18,079	76
Office of Congressional and Legislative Affairs	4,334	33	4,379	38	6,065	50
Office of Aquisition, Logistics and Construction	46,725	270	45,243	297	50,728	313
White House Commission on Remembrance 1/	197	1	0	0	0	0
Total Budget Authority	\$ 324,921	2,420	\$ 335,772	2,652	\$ 393,500	2,804

1/ The Consolidated Appropriations Act of 2008 (P.L. 110-161) authorized a transfer from the Department of Interior to the General Operating Expenses account to administer the White House Commission on the Moment of Remembrance.



National Cemetery Administration

Overview



Highlights of the 2010 Request

Discretionary

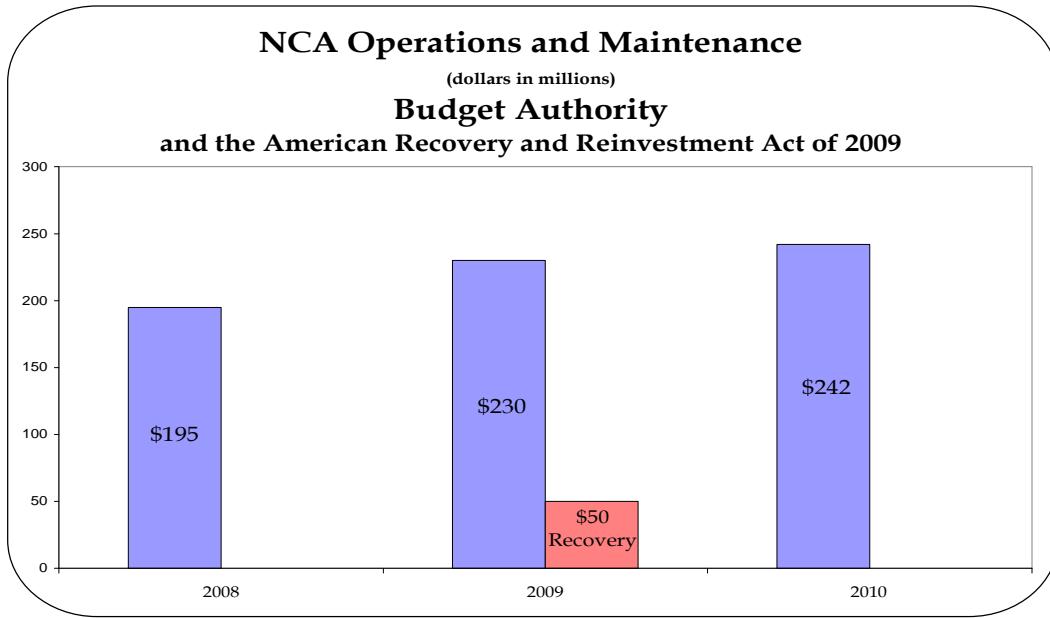
- 44.6% of the total National Cemetery Administration's (NCA) budget is for the operations and maintenance of VA's national cemeteries.
- 30.0% of the NCA budget is for the construction and renovation of VA's national cemeteries and facilities.
- 7.7% of the total resources under NCA are available for grants to states for state cemeteries.

Mandatory

- 9.2% is available for graveliners and Outer Burial Receptacles.
- 8.4% of the total NCA budget is for Headstones and Markers.

Summary of the NCA Operations and Maintenance Budget Request

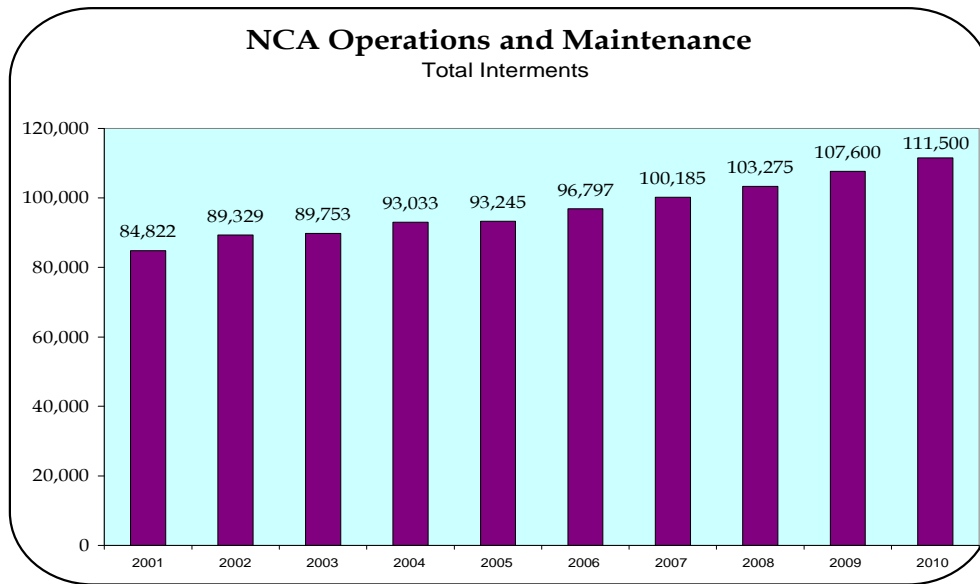
The National Cemetery Administration requests \$242 million in budget authority and 1,619 FTE for operations and maintenance in 2010. This is an increase of \$12 million over the 2009 Enacted Budget levels.



	2008	2009	2010
Full-Time Equivalent	1,513	1,603	1,619

The 2010 NCA Operations and Maintenance request includes:

- An additional \$12 million and 16 FTE to support daily operations and interment activities for the six new national cemeteries.
- \$4 million for 2010 pay raises, inflation and increased employee benefit costs.
- A total of \$26.9 million for NCA to continue its commitment to maintain our national cemeteries as national shrines. Projects will raise, realign, and clean headstones and markers and repair turf in the burial sections.
- The American Recovery and Reinvestment Act of 2009 provided \$50 million to NCA. The funds will be used to support National Shrine projects, Energy projects, both renewable and conservation, Monument/Memorial repairs and other non-recurring maintenance as well as purchase of equipment.



Cemetery Workload

- NCA continues to experience growth in cemetery workload.
- In 2010, NCA projects that interments will increase by 3.6 percent over 2009.
- Cemetery maintenance workload will also continue to increase in 2010 over 2009.
- NCA projects that the number of gravesites maintained will increase by 2.6% and the number of developed acres maintained will increase by 2.7%.

Accomplishments

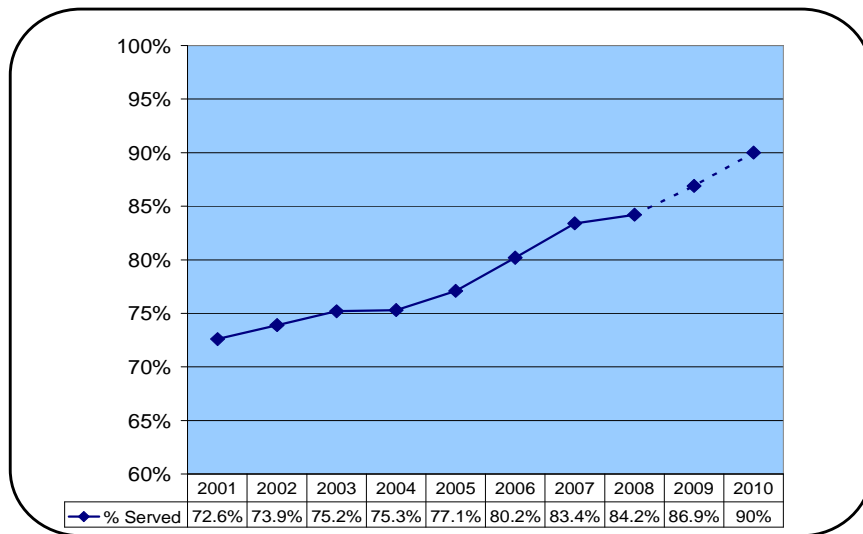
- At the beginning of 2009, three new national cemeteries began interment operations providing service to Veterans in the areas of Columbia, SC; Jacksonville, FL; and Sarasota, FL.
- By the end of 2009, three additional national cemeteries will begin interment operations in the areas of Bakersfield, CA; Birmingham, AL; and Philadelphia, PA.

By the end 2009, the total number of VA national cemeteries will be 131. As a result of this expansion, the percent of Veterans served by a burial option within 75 miles of their residence has increased steadily.

Results

The budget request will support the following results in 2010:

- 90% of America's Veterans will be served by a burial option within 75 miles of their residence, an increase of over 3% from 2009.



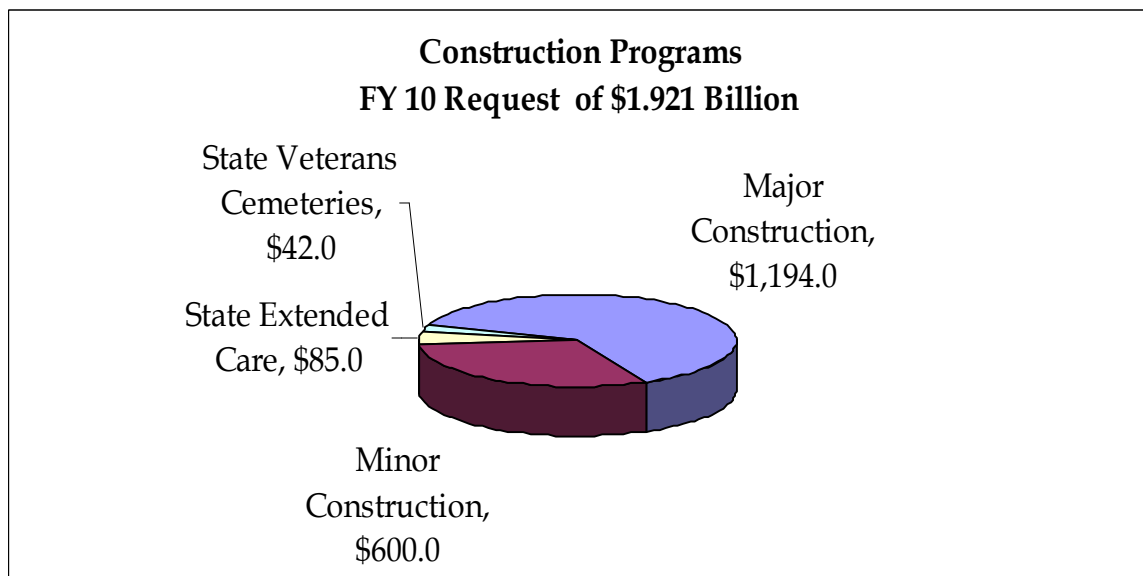
- 98% surveyed will rate the quality of service of NCA as excellent.
- 95% of graves in national cemeteries will be marked within 60 days of interment.
90% of applications for headstones and markers will be processed within 20 days for the graves of Veterans who are not buried in national cemeteries.
99% will rate national cemetery appearance as excellent.



Construction Programs

Overview of FY 2010 Request

The pie chart below reflects appropriations for all Construction Programs.



Construction, Major Projects

- New budget authority of \$1,194,000,000 is requested for the 2009 Construction, Major, appropriation.
 - The Construction, Major Projects appropriation provides for constructing, altering, extending, and improving any VA facility, including planning, architectural and engineering services, Capital Asset Realignment for Enhanced Services (CARES) activities, assessments, and site acquisition, where the estimated cost of a project is greater than \$10,000,000; or where funds for a project were made available in a previous appropriation under this heading.
 - The major construction request is for 12 medical facility projects: Denver, CO; Orlando, FL; St. Louis, MO (JB); Bay Pines, FL;

Livermore, CA; Canandaigua, CA; St. Louis, MO (JC); Brockton, MA; and Perry Point, MD; and three seismic projects in San Juan, PR; San Diego, CA; and Long Beach, CA.

- The construction request also fully funds the gravesite expansion of two National Cemeteries (Abraham Lincoln and Houston, TX).
- Additionally funds are provided for advance planning activities, to improve facility security, to reimburse Treasury's judgment fund, to obtain facilities from Department of Defense resulting from the Base Realignment and Closure process, to fund land acquisitions for National Cemeteries, and to support other construction related activities.

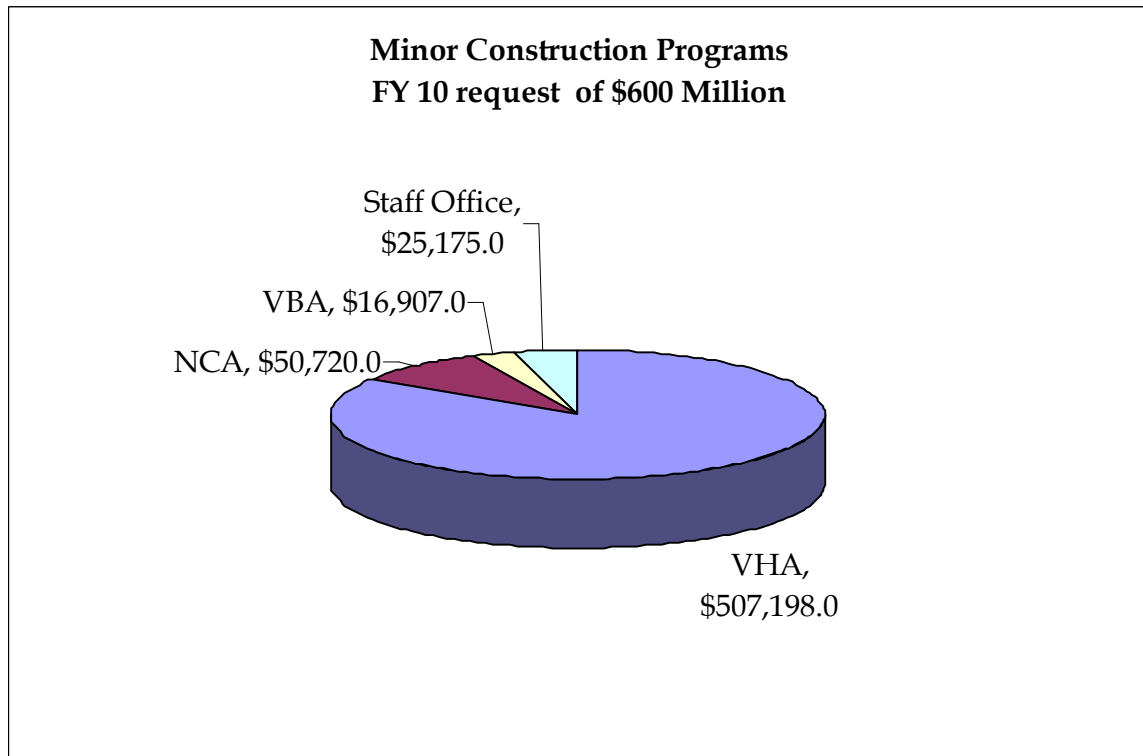
A summary of the major construction program funding level by activity is provided below:

Major Construction Detail of Request (\$ in 000's)				
Location	Description	Total Estimated Cost	Funding Through 2009	2010 Request
Veterans Health Administration (VHA)				
Denver, CO	New Medical Facility	800,000	188,300	119,000
Orlando, FL	New Medical Facility	665,400	294,100	371,300
San Juan, PR	Seismic Corrections Bldg 1	299,200	134,280	42,000
St. Louis (JB), MO	Medical Facility Improvements & Cemetery Expansion	396,400	12,000	19,700
Bay Pines, FL	Inpatient/Outpatient Improvements	194,400	17,430	96,800
Livermore, CA	Realignment and Closure (Design and Land Purchase)	354,300	0	55,430
Canandaigua, NY	Construction and Renovation (Design)	370,100	0	36,580
San Diego, CA	Seismic Deficiency (Design)	183,400	0	18,340
Long Beach , CA	Seismic Corrections - Mental Health and Community Living Center (Design)	258,400	0	24,200
St. Louis, (JC), MO	Replace Bed Tower/Clinic Expansion (Design)	433,400	0	43,340
Brockton, MA	Long-Term Care Spinal Cord Injury Unit (Design)	188,000	0	24,040
Perry Point, MD	Replacement Community Living Center (Design)	90,100	0	9,000
Advance Planning Fund	Various Stations			123,560
Facility Security Projects	Various Stations			42,510
Judgment Fund	Various Stations			16,000
BRAC Land Acquisition	Various Stations			35,000
	Subtotal, Line Items			217,070
Total VHA		4,233,100	646,110	1,076,800
National Cemetery Administration (NCA)				
Abraham Lincoln National Cemetery	Gravesite Expansion & Cemetery Improvements - Phase 2	39,300	1,000	38,300
Houston National Cemetery	Gravesite Expansion & Cemetery Improvements - Phase 4	35,000	0	35,000
Advance Planning Fund	Various Stations			13,400
NCA Land Acquisition Fund	Various Stations			25,500
	Subtotal, Line Items			38,900
Total NCA		74,300	1,000	112,200
General Administration - Staff Offices				
Department APF for Major				5,000
Major Construction		4,307,400	647,110	1,194,000

Construction, Minor Projects

- \$600,000,000 for Construction, Minor Projects appropriation.

The pie chart below reflects appropriations for Minor Construction by Administration:



- The Construction, Minor Projects appropriation provides for constructing, altering, extending, and improving any VA facility, including planning, CARES activities, assessments of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than or equal to \$10,000,000.
- VHA's 2010 request will address the most critical minor construction needs in the system by funding efforts such as facilitating realignments; seismic corrections; improving safety; improving access to healthcare; increasing capacity for dental services; enhancing patient privacy; improving treatment of special emphasis programs; and enhancing research capability.

- NCA's 2010 Minor Construction request provides for gravesite expansion and columbaria projects to keep existing national cemeteries open. The minor request will also address infrastructure deficiencies and other requirements necessary to support National Cemetery operations including repair projects identified in the Facility Condition Assessment report of the Millennium Act study on improvements to veteran's cemeteries.
- VBA's minor construction request in 2010 includes an ongoing national need for relocations, realignments, tenant improvements, repair and alteration projects. These projects are critical to ensuring continued world-class service delivery of benefits to veterans and their families and to the well being of our Federal employees.
- Staff Office minor construction funds are used to make infrastructure repairs and enhancements to improve operations and provide an acceptable and operationally effective work environment for the Department's staff offices. Offices contained within the Central Office buildings and other VA-occupied non-patient care buildings are also included in this program.

Grants for the Construction of State Extended Care Facilities

- \$85,000,000 for the Grants for the Construction of State Extended Care Facilities.
 - Resources for grants for construction of State extended care facilities provide funding 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.

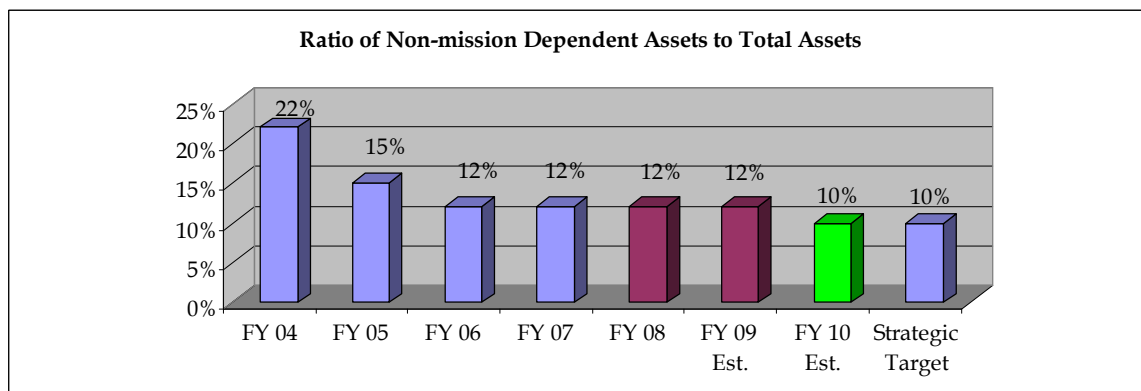
Grants for the Construction of State Veterans Cemeteries

- \$42,000,000 for Grants for the Construction of State Veterans Cemeteries.
 - Grants are provided to States for the establishment, expansion, or improvement of State Veteran cemeteries. The State Veterans cemeteries complement the national cemeteries and are a critical part of National Cemetery Administration (NCA) strategy of ensuring that the burial needs of Veterans and eligible family members are met.

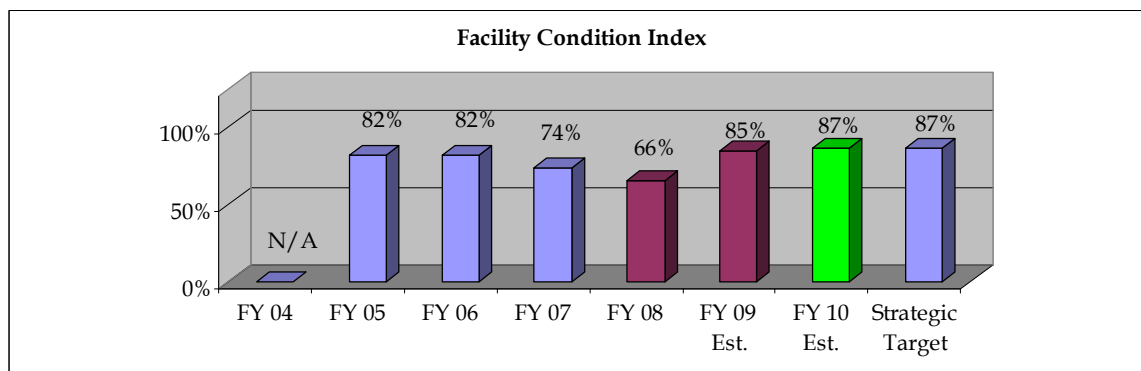
Construction Related Performance Measures

The FY 10 request enables the Department to continue working towards the goal of improving the capital asset management of VA owned and leased infrastructure. This includes increasing utilization of VA space, decreasing space that is not mission critical, improving the condition of Department infrastructure, and reducing or stabilizing facilities operating costs. VA is also working to decrease energy costs and enhance the use of renewable energy sources.

The charts below illustrate two key VA performance and strategic targets that are used to measure the efficiency and effectiveness of the Department's capital asset management program. These targets were established back in FY 2005/2006 with the strategic target being set for FY2010. VA will look to redefine targets for utilization and condition index based on the VA Real Property Group findings. These measures are fully consistent with Federal Real Property Council objectives.



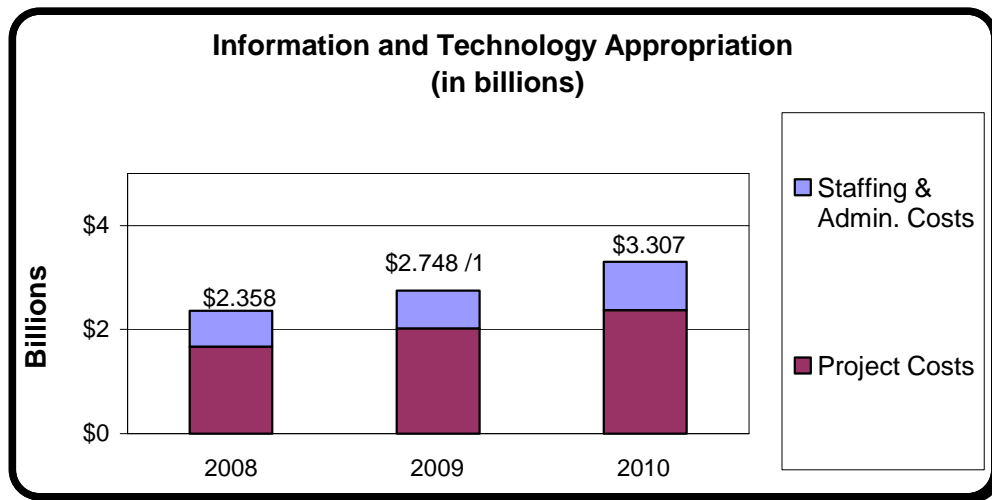
The chart above shows the percent ratio of non-mission dependent assets to VA total assets. Non-mission dependent assets are defined by the Federal Real Property Council as assets that do not meet a 50% utilization rate based on an OMB approved methodology. FY 04 (22%) serves as the baseline with a strategic goal of 10%.



The chart above shows the Facility Condition Index for VA buildings. FY 05 (82%) serves as the baseline with a strategic goal of 87%.



Information Technology Programs



1/FY 2009 includes \$50 million from the American Recovery and Reinvestment Act funding and \$259 million in transfer funding from Medical Services and General Administration appropriations.

	2008	2009	2010
Full-Time Equivalents	6,348	6,780	7,580

Overview

- The 2010 request for Information and Technology (IT) is \$3.307 billion which is an increase of \$559 million (20 percent) over 2009 excluding the American Recovery and Reinvestment Act. In addition, \$61 million in reimbursements will support the IT program. VA's level of IT investment is 6 percent of the overall VA discretionary funding and 3 percent of VA's total funding.
- The budget has been developed to be strategically aligned with the President's goal of transforming the Department into a 21st century VA. Key concepts of the transformation include creating an all electronic benefits system to speed processing and address the backlog; integrating service member information from DoD with all VA information about a Veteran to create a seamless transition from warrior to Veteran; using Customer Relationship Management (CRM) techniques to proactively work with Veterans; providing the with a

“OneVA” view of all of their VA benefits; ensuring continued innovation of the award winning CPRS and VistA medical records systems; and creating “anywhere, anytime” access to the VA by developing multiple access channels for information and transactions.

- Staffing in 2010 will reach 7,580 FTE under the consolidated organization, an increase of 800 FTE over 2009. High levels of system availability and customer service are required of the IT organization to support the mission of VA. Additional staff is required to provide the level support required by the VA mission areas, which have grown by over 48,000 new staff (FTE) over the last three years. The investment will also support a focus on the provision of higher service levels required to support reliable access to VA systems in a 24x365 service environment. VA is requesting an increase of \$182 million, or 24 percent, for this purpose. Costs also include adjustment to average salary, leasing of additional space, travel and training.

Summary of the IT Budget Request

- Non-Pay IT activities utilize 72 percent of the Budget Authority, while Staffing and Administration account for 28 percent.
- Veteran facing IT systems resources amount to \$1.868 billion, an increase of \$266 million, or 17 percent, which includes VA investment in IT infrastructure.
- Corporate IT systems funding amounts to \$500 million, an increase of \$61 million, or 14 percent.
- Overall 2010 obligations for IT will be \$3.368 billion which is an increase of \$205 million, or 18 percent, over 2009. The 2009 level of resources was increased from the original enacted appropriation of \$2.4 billion by \$266 million carryover of funds into 2009 from 2008, a transfer of \$259 million and an additional \$50 million from the American Recovery and Reinvestment Act.

Veteran Facing IT Systems Support VA Programs

- IT support for Medical Care programs amount to \$1.6 billion, an increase of \$155 million, or 11 percent, over the 2009 level.
 - Continued improvement of the VistA system includes three fundamental efforts:
 - ◆ VistA Legacy maintenance – ensuring the continued operation of the existing VistA system -- \$116 million

- VistA Foundation Modernization – capital investment to transform VistA functionality into the HealtheVet architecture to support new and commercially available applications - \$125 million
 - ◆ VistA Application Development - move existing MUMPS-based applications to new HealtheVet architecture - \$108 million
- Infrastructure Support and transformation (IT equipment and communications lines) \$841 million, an increase of \$101 million, a 14 percent increase
- Compensation and Pension programs are requesting \$292 million in IT support, an increase of \$156 million, or 114 percent, over 2009. VA is requesting \$144 million to support the transformation of Veterans Benefits to a paperless, streamlined, Veteran centric environment. This is the first budget request for this multi-year transformational program that will allow VA to deliver 21st Century services to Veterans and their families.

Corporate IT Systems Support VA Management

- Corporate IT development and operational systems provide the infrastructure and business-critical applications required to support the business needs of the Department as it delivers services to Veterans. VA is requesting \$500 million, an increase of \$61 million, or 14 percent over 2009. The major corporate IT projects include:
 - FLITE—VA is in the alpha testing phase for the two main elements of SAM—Strategic Asset Management and IFAS—Integrated Financial Accounting System. Both these system will allow VA to provide management with more timely, accurate information on VA-wide operations. VA is requesting \$86 million, an increase of \$38 million, or 78 percent over 2009
 - Information Protection - continuous improvement to this overarching approach to data security is required to achieve the “gold standard of information security” and information privacy - \$127 million. VA will start an identity access management program which will help better control access to Veterans’ information.
 - Human Capital Management - replacement of the PAID system with the Human Resources Information System and other payroll related functions - \$33 million
 - Enterprise Licences Expense and Corporate IT Suport - provides funding to support to develop and sustain operating systems, hardware national level software licenses and applications - \$155 million

Management of IT Systems

- Management of IT resources will be based on the following investment strategies:
 - Legacy Sustainment – Investments to sustain legacy systems while systems are being transformed
 - Legacy Development – Investments to extend legacy systems to address urgent new program requirements
 - Transition Development – Investments to transition existing systems and process to fit within the transformational architecture
 - Transformation – Investments in new architectures and fundamental systems necessary to transform the business processes of the Department to achieve the President’s vision of a 21st century VA.

Information Protection

- In FY 2010, VA will focus on continuous improvement of its information security posture, testing and deploying new security technologies and measures, increasing IT security and privacy oversight and compliance, with a staff of 416 and through:
 - Commitment to implementing the strategies and technologies that enhance information protection and security
 - Changing the culture at VA facilities in order to achieve the objective of the “Gold Standard for Data Security”
 - Ensuring that the appropriate number of Information Security Officers and security engineers are staffed within VA to realize the Department’s security objectives
 - The Office of Oversight and Compliance will provide comprehensive compliance assessments to assure VA facilities are keeping sensitive information secure and protected

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Proposed Legislation Summary

Proposed Legislation Summary

Compensation and Pensions - Proposed Legislation for 2010 Budget

Compensation Cost of Living Adjustment (COLA): Legislation will be proposed to provide a cost of living increase to all Compensation beneficiaries, including DIC spouses and children, effective December 1, 2009. The percent increase will align with increases in the Consumer Price Index and the increase for Social Security benefits.

Expansion of Concurrent Receipt of Disability Retirement Pay: Legislation will be proposed by the Administration to expand the veteran eligibility for concurrent receipt of military retirement pay and VA disability benefits to Veterans who are medically retired from service by the Department of Defense. Eligibility will be phased in over five years based on the degree of disability assigned by VA. While the primary impact will be on Title 10 and the Department of Defense, VA estimates that the cost to VA of concurrent receipt expansion will be \$47 million in 2010 and \$254 million over the five year period.

Extend authority for operations of the Manila VA Regional Office (RO): Legislation will be proposed to extend the operations of the Manila RO through from December 31, 2009 to December 31, 2014. The recent passage of the Filipino Veterans Equity Compensation Fund makes this request even more important. It is more cost effective to maintain the facility in Manila than it would be to transfer its functions and hire equivalent numbers of employees to perform those functions on the U. S. mainland. In addition, our ability to manage potential fraud is significantly enhanced by our presence in Manila. For these reasons, there is no increased cost associated with this proposal.

National Cemetery Administration - Proposed Legislation for 2010 Budget

Expand Eligibility for Presidential Memorial Certificates (PMCs): This proposal would allow the Department of Veterans Affairs (VA) to provide Presidential Memorial Certificates on behalf of any service member who died in the active military, naval or air service. Since a person who dies in active service is not "discharged" or "released" from active service and is not generally considered a Veteran under the statutory definition, next of kin and friends of the

deceased may not receive a PMC providing Presidential recognition of the Veteran's service and ultimate sacrifice. VA estimates that approximately 2.5 certificates are issued per family. The average cost of a certificate is approximately \$2.06. Approximately 1,700 active duty deaths per year are anticipated, resulting in a nominal cost of less than \$10,000 per year.

Insurance - Proposed Legislation for 2010 Budget

Recently Separated Disabled Veterans Extended Insurance Protection: Legislation will be proposed to continue indefinitely the current two-year Servicemembers' Group Life Insurance (SGLI) Total Disability Extension. Current law provides up to a two-year free extension of SGLI for individuals who are totally disabled at the time of separation from service. However, the law also provides that effective October 1, 2011 the period of free coverage will be reduced to 18 months. The SGLI program is self-funding; therefore, no additional appropriations will be required.

Expiring Provisions -- Proposed Legislation

Continue Advisory Committee for Homeless Veterans: This proposal will extend/continue the Advisory Committee on Homeless Veterans (ACHV) for the next three years. This Committee was congressionally mandated by Public Law 107-95. The mission of ACHV is to provide advice and make recommendations to the Secretary on issues affecting homeless veterans, assess the needs of homeless veterans and determine if the Department of Veterans Affairs (VA) and other programs and services are meeting those needs. This committee has been very effective in providing positive inputs that have aided VA in making positive changes.

New Provision - Proposed Legislation

Establishment of Deputy Assistant Secretary Positions: Legislation is proposed to amend title 38, United States Code, to establish within the Department, the position of Assistant Secretary for Acquisition, Logistics and Construction. This position will provide policy direction and management oversight over an acquisition and construction program that is growing larger and more complex each year. This legislation will also authorize eight additional Deputy Assistant Secretary positions to manage growing VA programs in the areas of construction, facilities, asset management and information technology. The additional positions will allow VA to transform and modernize its business practices across the department.

VA/DoD Joint Facility: Legislation will be proposed to effectively integrate the North Chicago VA Medical Center and the Great Lakes Naval Health Clinic. Consistent with the goal of establishing a unified operating environment, the legislative proposal will address requirements in the areas of real property, human resources, and financial management, as well as ensuring the consistent treatment of all beneficiaries treated at the joint facility, to be designated as the “Captain James A. Lovell Federal Health Care Center.” Without this legislation, systems and resources could not be fully integrated as one facility with one chain of command. The facility is scheduled to begin joint operations on October 1, 2010.

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Proposed Legislation Chart

<i>Proposed Legislation</i> (dollars in thousands)												
The following items with budgetary impact are included in the President's legislative program for the First Session of the 11th Congress												
\$ in thousands	2010		2011		2012		2013		2014		2010 to 2014	
	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays
<u>Disability compensation benefits: COLA Legislation</u>												
FY 2010 compensation COLA increase of 0.0 percent effective December 1, 2009	0	0	0	0	0	0	0	0	0	0	0	0
<u>Pensions benefits: Medicaid Provision</u>												
Extend reduction in Pensions payments for Medicaid eligible Pensioner and Survivors in Nursing Home Facilities	0	0	0	0	(576,000)	(576,000)	(576,000)	(576,000)	(576,000)	(576,000)	(1,152,000)	(1,152,000)
<u>Disability compensation benefits: Concurrent Receipt of Retired Pay</u>												
The Administration will propose to expand Concurrent Receipt of Disability Retirement Pay	47,000	47,000	49,000	49,000	51,000	51,000	53,000	53,000	53,000	53,000	200,000	200,000

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Legislative Authorization of Programs

Legislative Authorization of Programs

The authorizations for VA's programs are contained in title 38 of the U.S. Code. With the exception of major medical construction projects and certain leases, annual authorization by the legislative committees and the Congress is not required. However, title 38 does provide for certain multiple-year authorizations for specific purposes. The authorization of the following items is limited by title 38 in regard to the time and/or amount as indicated:

Item	Section of U.S.C.	Annual Authorization	Expiration Date
Compensation and Pension			
◇ Rounding down of Cost-of-Living Adjustments in Compensation and DIC rates	38 USC 1104 (a), 1303(a)	As appropriated	Authorization extended to 2013 by P.L. 108-183, § 706
◇ Access to IRS data for purposes of verifying eligibility for pension	38 USC 5317(g)	As appropriated	Authorization extended to Sept. 30, 2011 by P.L. 110-389 § 802
◇ Reduction of pension to certain Medicaid-eligible veterans and surviving spouses receiving care in nursing homes	38 USC 5503(d)(7)	As appropriated	Authorization extended to Sept. 30, 2011 by P.L. 107-103 § 504
◇ Extension of authority to presume service-connection for additional diseases	38 USC 1116 (e)	As appropriated	Authorized through Sept. 30, 2015 by P.L. 107-103 § 201
◇ Authority to use National Directory of New Hires for income verification purposes for certain veterans benefits	42 USC 653(j)		Authorized through September 30, 2011 by P.L. 110-157 § 301
◇ Pension Limitation Regarding Medicaid	38 USC 5503(d)(7)		Authorized through September 30, 2011 by P.L. 107-103 § 504

Item	Section of U.S.C.	Annual Authorization	Expiration Date
<p>Readjustment Benefits</p> <p>◇ Rounding down of Cost-of-Living Adjustments in chapters 30 and 35 rates through FY 2013</p> <p>◇ Authority to provide an educational assistance allowance to persons performing qualifying work-study activities</p> <p>◇ SGLI Total Disability Extended Insurance Protection</p>	<p>38 USC 3015(h) 38 USC 3564</p> <p>38 USC 3485(a)(4)</p> <p>Code: 38 USC 1968(a)(1)(A)(ii)) and (a)(4)(B)(i)</p>		<p>Authorization in P.L. 108-183 § 304</p> <p>Authorized through June 30, 2010 by P.L. 110-157 § 302</p> <p>Authorized through September 30, 2011 by . P.L. 109-233 § 301(a) and (b)</p>
<p>Veterans' Advisory Committee on Education</p>	<p>38 USC 3692</p>		<p>Authorization extended to Dec. 31, 2009 by P.L. 108-183 § 307</p>
<p>Advisory Committee on Homeless Veterans</p>	<p>Code: 38 USC 2066(d)</p>		<p>Authorized through December 30, 2011 by P.L. 109-461 § 709</p>

Item	Section of U.S.C.	Annual Authorization	Expiration Date
Housing Program			
◇ Pooled loans asset sales	38 USC 3720(h)		Authorization to Dec. 31, 2011 by P.L. 107-103 § 405
◇ Procedures regarding liquidation sales on defaulted home loans guaranteed by VA	38 USC 3732(c)		Authorization to Sept. 30, 2012 by P.L. 108-183 § 406
◇ Adjusts the loan fee for certain loans closed either before October 1, 2011, or on or after October 1, 2011, and before September 30, 2013 [NOTE: Loan fee will automatically reduce on Oct. 1, 2011]	38 USC 3729(b)(2)		Authorization revised and extended in part through Sept. 30, 2011, and in part through Sept. 30, 2013 by P.L. 108-183 § 405
◇ SAH Assistance for veterans temporarily residing in housing owned by family member	38 USC 2102A(e)		Authorization through Dec 31, 2011, by P.L. 110-289 §2604
◇ Housing assistance to homeless veterans	38 USC 2041(c)		Authorization through December 31, 2011 by P.L. 109-461 §705.
◇ Adjustable Rate Mortgages (ARMs)	38 USC 3707	Aggregate authorization \$100,000,000	Authorization through September 30, 2012 by P.L. 110-389 §505.
◇ Hybrid ARMs	38 USC 3707A		Authorization through Sept. 30, 2012 by P.L. 110-389 § 505
◇ Cooperative Housing Developments	38 USC 3710(a)(12)		Authorization through Dec. 21, 2011 by P.L. 109-461
◇ Requires VA to provide direct financing for a minimum percentage of REO properties sold.	38 USC 3733(a)(7)		Requirements apply through Sept. 30, 2013 by P.L. 108-183 § 404
◇ Temporary increase to maximum guaranty amount	Affects 38 U.S.C. 3703(a)(1)(C)		Expires December 31, 2011. P.L. 110-389 § 501

Item	Section of U.S.C.	Annual Authorization	Expiration Date
Medical Care			
◇ Treatment and rehabilitation for seriously mentally ill and homeless veterans	38 USC 2031(b)	As appropriated	Authorization through Dec. 31, 2011 by P.L. 109-461 § 704 (a)
◇ Additional services to homeless and seriously mentally ill veterans at certain locations	38 USC 2033(d)	As appropriated	Authorized through Dec. 31, 2011 in P.L. 109-461 § 704(b)
◇ Required nursing home care for certain service-connected veterans	38 USC 1710A		Authorized to Dec. 31, 2013 by P.L. 110-387 § 805
◇ Agreement with National Academy of Sciences	38 USC 1116 Note		Authorized through Oct 1, 2014 by P.L.107-103 §201
◇ Sharing of VA and Department of Defense Health Care Resources Joint Incentive Program	38 USC 8111 (d)		Authorized through September 30, 2010 in P.L. 109-364, section 743.
Veterans' Caregivers Improved Services and Support	38 USC 1710B		Authorized through September 30, 2009 in P.L. 109-461.
Co-payments and Medical Care Cost Recovery			
◇ Recovery Audits for fee-basis contracts and other medical services contracts	38 USC § 1703(d)	As appropriated	Authorized through Sept. 30, 2013 by P.L. 110-387 § 802
Medical care cost recovery authority	38 USC 1729(a)(2)(E)		Authorization extended through Oct. 1, 2010 by P.L. 110-387, section 804(b)
◇ Hospital Copayments	38 USC 1710(f)(2)(B)		Authorized through Sept. 30, 2010 by P.L. 110-387, section 804(a)

Item	Section of U.S.C.	Annual Authorization	Expiration Date
<p>General Operating Expenses</p> <p>◇ Maintenance of the VA Regional Office in the Republic of the Philippines</p> <p>◇ Temporary authority for performance of medical disability examinations by contract physicians</p> <p>◇ Advisory Committee on Minority Veterans</p>	<p>38 USC 315(b)</p> <p>38 USC 5101 note</p> <p>38 USC 544(e)</p>	<p>As appropriated</p> <p>As appropriated</p>	<p>Authorization extended through Dec. 31, 2009 by P.L. 108-183 § 213.</p> <p>Authorized through December 31, 2010 by P.L. 110-389 § 105</p> <p>Termination date extended through Dec. 31, 2014 by P.L. 110-389 § 808</p>
<p>Enhanced-Use</p> <p>◇ Authority to enter into enhanced-use leases</p>	<p>38 USC 8169</p>		<p>Authorization extended through Dec. 31, 2011 by P.L. 106-117 § 208(e)</p>

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GAO Audit Reports Introduction

The reports provided in the Summary Volume are those received by VA during the period of November 1, 2007 through October 31, 2008.

The reports are identified by title and are presented in calendar year order. Each report is summarized to include the responsible organization, the actual GAO recommendations, VA's "actions taken," and budget implications, if any, are noted. The "actions taken" portion of the report follows closely from VA's comments that are represented in the draft reports that VA provides for all GAO reports. The narrative summarizes the instances where VA has incorporated GAO recommendations into current operations (e.g., where VA has employed a different approach in the budgeting process, or where specific steps have been utilized to improve forecasting results). Budget implications are presented to emphasize the need to recognize the impact of the recommendations on VA resources.

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GAO Audits

1. *DEPARTMENT OF VETERANS AFFAIRS: Actions Needed to Strengthen VA's Foreclosed Property Management Contractor Oversight* (GAO-08-60; GAO code 250330; file #4286) issued November 15, 2007.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

To improve VA's capacity to oversee the foreclosed management property and sales processes, the Department should take several steps in designing, negotiating, and awarding a new contract for the function. Specifically:

- VA should include in the contract the authority to impose defined penalties for key property management activities, including penalties for unsatisfactory performance in maintaining properties and selling them within established time frames.
- Prior to awarding the contract, VA should thoroughly review and verify the capacity of the contractor's information systems and the ability to provide required property management data.
- VA should use real-time data provided by the contractor to monitor the management of its foreclosed property inventory (or a sample thereof) on an ongoing basis and act on a timely basis, including the use of penalties as appropriate, to address identified deficiencies.
- VA should include in the contract the requirement that the contractor provide real-time property management deemed necessary by the Department.

ACTIONS TAKEN:

VA awarded a performance-based contract to Countrywide Financial Corporation, a wholly owned subsidiary of Bank of America Corporation, in June

2008. VA recently completed the transfer of its acquired property inventory from the former service provider, Ocwen Loan Servicing LLC, to Countrywide.

Recommendation 1: The contract solicitation included specific language referencing defined penalties for unsatisfactory performance in maintaining properties and selling them within established time frames. However, due to the large number of properties that had to be transitioned from the prior contractor, VA has designated the first contract year as a benchmarking period, after which agreed upon thresholds for various key performance indicators will be evaluated and set for the subsequent years.

Recommendation 2: Prior to the award, VA thoroughly vetted the bidders to verify the capacity of their information systems and the ability to provide required property management data.

Recommendation 3: The selected service provider has provided VA with access to its web-based application, REOTrans. REOTrans is a state-of-the-art, real-time rules-based workflow application that permits VA to monitor the management of the foreclosed property inventory in an ongoing basis, and act on a timely basis to address identified deficiencies. This application enables VA to identify operational deficiencies and take appropriate action in a timely fashion.

Recommendation 4: VA included in the contract solicitation the requirement that the contractor provide real-time property management data.

BUDGET IMPLICATIONS:

Under the new contract with Countrywide, VA has budgeted \$6,145,200 for the Service Provider Fee for the first option year and \$119,945 for the Performance Bond. Additional funds are available through the Loan Guaranty Finance Fund for reimbursable property-related expenses. As a comparison, in FY 2007, \$7 million was budgeted for the Service Provider Fee and \$136,971 for the Performance Bond.

2. VETERANS' BENEFITS: Improved Operational Controls and Management Data Would Enhance VBA's Disability Reevaluation Process (GAO-08-75; GAO code 130620; file #4289) issued December 6, 2007.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

The Secretary of the Department of Veterans Affairs should direct the Under Secretary for Benefits, in order to enhance VBA's disability reevaluation process, to:

- modify its electronic claims processing system so that a rating decision cannot be completed without staff completing the diary date field
- modify its electronic claims processing system to ensure that a diary date is automatically generated by the system for all disabilities where a reevaluation is required by VA's Schedule for Rating Disabilities
- include cancelled reevaluations in its quality assurance reviews and should evaluate the feasibility of periodically sampling a larger number of completed disability reevaluations for quality assurance review
- clarify its guidance so that all regional offices consistently use the date they are notified of a matured diary date as the starting point for measuring timeliness
- develop a plan to collect and analyze data on the results of disability reevaluations. To the extent necessary, this information could be used to refine guidance on the selection and timing of future disability reevaluations

ACTIONS TAKEN:

Recommendation 1: In process—VBA formulated functional requirements to require the entry of a diary date field, as well as to notify the user in certain instances that a future reexamination is required. The requirements were formally submitted in June 2008. Installation is currently scheduled for August 2009.

Recommendation 2: In process—VBA introduced electronic message work items in February 2008. This new functionality replaces paper-generated messages in VETSNET and establishes an electronic control for a variety of audit errors, routine reevaluations and matching program results. Included is a control for "review need for reevaluation." This functionality establishes the basic foundation structure needed to fully implement this recommendation. Programming requirements specify that when certain diagnostic codes are at issue, the user receives a message that a future reevaluation is needed. The user

will be given the option of scheduling or declining to schedule a future examination. This discretionary flexibility is needed to accurately reflect the facts of the specific claim while putting in place a mechanism to ensure that proper controls are considered and applied. While initially scheduled to be installed in February 2009, due to programming resource limitations it has been delayed until August 2009.

Recommendation 3: In process—VBA has been collecting data on disability evaluation diaries through VETSNET. VETSNET enhancements allow VBA to better track future diary reviews to include tracking if these reviews were cancelled, and if so, why they were cancelled. VBA reviewed 490 cases to determine which disability evaluation was reviewed, whether the future exam was cancelled, the date of cancellation (if applicable), if the cancellation was proper, and, if it was not proper, any corrective action required.

Results from the review indicate that refresher training is needed on reevaluation examinations, specifically when the reevaluation should be ordered. VBA plans to provide refresher training during the second quarter of FY 2009. VBA is planning another review of reevaluation examination cancellations six months following the refresher training to reassess the need to include the cancellations in the national quality assurance review on a regular basis.

Recommendation 4: Completed—In November 2007, VBA provided instructions to VA regional offices during the monthly nationwide call with Veterans Service Center Managers. Instructions stated for VA Form 21-2507a, Request for Physical Examination, generated by a routine future diary code, Message Code 631, “Review Need for Reevaluation,” the date of the claim will be the date on VA Form 21-2507a.

Recommendation 5: In process—C&P Service expanded the level of review data beyond the scope of the original analysis of 485 disability reevaluation claims reviewed by STAR during FY 2007 because the sample proved insufficient to determine whether there were any problems or trends. The sample was expanded to include all routine future reexamination disability claims completed during FY 2008, more than 40,000 issues. C&P Service anticipates completion of its analysis of the expanded sample by the end of March 2009. The increased sample will enable C&P Service it to determine whether there is a problem with future examinations, whether concerns are confined to specific diagnostic codes, and provide the qualitative and quantitative data sufficient to refine procedural guidance, if needed.

BUDGET IMPLICATIONS:

Known budget implications are minimal. The IT enhancements are covered under the VETSNET contract. Two other possible implications are an increase in the number of examinations, and the potential additional workload burden that may be incurred with an increase in the number of examinations scheduled. In addition to the medical resources incurred by VHA as well as VBA contract examination providers, VBA claims processing resources are needed to order the examinations, prepare decisions, and promulgate those decisions. This may add to the existing inventory. At this point, it is unknown whether the enhanced emphasis on reexaminations will result in substantially more examinations being required.

The costs associated with producing a satellite broadcast to provide a training module are approximately \$5,000. These costs are paid through VBA's Employee Development and Training budget.

The exam review was part of the special focused case review process of the Quality Assurance Staff and separate budget implications are not identified since the staff used existing FTE and other resources.

3. *VA HEALTH CARE: Many Medical Facilities Have Challenges in Recruiting and Retaining Nurse Anesthetists* (GAO-08-56; GAO code 290538; file #4288) issued December 13, 2007.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

To improve VA's ability to recruit and retain VA CRNAs, the Secretary of Veterans Affairs should direct the Assistant Secretary for Human Resources and Administration to expedite development and implementation of the training course on VA's LPS policy for VA medical facility officials responsible for compliance with the policy.

ACTIONS TAKEN:

The Department is developing an Online training course via the Learning Management System (LMS) utilizing an e-learning format. Course content includes:

- Increasing the knowledge level of HR staff on the Locality Pay System (LPS).
- Improving VA's ability to recruit and retain quality nurses.
- Understanding the history and intent of LPS.
- Understanding fundamental concepts of LPS.
- Identifying when a survey must be completed .
- Understanding the role of HR in the survey process.
- Defining a local labor market area.
- Explaining the different types of survey data and understanding when each type should be used.
- Understanding the role of Data Collectors and job matching.
- Providing detailed analysis of survey data.
- Constructing a salary schedule.
- Understanding when a specialty schedule may be appropriate.
- Understanding when an expanded rate range may be appropriate.

BUDGET IMPLICATIONS:

LMS and Employee Education System (EES) representatives approximate a six month development and implementation timeframe, with an estimated cost of \$15,000.

4. *VA HEALTH CARE: Mild Traumatic Brain Injury Screening and Evaluation Implemented for OEF/OIF Veterans, but Challenges Remain* (GAO-08-276; GAO code 290579; file #4290) issued February 8, 2008.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

To establish whether the use of VA's TBI screening tool is effective in identifying OEF/OIF Veterans at risk for mild TBI, the Secretary of Veterans Affairs should direct the Under Secretary for Health to expeditiously evaluate the clinical validity and reliability of VA's TBI screening tool.

ACTIONS TAKEN:

VA currently has studies in various stages of progress to collectively examine the psychometric properties and VA implementation of the VA TBI screening tool. One project is examining implementation of the TBI screening tool with regard to evaluating consistency and timeliness of implementation, patient characteristics associated with completion of the screening, subsequent follow-up and treatment adherence, outcomes associated with deployment and TBI in OEF/OIF Veterans, and symptom impact on VA health care utilization, community participation, and quality of life. Additional research proposals are in various stages of development and approval to evaluate the psychometric properties and clinical follow-up of the TBI screening tool. Initial preliminary results from the first studies are expected beginning summer of 2009.

BUDGET IMPLICATIONS:

Two studies have been funded and five additional studies that focus on the psychometric properties and VA implementation of the VA's TBI screening tool have been peer reviewed and determined to be appropriate for funding, conditional on the satisfactory resolution of specific research related concerns. Assuming the likelihood that the conditionally approved studies are funded, approximately \$4.4 million will be awarded.

5. **VETERANS' BENEFITS:** *Improved Management Would Enhance VA's Pension Program* (GAO-08-112; GAO code 130612; file #4292) issued February 14, 2008.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

In order to enhance VA's management of the pension eligibility process, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to take steps to make more accurate and timely decisions about initial and ongoing pension eligibility and payment levels. Such actions might include requiring pensioners to submit supporting documentation of their income and assets, conducting a more robust independent verification with third parties, or maximizing process automation.

ACTIONS TAKEN:

Recommendation 1: VBA has taken the following steps to improve the timeliness of pension claims processing:

- Increased the resources dedicated to claims processing in 2007 and 2008.
- Consolidated all pension claims processing to the Pension Maintenance Centers (PMCs) in 2008.

VA exceeded the FY 2007 and FY 2008 goal of 45 days to complete eligibility verification reports. Actual performance was 34 days in 2007 and 30 days in 2008.

VA did not agree that new, regular, and perhaps onerous submissions of income and net worth documents by pension beneficiaries, the average age of whom is 70 years, would yield substantive improvements in the pension program. Requesting and evaluating such documents from claimants and/or beneficiaries may diminish timeliness.

VA has several ways to independently verify the income of pension beneficiaries. An original pension decision is based on estimated income that the claimant reports he or she expects to receive during the first year of eligibility. VA can obtain information directly from the Social Security Administration (SSA) through an interface with our VETSNET system's Share application. Additionally, output of matching agreements with SSA is available when making income adjustments. The matching programs act in two ways to ensure accuracy: first, the SSA verified rate is inserted in the VA master record; and second, information is sent to the PMCs when verified Social Security income differs. In addition, VA obtains civil service and railroad retirement annuity information

through inter-agency matching agreements. These matches are effective in obtaining accurate income data.

Maximizing the use of automation is essential to achieving additional process improvements. VETSNET capability includes capturing income data and displaying it yearly. When the veteran is entitled to both compensation and pension, VETSNET automatically changes the benefit payment to whichever is greater. VETSNET for disability Improved Pension has been available for limited use since August 2008, and full use is expected during 2009.

VBA is currently negotiating the terms of the matching agreement with the Department of Health and Human Services for use of data contained in their National Directory of New Hires (NDNH) database. The computer match is scheduled to begin in February 2010 and VA is working with the technicians in Austin, St. Petersburg, and Washington DC to develop, test, and implement the match. In addition, C&P Fast Letter 08-09, Prioritization and Processing of System-Generated Messages (Writeouts), instructs field stations to promptly adjust benefits when writeouts affect payments.

VBA continues to examine ways to further automate the claims process. VA has completed steps to bring Income Verification Matches to the point where income being matched is one-year old, which is the most current data available.

In addition to the actions noted above, VBA is currently conducting a pilot program to determine the viability of securing and maintaining an electronic transmission of beneficiary and applicant net worth information for pension eligibility purposes. This information is provided by 3rd party private banking records and would require signed releases from every pensioner or a change in legislation for implementation. This would also lengthen the development time for all pension decisions.

Recommendation 2: In September 2008, original and reopened pension claims were consolidated to the three Pension Maintenance Centers (PMCs). Prior to this date, PMCs were responsible for pension maintenance work only. In the second quarter of FY 2009, VBA will increase the quality assurance review sample size for pension rating related reviews to 246 non-rating and 246 rating end products cases for each PMC. VA continues to examine ways to further improve the quality assurance process. VBA considers this recommendation fully implemented.

Recommendation 3: VA developed standardized pension training based on M21-1MR materials posted on the Compensation and Pension Service (C&P) training website and locally developed training aids. Additionally, all field personnel

have standardized Training and Performance Support System (TPSS) modules with pension segments. The TPSS training system allows local training coordinators to measure the quality of training and success of each Veterans service representative enrolled in the system. PMC trainees (Veterans Service Representatives and Rating Veterans Service Representatives) are required to complete an evaluative feedback form following training on each pension topic. The evaluative feedback forms were posted to the C&P pension training website on June 27, 2008. Centralized "Challenge" training is now available for the new rating staff at the PMCs and will shortly be available for PMC authorization staff. VBA considers this recommendation fully implemented.

Recommendation 4: Historically, VBA issued Eligibility Verification Requests (EVRs) throughout the year or whenever income verification was needed from a beneficiary. Public Law 103-271 gave the Secretary discretion in requiring annual EVRs. As a result of that legislation, VA eliminated annual EVRs for most beneficiaries who have no income or only Social Security income. This reduces the EVR workload to a level that allows staff to issue and work them on an annualized basis.

C&P Service continues to review possibilities for future asset verification options to appropriately reduce pension benefit payments to claimants. VBA utilizes several matching programs that are designed to identify discrepancies between income reported to VA by beneficiaries and income actually received using data from various federal agencies. VBA considers this recommendation fully implemented.

Recommendation 5: Proposed legislation was submitted in both the 109th and 110th Congress to obtain access to the National Directory of New Hires (NDNH) database. Congress authorized use of the NDNH database for income verification purposes for certain veteran's benefits in Public Law 110-157. VBA considers this recommendation fully implemented.

Recommendation 6: VBA increased the Income Verification Match (IVM) Individual Unemployability (IU) data match threshold level to \$10,294 for the 2009 match with IRS and SSA. VBA adjusted the IVM data match threshold level to conform to the updated poverty threshold level of the U.S. Census Bureau. This action was completed in July 2008. VBA considers this recommendation fully implemented.

Recommendation 7: Phase I of the pension consolidation effort was completed in September 2008. In November 2008, the sample size for the Systematic Technical Accuracy Review (STAR) was modified to include increased sampling for initial and reopened pension claims from the PMCs for cases completed in October 2008.

STAR staff began analysis of the data in December 2008, the first full month the data was available.

VBA is reviewing and analyzing all available information, including STAR error reports and debt management information, concerning the causes of improper pension payments. VBA is identifying and implementing system and/or process interventions to minimize the occurrence of improper payments. In addition, VA reports improper payments as required annually in the Annual Performance and Accountability Report (PAR). For FY 2008, OMB requires all agencies to report causes of improper payments. The report is expected to be published in November 2009. VBA will develop and implement an action based on findings from these sources by April 1, 2009.

BUDGET IMPLICATIONS:

Recommendation 1: The estimated cost of the net worth verification pilot program is \$71,140. The initial cost of the NDNH matching program is \$4.8 million. After the initial cost of the NDNH, there will be an annual fee of over \$1.8 million. Savings that may be achieved by this matching program are unknown at this time.

Recommendation 2: None

Recommendation 3: During fiscal year 2008, the staffing for PMCs was increased by approximately 500 FTE. The estimated cost for each new hire to attend training is approximately \$4,000 per person, approximately \$2 million total, which was covered under existing budgets.

Recommendation 4: None

Recommendation 5: None

Recommendation 6: No cost increase. Possible savings to VBA may be realized with a reduced number of IVM reviews required, based on removal of IVMs for beneficiaries below the poverty threshold.

Recommendation 7: None

6. *CHEMICAL AND BIOLOGICAL DEFENSE: DOD and VA Need to Improve Efforts to Identify and Notify Individuals Potentially Exposed during Chemical and Biological Tests* (GAO-08-366; GAO code 351052; file #4291) issued February 28, 2008.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

To ensure that all Veterans who have been identified as having been potentially exposed to chemical or biological substances have been notified, the Secretary of Veterans Affairs should take steps to increase its use of available resources, such as the Internal Revenue Service, to implement a more efficient and effective process for obtaining contact information for living Veterans.

ACTIONS TAKEN:

The Department of Veterans Affairs (VA) concurs with this recommendation and notes that ongoing efforts to provide outreach for Veterans potentially exposed to chemical and biological substances as part of tests conducted by the Department of Defense (DoD) makes use of a wide range of resources, including databases of the Internal Revenue Service (IRS) and others.

VA has developed a range of outreach, education and research programs in response to military tests involving chemical and biological agents that occurred from World War I to about 1975. Those tests have left thousands of Veterans with concerns about possibly related long-term health consequences.

VA is committed to responding to the health care and other needs of affected Veterans. VA's outreach efforts involve ongoing collaboration with DoD to identify participants of past tests, followed by contacting affected Veterans with information about their involvement.

However, an ongoing complication has been obtaining current accurate addresses for participants identified as having participated in tests that occurred many decades in the past. In response, VA has turned to a wide range of resources to improve our ability to locate potentially affected Veterans, including databases maintained by the IRS, the Health & Human Services National Center for Health Statistics, and the Social Security Administration. Even with the benefit of these resources, obtaining current contact information can be challenging in cases where affected Veterans have relatively common names, social security numbers are not available, or names are incomplete.

VA's education includes training manuals and other materials to inform health care providers and disability specialists about the history of these tests, and about potentially-related long-term health problems. VA's research studies have evaluated long-term health among various groups of these Veterans.

BUDGET IMPLICATIONS:

None

7. *VA HEALTH CARE: Additional Efforts to Better Assess Joint Ventures Needed* (GAO-08-399; GAO code 541033; file #4294) issued March 28, 2008.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

To develop a more comprehensive framework for evaluating existing and future joint ventures, the Secretary of Veterans Affairs should:

- develop departmental performance measures to assess the outcomes of joint ventures and to determine the extent to which strategic goals are being achieved
- revise the evaluation criteria for joint venture proposals to ensure they are measurable and specific--both in terms of definition and application
- analyze the differences among types of joint venture partners to determine whether the evaluation criteria should be tailored to the type of partner (e.g., DOD or academic affiliate) and, if so, tailor the criteria accordingly

ACTIONS TAKEN:

The Joint Ventures Working Group is facilitating departmental actions in response to GAO's recommendations. The Working Group has headquarters and field representation, and is facilitating analysis, development of proposed metrics, and additional products under the VA Strategic Management Council, chaired by the Deputy Secretary. The Working Group is facilitating participation by DoD and VHA headquarters and field entities, including VHA's DoD Liaison and Sharing Office (10D2), Office of Academic Affiliations (14), Decision Support Systems Support Office (175D), Operations and Management (10N), and Office of Quality and Performance (10Q). Leading VA/DoD collaborations, such as the Federal Health Care Center (FHCC) at N. Chicago / Great Lakes, IL, and the VA Pacific Islands Health Care System (VAPIHCS) / Tripler Army Medical Center (TAMC) at Honolulu, HI, are playing important roles in development of metrics consistent with GAO recommendations. The Fiscal Year 03 National Defense Authorization Act (NDAA) Demonstration Site Selection Project, "Document Management and Referral Management (DR)" Project established a foundation for a business process pilot for VA/DoD Joint Ventures at Honolulu, HI. An FY08-approved Joint Incentive Fund project, "Enhanced DR," is expected to provide a first-time, automated, referral and resource tracking capability which is bi-directional between the VA and DoD health care facilities there. In addition, a modification to the VA VistA-Fee legacy system will capture workload and eliminate a major disincentive for VA/DOD sharing. These projects will provide a business process prototype for VA/DoD Joint Ventures by FY11. This business process prototype will enable the development of metrics for comprehensively

assessing Joint Ventures. The Working Group will continue to facilitate participation which continually complements pilot development and additional ongoing and future efforts at other locations to improve VA DoD collaboration through metrics and other means.

BUDGET IMPLICATIONS:

None

8. **VETERANS' BENEFITS: Increased Focus on Evaluation and Accountability Would Enhance Training and Performance Management for Claims Processors** (GAO-08-561; GAO code 130804; file #4300) issued May 27, 2008.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

The Secretary of Veterans Affairs should direct VBA to:

- direct VBA to collect and review feedback from staff on the training conducted at the regional offices to determine if the 80-hour annual training requirement is appropriate for all Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs)
- direct VBA to collect and review feedback from staff on the training conducted at the regional offices to determine the extent to which regional offices provide training that is relevant to VSRs' and RVSRs' work, given varying levels of staff experience
- direct VBA to collect and review feedback from staff on the training conducted at the regional offices to determine whether regional offices find the Training and Performance Support System (TPSS) a useful learning tool and, if not, what adjustments are needed to make it more useful
- direct VBA to use information from its new learning management system to hold individual VSRs and RVSRs accountable for completing whatever annual training requirement it determines is appropriate
- examine the distribution of claims processing staff across overall performance categories to determine if its performance appraisal system clearly differentiates between overall performance levels, and if necessary adjust its system to ensure that it makes clear distinctions

ACTIONS TAKEN:

Recommendation 1: VBA has an active program for training evaluation driven by the Administration's priorities. Recent evaluations in support of improving Veterans Service Representative (VSR) and Rating Veterans Service Representative (RVSR) training have included evaluation of the Training and Performance Support System (TPSS) (2006-2007 and 2007-2008) and Challenge training for VSRs and RVSRs (2007-2008). The 80-hour training requirement for VSRs and RVSRs was established in FY 2006 to improve the knowledge and skills of claims processors with the ultimate goal of improving accuracy and consistency. The 80-hour training requirement has been evaluated annually by the Central Office staff and maintained at its current level to improve the organization's ability to serve Veterans. After consultation and prior to issuing

training plan guidance for 2009, the Deputy Under Secretary decided to retain the 80-hour training requirement for VSRs and RVSRs.

Recommendation 2: With the introduction of more than 3,100 new VSRs and RVSRs into regional offices during FY 2007 and FY 2008, VBA's priority in training was focused on building the knowledge and skill level of new employees through consistent curriculum and delivery methods. VBA has continued its initiatives to provide relevant field training that hinges on the increasing use of the VA Learning Management System (VA LMS) to identify training achievements and gaps at the individual level. With the fielding of VA LMS during FY 2008, the framework was established for recording and tracking of training on an individual employee level. In FY 2009, regional offices established quarterly curricula for VSRs and RVSRs in VA LMS. Regional offices have the option of prescribing different curricula for varying experience levels. Direct supervisors in the field will determine relevance at the individual level, given varying levels of staff experiences. With VA LMS, supervisors have easy access to the training records of their subordinates, and therefore can determine the training needs of each employee to tailor the training curriculum when appropriate.

Recommendation 3: Action on this recommendation has been completed. As mentioned previously, VBA has an active program for training evaluation driven by the Administration's priorities. VBA will continue to collect and evaluate field opinions of TPSS during evaluations, as it has during evaluations of TPSS (2006-2007 and 2007-2008) and Challenge training for VSRs and RVSRs (2007-2008). While GAO's opportunities to collect feedback were confined to interview of a limited number of employees from four regional offices, VBA's three evaluations examined data collected from 37 regional office visits, 470 interviews, and 2718 survey responses. The 2006-2007 TPSS evaluation found that TPSS provided value to VBA, and identified areas for improved implementation within regional offices. Actions have been assigned for the findings of the evaluations.

Recommendation 4: Because FY 2008 training accomplishments were recorded in LMS, regional offices currently have visibility on the training completed by each employee during FY 2008. Regional offices established FY 2009 curricula in LMS for each position, including claims-processing positions, to establish the required training for each person. Regional offices have the latitude to develop curricula relevant to different experience levels for each position. Using the quarterly curricula, regional offices will have the capability to note training deficiencies of their employees and stimulate remedial action. LMS was initially fielded in October 2007, and the requirement to use LMS to record all training occurred later in FY 2008. The usefulness of LMS to supervisors as a tool to

manage their employees' training is expected to increase throughout FY 2009 as supervisors become more familiar with the system and its capabilities.

Recommendation 5: VBA is currently reviewing the performance rating data for our Claims Examiners and intends to confer with our department-level leaders to determine what changes to the current five-level performance appraisal system, if any, may be feasible.

BUDGET IMPLICATIONS:

None

9. *VA HEALTH CARE: Ineffective Controls over Medical Center Billings and Collections Limit Revenue from Third-Party Insurance Companies* (GAO-08-675; GAO code 195108; file #4301) issued June 10, 2008.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

- To assure that all amounts that should be billed to third-party insurers are billed in an accurate and timely manner, the Secretary of Veterans Affairs should establish procedures requiring medical center management to perform and document detailed monthly reviews of patient encounters determined to be nonbillable by coding staff to ensure they are properly coded to maximize revenue from third-party insurer billings and collections.
- To assure that all amounts that should be billed to third-party insurers are billed in an accurate and timely manner, the Secretary of Veterans Affairs should establish procedures requiring medical center management to develop and use management reports on medical center performance with respect to accuracy and timeliness of billing performance and take appropriate corrective action to maximize revenue from third-party insurer billings and collections.
- To assure timely follow-up and documentation of unpaid thirdparty billings, the Secretary of Veterans Affairs should establish a process requiring medical centers to monitor their accounts receivable staffs' adherence to the requirement in VA Handbook 4800.14, Medical Care Debts, to follow-up on outstanding third-party accounts receivable within specified time frames to maximize revenue from third-party insurer billings and collections.
- To assure timely follow-up and documentation of unpaid thirdparty billings, the Secretary of Veterans Affairs should establish a mechanism requiring medical centers to monitor their accounts receivable staff adherence to VA Handbook 4800.14, Medical Care Debts, which requires documenting a brief summary of all follow-up contacts, including information on when a payment will be made or why a payment was not made, to maximize revenue from third-party insurer billings and collections.
- To assure timely follow-up and documentation of unpaid thirdparty billings, the Secretary of Veterans Affairs should establish a process requiring medical centers to confirm that accounts receivable staff are following the requirement in Veterans Health Administration (VHA) Handbook 4800.14, Write-Offs, Decreases, And Termination of Medical Care Collections Fund Accounts Third-Party Receivable Balances, to

provide a specific explanation for any adjustments to decrease third party accounts receivable from third-party insurers to maximize revenue from third-party insurer billings and collections.

- To assure effective VA-wide oversight of billings and collections with regard to third-party insurers, the Secretary of Veterans Affairs should require VHA to establish a formal VA-wide process for managing and overseeing medical center billing performance, including development of standardized reports on unbilled amounts by category, to maximize revenue from third-party insurer billings and collections.
- To assure effective VA-wide oversight of billings and collections with regard to third-party insurers, the Secretary of Veterans Affairs should establish procedures requiring periodic VHA-wide assessments by the Chief Business Office to document whether medical center staff are performing timely and accurately documented follow-up on outstanding third-party accounts receivable, as required in VHA Handbook 4800.14, to maximize revenue from third-party insurer billings and collections.

ACTIONS TAKEN:

In November 2007, VHA Handbook 1907.03, Health Information Management, Clinical Coding Program Procedures, was issued. The Handbook established minimum bill coding accuracy standards and provided procedures for conducting coding reviews for many different purposes including coding for third-party billing. VA will supplement this guidance by developing new procedures for specifically monitoring use of reasons not billable codes due to documentation and coding that are entered into the billing system was published in December 2008.

VA presently has a systems enhancement in progress to standardize reasons not billable codes utilized by staff when reviewing episodes of care. When complete (expected in Spring 2009), this systems enhancement will prohibit facilities from adding locally developed reason codes which make monitoring billing compliance difficult for managers. To more effectively monitor accuracy of billing performance by medical center management, VA will also publish guidance for supervisors to review the reason not billable report on a monthly basis and take appropriate actions to ensure accurate use of the reasons not billable codes. This guidance was published December 2008.

In FY 2008, Financial Quality Assurance Managers located in each Veterans Integrated Service Network (VISN) began monthly audits of follow-up based on a sample of accounts receivable and provide this information to facility management in an effort to track compliance and take corrective actions as needed.

VA agrees that it is critical to ensure processes are in place to monitor staff adherence with guidelines for follow-up and for performing adjustments on accounts receivable. VA published instructions in March 2008 to field supervisors requiring them to conduct monthly reviews in order to ensure the adjustment transactions are accurate and appropriately documented. Supervisors are required to share the review with facility Compliance Officers for monitoring and appropriate action.

VA is currently working on a systems enhancement, expected to be released in Spring 2009, to implement a standard list of reasons not billable for staff to use when reviewing and processing potentially billable episodes of care. Additionally, this systems enhancement will prohibit facilities from adding locally developed reason codes which make monitoring billing compliance difficult for managers. Second, VA published the guidance in December 2008 for supervisors to review the reasons not billable report on a monthly basis and take appropriate actions to ensure accurate use of the reasons not billable codes. Finally, VA implemented a yearly data call in October 2008 to review the use of the reasons not billable at a national level in order to take necessary corrective actions.

VA Financial Quality Assurance Managers located in each VISN conduct monthly audits of follow-up based on a sample of accounts receivable and provide this information to VA-wide management, including the Chief Business Office, in an effort to track compliance and take corrective actions as needed.

BUDGET IMPLICATIONS:

None at this time.

10. VETERANS AFFAIRS: *Health Information System Modernization Far from Complete; Improved Project Planning and Oversight Needed* (GAO-08-805; GAO code 310908; file #4305) issued June 30, 2008.

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

To better ensure the success of HealtheVet, the Secretary of Veterans Affairs should:

- direct the Chief Information Officer to develop a project management plan that encompasses all six blocks of HealtheVet
- direct the Chief Information Officer to validate cost estimates for all six blocks of HealtheVet
- direct the Chief Information Officer to expedite efforts to permanently staff the position of the Director of the Program Management office and fill other critical leadership positions in the Office of Enterprise Development
- direct the Chief Information Officer to develop a schedule for and conduct milestone reviews of the HealtheVet projects
- to ensure proper oversight of HealtheVet, the Secretary of Veterans Affairs should direct the Veterans Health Administration Under Secretary to finalize and implement the plan to establish the HealtheVet governance structure

ACTIONS TAKEN:

1. Concur. The Office of Information and Technology (OI&T) has taken several major steps in developing a comprehensive project management plan encompassing the modules of HealtheVet. OI&T multi-disciplinary groups, including OI&T's counterparts in VHA, have met five times in facilitated Lockdown and Working Group sessions to address Health eVet cost, schedule, scope, resource, and integration planning issues. The output of these sessions is a working Integrated Project Plan (IPP), which encompasses the plan for VistA, HealtheVet, and the transition from VistA to Health eVet. The IPP is resource-loaded, facilitating the calculation of lifecycle cost estimates which can then be compared to the current system cost estimate and the independent cost assessment. The initial iteration of the IPP is complete, but future lockdowns and working groups will continue to focus on the validation and vetting of the plan.
2. Concur. The Space and Naval Warfare Systems Center, Charleston (SPAWAR) has conducted two phases of a three phase cost estimate review

of Health e Vet. The first two phases, a Sufficiency Review and Risk (Uncertainty) Analysis, identified recommendations for strengthening the cost estimating process and are complete. The third phase, develop an independent cost estimate, is targeted for completion in April 2009. This cost estimate will be reconciled with the existing cost estimates and IPP.

3. Concur. The Director of Program Management Officer position is filled and the selected individual will begin work in January 2009. All other critical leadership positions were advertized through VA Human Resources and qualified people are being identified and recruited. Two additional SES positions for the Office of Enterprise Development (OED) are proposed and pending the Secretary approval. These positions would provide additional critical leadership to OED's development and engineering areas.
4. Concur. Appropriate milestone reviews have been scheduled and conducted for programs and projects planned for release in Blocks 1 and 2. These reviews are tied to the development life cycle. Milestone reviews schedules for programs and projects planned for release in Blocks 3-6 are being developed.
5. Concur. The governance plan was signed by Mr. Robert T. Howard, Assistant Secretary for Information and Technology, and Dr. Michael J. Kussman, Under Secretary for Health, but is being updated to reflect some changes prior to being submitted to the Secretary for review. The plan is targeted for update and signature by February 2009. VHA is the governing authority and responsible for commencing and convening the associated meetings.

BUDGET IMPLICATIONS:

All actions either planned or taken to comply with the GAO recommendations found in GAO-08-805 have been budgeted for in the \$10.39B Health e Vet cost estimate briefed to SECVA, GAO, and the Congress. However, the results of these actions (especially validating the cost estimates for all six blocks of Health e Vet) may provide additional data and insight into true program costs and uncover the need for additional Health e Vet funding.

11. ELECTRONIC HEALTH RECORDS: DoD and VA Have Increased Their Sharing of Health Information, but More Work Remains (GAO-08-954; GAO code 310923; file #4308) issued July 28, 2008.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

To better ensure that the effort by DoD and VA to achieve fully interoperable electronic health record systems or capabilities is accelerated, the Secretaries of Defense and Veterans Affairs should give priority to fully establishing the Joint Interagency Program Office by expediting efforts to (1) put in place permanent leadership, staff, and facilities and (2) make the necessary decisions to finalize the draft implementation plan.

ACTIONS TAKEN:

During the first quarter of FY 2009, VA and DoD made substantial progress toward fully establishing the Interagency Program Office (IPO) and finalizing an implementation plan for interoperability. Government and contract staff space has been secured in Rosslyn, Virginia. Additionally, VA approved the creation of eight new government positions, including the Senior Executive Deputy Director for the IPO. As of December 29, 2008, interviews are underway for four of the positions and two of the positions have been filled with staff that will begin in January 2009. The Senior Executive Deputy Director position description has been written, approved and is in the final stages of classification and announcement by OI&T. Within DoD, an Interim Director has reported for duty January 2009. In October 2008, VA and DoD achieved the bidirectional exchange of almost all essential health data available in electronic format. This achievement was validated by the Interagency Clinical Informatics Board (ICIB).

VA and DoD submitted the first Annual Report to Congress in January 2009 and are coordinating final signatures on the updated Information Interoperability Plan (IIP). Both documents provide a strategic blueprint for implementing the requirement to achieve interoperability by September 2009, as mandated by the 2008 National Defense Authorization Act. This interoperability includes identification of prioritized clinical capabilities established by the ICIB.

BUDGET IMPLICATIONS:

There are no significant budget implications for VHA. DoD is providing funding for the establishment of the IPO, including space rental, equipment and contract staff. VA has approved the creation and funding of eight new salaried

government positions that are in various stages of hire through the OI&T organization. The funding for the interoperability projects is not new funding. The requirements and development activities for interoperability projects remain with the execution offices of each department (e.g., OI&T). Funding for interoperability projects is being provided as part of the IT funding awarded to OI&T and the IT Joint Incentive Fund (JIF).

12. INFORMATION TECHNOLOGY: *Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals* (GAO-08-925; GAO code 310867; file #4312) issued July 31, 2008.

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

To address the weaknesses identified in agencies' rebaselining policies, we are making recommendations to the Director of OMB and to the 24 major agencies. Specifically, the Director of OMB should issue guidance for rebaselining policies that would include a minimum set of key elements, taking into consideration the criteria used in this report, and each of the heads of the 24 major agencies should direct the development of comprehensive rebaselining policies that address the weaknesses we identified.

ACTIONS TAKEN:

VA guidance consists of the IT Program Management Guide and the Performance Measurement Baseline Management Guide (published as an appendix to the Earned Value Management System Application Guide). The Baseline Change Request Form is in the Capital Asset Management System. VA has previously issued rebaselining guidance for major IT investments. We are awaiting the referenced OMB guidance for rebaselining policies in order to update VA guidelines, as necessary.

BUDGET IMPLICATIONS:

None

13. VETERANS AFFAIRS: *Continued Action Needed to Reduce IT Equipment Losses and Correct Control Weaknesses* (GAO-08-918; GAO code 195131; file #4309) issued July 31, 2008.

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:

To improve accountability of IT equipment inventory and reduce the risk of disclosure or compromise of sensitive personal and medical information, the Secretary of Veterans Affairs should:

- require the CIO, with the support of medical centers and VA headquarters organizations we tested and other VA organizations, as appropriate, to review property inventory records and confirm that all IT equipment, regardless of the organizational equipment inventory listing, is identified in the property system
- require the CIO, with the support of medical centers and VA headquarters organizations we tested and other VA organizations, as appropriate, to establish and implement a policy requiring development of standardized naming classifications for IT equipment--including item name, manufacturer, and model--for recording IT equipment into local property inventory systems
- require the CIO, with the support of medical centers and VA headquarters organizations we tested and other VA organizations, as appropriate, to develop a list of medical equipment with data storage capability that should be considered as IT equipment for inventory control purpose
- require the CIO, with the support of medical centers and VA headquarters organizations we tested and other VA organizations, as appropriate, to develop a procedure for identifying hard drive serial numbers with both the property identification numbers and serial numbers of host computers
- require the CIO, with the support of medical centers and VA headquarters organizations we tested and other VA organizations, as appropriate, to revise the definition of IT storage locations in VA's Handbook 0730/1, *Security and Law Enforcement*, to include informal IT storage locations, such as OIT work rooms, and require these locations to be included in physical security inspections

ACTIONS TAKEN:

The Office of Acquisition and Logistics and the Executive Director of IT Field Operations and Development directed the implementation of VA Handbook 7002, *Logistics Management Procedures*, which holds the Facility Director

responsible for completeness of inventory records/process. This responsibility is delegated to the Accountable Officer at each facility.

The IT Asset Advisory Group (ITAAG) reviewed the receiving process and identified Central Buys as a high risk area. As a result, the IT Receiving Support System (IRSS) Portal and implementation policy are currently under development by the ITAAG. The IRSS Portal addresses the lack of information required to receive IT items properly. It provides a central repository for data on National IT procurements and will be used by selected IT, Logistics Support, and oversight personnel to document and track delivery/receipt of IT equipment assets procured at the National level. The accuracy of IT inventory records is being assessed through on-site inspections conducted as part of the IT Oversight and Compliance audit process; inspections by Regional IT Logistic Officers (RILOs) and a program of site-to-site audits will be instituted upon assignment of the RILOs.

With the procurement of additional scanners, IT has instituted a perpetual inventory process whereby all movement of IT equipment is tracked by scanning the items during relocation for maintenance, etc. The status of the perpetual inventory initiative is tracked on the IT Inventory Compliance (IIC) Portal which employs data extracted from the Automated Engineering Management System/Medical Equipment Reporting System (AEMS/MERS) by the Enterprise Data Warehouse (EDW) to track the number of IT items inventoried within the past 12 months. Facilities thus identified as deficient are contacted to ensure remedial actions are instituted.

1. In its response to GAO, VA stated:

VA concurs that standardized naming classifications are required to support tracking of IT equipment. However, VA does not concur that the standardized naming classifications should be established at the facility level. VA employs a cataloging process to categorize equipment using catalog stock numbers (CSN). The CSNs are assigned according to the schema established in VA Catalog No. 3, Section V, which provides a description for each CSN. This provides for a standardized naming classification system that applies across the Department.

In response to the need to assess the degree to which data is entered into the mandatory data fields (Manufacturer, Serial Number, Model Number, CSN, Acquisition Cost, Acquisition Date, and Location), the ITAAG established the IT Inventory Compliance (IIC) Portal which leverages data extracted from the Enterprise Data Warehouse (EDW) to indicate data completeness for AEMS/MERS inventory records. This portal is open to all VA account holders and presents data completeness status at the National, Regional, Network and

Facility levels; actual data records can be accessed to pinpoint issues requiring resolution. Sites not using AEMS/MERS report data manually through a centralized reporting site; this data is presented along with the AEMS/MERS extracts to present a comprehensive view of inventory record completeness.

The IIC Portal also provides insight into the percent of IT equipment inventoried within the past 12 months (again, at the National, Regional, Network and Facility levels). The IIC Portal is open to all VA users and is accessed from the IT Inventory Control Knowledge Center and directly via the following link:

<http://itinventory.v16.va.gov/index.cfm>.

A review of CSNs by the ITAAG generated a request to change the description associated with CSN 7021-440004 from 'mainframe' to 'server'. This request was submitted to the Office of Acquisition and Logistics (OA&L) during August 2008. Additional changes to CSNs were requested to segregate medical devices from IT equipment (see response to Recommendation #3 below).

2. In its response to GAO, VA stated:

VA does not concur with redefining medical equipment as IT equipment. Joint Commission accreditation requirements include maintenance of a separate and distinct medical equipment inventory to manage and document quality assurance activities. Medical devices are highly regulated by the Food and Drug Administration and a separate and accurate inventory is a necessity to address recall and other hazard notifications to minimize potential impact on patient safety.

New modifications to AEMS/MERS are being developed to address a number of issues. One of these is to provide check boxes to indicate whether items are medical or IT items. In addition, the EDW data will be used to identify target CSNs for laptops and PCs to determine how many of these items are posted to other than 78 series Equipment Inventory Lists (EILs) and to verify that this assignment is appropriate (note: all IT equipment is to be listed on 78 series EILs in accordance with VA Handbook 7002).

To clearly distinguish between medical devices capable of storing data electronically and equipment under the cognizance of IT, requests for unique CSNs were submitted to OA&L by the ITAAG in August 2008 for the following:

- Computer, Digital (Medical Handheld),

- Computer, Digital (Medical Desktop), and
- Computer, Digital (Medical Server).

4. OI&T submitted the following recommended Change to VA Handbook 7002 :

Sanitization of Automatic Data Processing (ADP)/Information Technology (IT) nonexpendable property shall be in accordance with VA Directive and Handbook 6500.1. Turned in IT property/equipment must be sanitized in the least destructive manner and a certification of sanitization signed by a minimum of an IT technician and the Information Security Officer (ISO) prior to any type of disposal or donation action being taken. VA Form 0751, Information Technology Equipment Sanitization Certificate, will be used for the certification of sanitization. See Part 13 of this Handbook for more guidance regarding this subject.

- (1) *The IT Custodial Officer is responsible for ensuring that each hard drive is marked with the equipment/barcode number of the host system whenever the hard drive is removed from the host system. The equipment/barcode number shall be written on the hard drive with an indelible marker at the time the hard drive is removed from the host system.*
- (2) *Hard drives are not to be reused in other host systems. That is, when a hard drive is removed for maintenance, the equipment/barcode number of the host system shall be written on the hard drive and the hard drive submitted for sanitization in accordance with VA Handbook 6500.1.*
- (3) *Hard disks awaiting sanitization will be secured in a controlled environment. Refer to VA Handbooks 6500 and 6500.1 and VA Handbook 0730.*

3. VA Handbook 0730, Security and Law Enforcement, has been amended. VA Handbook 7002 requires the IT Custodial Officer to provide a list of all IT storage areas to the Facility IT Security Officer (FISO) and to update the list as necessary to ensure it is maintained current. Other provisions of VA Handbook 7002 include:

Access to IT equipment storage locations will be provided to facility security personnel to perform regular inspections. Security personnel will provide a Report of Physical Security Inspection of IT Equipment Store Rooms to the IT Custodial Officer at the facility within 10 days of completing a physical security inspection. The report will document corrective actions necessary to establish full compliance with applicable security regulations.

The IT Custodial Officer will coordinate with the FISO to develop a plan of action to address IT-related security requirements identified in the System Security Plan (SSP). (Note that this does not mean that all identified requirements will need to be met in a prescribed manner.

The IT Custodial Officer may identify alternative measures to address concerns raised by security. Security will have to approve such alternatives and validate that they adequately address the security concerns in question). The Plan of Corrective Action is to be completed and forwarded for approval within 10 days of the IT Custodial Officer's receipt of the SSP. The plan will be approved by the Facility Director.

In addition, VA Handbook 6500 addresses the requirements associated with the physical security of IT assets. The Office of IT Oversight and Compliance inspections include physical security as part of their IT asset audits and Regional IT Logistic Officers, when assigned, will be conducting periodic inspections of high risk facilities to assess compliance with all IT inventory control requirements, including physical security.

BUDGET IMPLICATIONS:

Resource limitations severely restrict VA's ability to respond to the VA asset control challenge effectively. With more than 1M IT assets, and using the ratio of 1 inventory specialist per 4500 items with a 10% factor added for geographic dispersion of assets, there is a need for approximately 244 frontline personnel to manage IT assets across VA. It is estimated that an additional 48 mid- and senior-level personnel are required to manage and provide oversight for the effort.

It is recommended that this resource requirement be addressed by contracting for the required support over the next five years, so that efficiencies realized through the implementation of the enterprise IT asset management system can be reflected in reduced manpower as the system is deployed.

14. VETERANS' DISABILITY BENEFITS: *Better Accountability and Access Would Improve the Benefits Delivery at Discharge Program* (GAO-08-901; GAO code 130790; file #4307) issued September 9, 2008.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

To improve accountability for performance in the BDD program and alternative pre-discharge program, the Secretary of Veterans Affairs should:

- direct the Under Secretary of Veterans Benefits to track and account for the time needed for claims development activities that occur prior to discharge in the agency's timeliness calculation for BDD and pre-discharge claims
- direct the Under Secretary of Veterans Benefits to consider the cost of options for separately estimating the accuracy of BDD and pre-discharge claims
- direct the Under Secretary of Veterans Benefits to collect data for all claims filed by component (for example, National Guard or Reserves) and analyze the extent to which different components are filing claims and receiving timely benefits under BDD, pre-discharge and traditional claims processes
- direct the Under Secretary of Veterans Benefits to conduct an evaluation of the paperless claims processing initiative to determine which adjustments, if any, are needed to improve its effectiveness
- direct the Under Secretary of Veterans Benefits to include program reviews of BDD operations as part of oversight visits to regional offices with BDD operations and take steps to further ensure such reviews are conducted and reported on more consistently

ACTIONS TAKEN:

Recommendation 1: In process— A cost benefit analysis is underway to consider options for separately reviewing the accuracy of BDD claims.

Recommendation 2: In process— A flash was created in VETSNET to capture claims filed by both National Guard and Reserve servicemembers and was made available for field use in December 2008. VBA will collect data using this flash for six months. At the conclusion of that six-month period, C&P Service will analyze the available data to determine the extent to which different components are filing claims and receiving timely benefits. We anticipate completion of this analysis in July 2009.

Recommendation 3: Completed – VA continues to move forward with all aspects of the Paperless Delivery of Veterans Benefits Initiative, which includes paperless processing of BDD claims. As of August 14, 2008, all new claims submitted by Veterans as part of the BDD process are scanned into the C&P image repository, Virtual VA, for use in claims adjudication. We continue to monitor claims processing timeliness and productivity to ensure there are no adverse impacts as a result of paperless processing. We also have regular and ongoing contact with the processing sites to address any issues that may arise and discuss suggestions for improving the process.

Recommendation 4: Completed – C&P Service has added additional oversight visits into the FY 2009 site visit schedule.

BUDGET IMPLICATIONS:

Recommendation 1: The total cost of separately reviewing BDD claims has been estimated at \$156,750. The benefits have not been weighed against the cost, as the analysis is not yet complete.

Recommendation 2: Cost is negligible and currently covered under standard operating expenses.

Recommendation 3: None

Recommendation 4: The total cost of additional site visits is approximately \$2,500.

15. FEDERAL REAL PROPERTY: Progress Made in Reducing Unneeded Property, but VA Needs Better Information to Make Further Reductions
(GAO-08-939; GAO code 543193; file #4310) issued September 10, 2008.

RESPONSIBLE OFFICE: Office of Asset Enterprise Management

RECOMMENDATIONS:

- To provide VA with an accurate picture of what it spends annually on maintaining underutilized and vacant property and a benchmark from which to work in decreasing these costs, the Secretary of Veterans Affairs should develop an annual cost estimate for how much it spends on underutilized and vacant property, so that the estimate is comprehensive, accurate, well-documented, and credible.
- To provide VA with a better understanding of the overall effect of various efforts on its underutilized and vacant property and to identify properties for disposal, the Secretary of Veterans affairs should collect and maintain building-level data by fiscal year in order to correlate characteristics associated with underutilized and vacant buildings, which may help to identify unneeded assets.
- To provide VA with a better understanding of the overall effect of various efforts on its underutilized and vacant property and to identify properties for disposal, the Secretary of Veterans affairs should track, monitor, and evaluate square footage reductions and financial and nonfinancial benefits when recording new agreements as of fiscal year 2008.

ACTIONS TAKEN:

Recommendation 1:

VA will report annual costs for maintaining underutilized and vacant property, beginning in Q3 FY2009. Once those costs are defined, a benchmark will be identified from which to work in decreasing those costs.

Recommendation 2:

VA will begin to maintain building level data by fiscal year in order to correlate characteristics associated with underutilized and vacant buildings. An Oracle Business Intelligence tool was implemented in FY2009, at the station level, for improved real property reporting and analysis. Efforts are now underway to extend that implementation to the building level in Q3 FY2009.

Recommendation 3:

VA will track, monitor, and evaluate square footage reductions and financial and nonfinancial benefits due to new agreements for FY2008 and beyond, beginning in Q2 FY2009.

BUDGET IMPLICATIONS:

None

16. VETERANS HEALTH ADMINISTRATION: *Improvements Needed in Design of Controls over Miscellaneous Obligations* (GAO-08-976; GAO code 195139; file #4311) issued September 11, 2008.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

In order for VA to reduce the risks associated with the use of miscellaneous obligations, the Secretary of Veterans Affairs, should, in conjunction with VA's Office of General Counsel,:

- develop and implement policies and procedures consistent with federal appropriations law and internal control standards that establish a process for the review of miscellaneous obligations by contracting officials, including requiring appropriate documentation that the review has occurred
- develop and implement policies and procedures consistent with federal appropriations law and internal control standards that segregate duties for (1) creating, approving, and recording miscellaneous obligations; (2) the certification and payment of invoices; and (3) the receipt of the resulting goods or services
- develop and implement policies and procedures consistent with federal appropriations law and internal control standards that document the purposes, vendors, and contract numbers of miscellaneous obligations
- develop and implement policies and procedures consistent with federal appropriations law and internal control standards that establish an oversight mechanism to ensure that these control policies and procedures are fully and effectively implemented

ACTIONS TAKEN:

VHA Procurement and Logistics Office worked with VA to revise and reissue VA Directive 4533, Use of Miscellaneous Obligation or Change in Obligation (VA Form 1358). All four of the aforementioned recommendations are addressed by VA Directive 4533, issued on August 19, 2008.

The actions taken to address each recommendation were as follows:

1. Develop and implement policies and procedures consistent with federal appropriations law and internal control standards that establish a process for the review of miscellaneous obligations by contracting officials, including requiring appropriate documentation that the review has occurred.

Paragraphs 2b(1) and (2) require miscellaneous obligations to be reviewed by a contracting official including the appropriate documentation.

- 2B. “When a using service determines it is necessary to obligate funds on a VA Form 1358, and the purpose is not listed on the exception list in appendix a, the following procedures must be followed prior to submitting the obligation to the local finance service:
 - (1) VA Form 1358 must be submitted to the Head Contracting Activity (HCA). This can be accomplished by sending an email message to the specified HCA and attaching a copy of the completed VA Form 1358.
 - (2) Upon receipt of the VA Form 1358, the HCA will review the request for appropriateness. The using service will be notified via email of the course of action to be taken on their request.”
 - Additionally, paragraph 2(E) section 3, VA Directive 4533 mandates an audit review that includes a review of the adequacy of documentation and the HCA review and approval of the obligation.
2. Develop and implement policies and procedures consistent with federal appropriations law and internal control standards that segregate duties for (1) creating, approving, and recording miscellaneous obligations; (2) the certification and payment of invoices; and (3) the receipt of the resulting goods or services.
- Summary of contents/major changes indicates that this directive addresses the appropriate segregation of duties.
 - Paragraph 3(E), section 2 establishes that as part of the audit review, the review team must ensure that there is a “segregation of duties for processing a VA Form 1358 – Ensure that one individual did not perform more than one of the following functions: (a) requesting the miscellaneous obligation; (b) approving the miscellaneous obligation; (c) recording the obligation of funds; and (d) certifying the delivery of goods and services and approving payment.”
3. Develop and implement policies and procedures consistent with federal appropriations law and internal control standards that document the purposes, vendors, and contract numbers of miscellaneous obligations.
- Paragraph 2(d) states that “all expenditures against a VA Form 1358 for procurements made by contracting officials, must be reported no later than quarterly to the to FPDS depending on the dollar value of the transaction(s) to be reported and consistent with when invoices are received, as specified in contract language. Logistics Service will

contact financial services monthly or at least quarterly regarding VA Form 1358s with contracts that have been established and that need to be reported to FPDS. The pertinent contracting official is responsible for ensuring that this information is requested from finance service and submitted to FPDS. Finance service will provide the expenditures for each VA Form 1358, to include the following: (1) VA Form 1358 obligation number; (2) contract number; (3) vendor; (4) specific purpose, period of performance, and appropriate reference; and (5) total expenditures for period requested.”

4. Develop and implement policies and procedures consistent with federal appropriations law and internal control standards that establish an oversight mechanism to ensure that these control policies and procedures are fully and effectively implemented.
 - Paragraph 3 establishes review procedures to ensure that the policies and procedures are fully implemented. Each facility is responsible for performing an independent quarterly review of VA Form 1358 to ensure compliance with VA Directive 4533.

BUDGET IMPLICATIONS:

At this time, the budget implications are not known as the VA Directive 4533 has only been implemented since August.

17. VETERANS AFFAIRS: *Additional Details Are Needed in Key Planning Documents to Guide the New Financial and Logistics Initiative* (GAO-08-1097; GAO code 310927; file #4314) issued September 22, 2008.

RESPONSIBLE OFFICE: Office of Management

RECOMMENDATIONS:

To help guide the FLITE effort and ensure successful completion of the initiative, the Secretary of Veterans Affairs should:

- direct the Assistant Secretary for Management and the Assistant Secretary for Information and Technology to ensure additional specificity and details are added to certain key planning documents, such as the concept of operations and work breakdown structure
- direct the Assistant Secretary for Management and the Assistant Secretary for Information and Technology to address all findings in the CoreFLS findings repository to minimize risk to the successful implementation of FLITE

ACTIONS TAKEN:

- The Department concurs with the recommendation that the FLITE Program is responsible for ensuring that certain key planning documents have the additional specificity and details needed for a successful implementation. The Department notes that the documents reviewed by GAO were appropriate for the planning phase of the program at the pre-acquisition stage. These “living” documents will be effectively managed by continually updating them with required specificity and details throughout the program’s lifecycle.

For example, the Integrated Financial Accounting System Concept of Operations (CONOPS) was recently updated to reflect “To Be” business requirements, project scope, and documentation of the Office of Management and Budget’s Financial Management Line of Business approach. In addition, the Strategic Asset Management (SAM) Work Breakdown Structures (WBS) are currently developed to level three and are inclusive of all planned program activities through the planning phase. As pilot implementation contracts are awarded, these specific documents, along with other program and project artifacts, will be updated with additional details and specificity appropriate to that program phase, including solution specific information. In the development phase, the WBS will contain lower level details (level seven or eight) and the IFAS and SAM CONOPS will reflect most current project

pilot and beta development testing and the direction for national implementation.

- The Department concurs that the FLITE program is responsible for addressing all lessons learned findings in the CoreFLS findings repository. The Department clearly understands the importance of learning from the previous effort and for this reason the FLITE Program aggregated all lessons learned findings into a repository in September 2007. At the time of the GAO review, 141 total lessons learned findings were identified in the repository of which 123 findings were addressed and 38 findings were considered outside the purview of the FLITE Program Office. Since the GAO review, a more thorough analysis was completed and 131 total findings were identified as findings related directly to the FLITE Program. Subsequently, the Program Office consolidated the 131 lessons learned down to 103 to remove duplicity. Corrective actions on all 103 findings have been initiated. Follow-on monitoring of actions implemented will be monitored to preclude recurrence. In addition, a separate repository of current FLITE lessons learned is being developed and as lessons learned are identified, corrective actions will be initiated.

BUDGET IMPLICATIONS:

No budget Implications, at this time.

18. VA HEALTH CARE: *Improved Staffing Methods and Greater Availability of Alternate and Flexible Work Schedules Could Enhance the Recruitment and Retention of Inpatient Nurses* (GAO-09-17; GAO code 290587; file #4319) issued October 24, 2008.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:

GAO recommends that VA develop an action plan to implement a new nurse staffing system that ensures an accurate account of patient care needs and tasks performed by RNs and that VA assess the barriers to wider availability of alternate and flexible work schedules and explore ways to overcome these barriers. VA concurred with GAO's findings and recommendations and plans to address GAO's three recommendations.

ACTIONS TAKEN:

The Offices of Nursing Services (ONS), Workforce Management and Consulting Office, and the Human Resource Management (OHRM) Work Life Benefits have developed a pilot project to resolve timekeeping barriers to implementation of the 36/40 Alternative Work Schedule (AWS). Final discussions are underway to launch the pilot which began in January 2009. ONS will convene a workgroup to discover additional barriers (i.e. budgeting, technical, availability of human capital) with action plans to address each issue.

ONS is also engaged in a pilot of the new national standardized nurse staffing methodology that will identify nurse staffing needs utilizing a variety of staffing schedules to include AWS. The staffing methodology pilot ended January 31, 2009. Analysis, revisions and national implementation of the staffing methodology are scheduled for late spring 2009. The staffing methodology pilot data will assist the AWS workgroup through identification of increased staffing needs related to AWS.

ONS will shift initial timelines as follows to accommodate the 36/40 pilot: draft of the charter - January 30, 2009, identification of and plan to address barriers - April 17, 2009 and completion of the development of recommendations - September 25, 2009.

BUDGET IMPLICATIONS:

None

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High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In January 2007, GAO issued an update to its High-Risk Series (GAO-07-310). The GAO-identified High-Risk Areas (specific to VA as well as governmentwide) and other selected reports pertaining to VA are summarized in the table below.

The Department's responses were published in its FY 2008 Performance and Accountability Report (PAR) published in November 2008. In the PAR, for each High-Risk area, VA provides the following:

- *Estimated resolution timeframe (fiscal year)* for VA to eliminate the high-risk area (HRA) for the Department
- *Responsible Agency Official* for each HRA
- *Completed 2008 milestones* in response to the HRA
- *Performance results/impacts* of completed milestones
- *Planned 2009 milestones* along with *estimated completion quarter*
- *Anticipated impacts* of the planned milestones

The PAR is available on line at:

<http://www.va.gov/budget/report/2007/index.htm>.

The GAO High-Risk section of the PAR can be accessed directly via this link:

http://www.va.gov/budget/report/2008/PartII/GAO_High-Risk_Areas.pdf

The table below lists each high-risk area and its estimated resolution timeframe by strategic goal.

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans			
GAO 1	Modernizing Federal Disability Programs	2009	307
Enabling Goal: Applying Sound Business Principles			
GAO 2	Strategic Human Capital Management: A Governmentwide High-Risk Area	2014	311
GAO 3	Managing Federal Real Property: A Governmentwide High-Risk Area	2009	314
GAO 4	Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures: A Governmentwide High-Risk Area	2011	317
GAO 5	Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area	Ongoing	319
GAO 6	Management of Interagency Contracting: A Governmentwide High-Risk Area	2009	320
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Major Management Challenges Identified by the OIG

The Department's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. The OIG submitted the following update of the most serious management challenges facing VA.

We reviewed OIG's report and provided responses, which are integrated within the OIG's report in the Department's FY 2008 Performance and Accountability Report (PAR). In the PAR, our responses include the following for each challenge:

- *Estimated resolution timeframe (fiscal year)* to resolve the challenge
- *Responsible Agency Official* for each challenge area
- *Completed 2008 milestones* in response to the challenges identified by the OIG
- *Performance results/impacts* of completed milestones
- *Planned 2009 milestones* along with *estimated completion quarter*
- *Anticipated impacts* of the planned milestones

The PAR is available on line at:

<http://www.va.gov/budget/report/2008/index.htm>

The major management challenges section of the PAR can be accessed directly via this link:

http://www.va.gov/budget/report/2008/PartI/Most_Important_Achievements_Current_Challenges.pdf

The table below shows the strategic goal to which each challenge is most closely related, as well as its estimated resolution timeframe.

Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
Strategic Goal 3: Honoring, Serving, and Memorializing Veterans			
OIG 1	Health Care Delivery		256
1A	Quality of Care	2009 and beyond	256
1B	New and Significantly-Increased Health Problems Associated with OEF/OIF	2009 and beyond	266
1C	Research	2009 and beyond	272
Strategic Goal 1: Restoration and Improved Quality of Life for Disabled Veterans			
OIG 2	Benefits Processing		274
2A	Workload	2009	274
2B	Quality	2009	276
2C	Staffing	2009	278
Enabling Goal: Applying Sound Business Principles			
OIG 3	Financial Management		279
3A	Financial Management System Functionality	2014	279
3B	Financial Management Oversight	2011	281
3C	Benefits Delivery Network System Records	Completed	287
OIG 4	Procurement Practices		288
4A	Open Market Procurements and Inventory Controls	2009 and beyond	289
4B	Contract Modifications to Use Expired Years Funds	2009 and beyond	291
4C	Contract Award and Administration	2009	293
4D	Electronic Contract Management System	2009	297
OIG 5	Information Management		299
5A	IT Security Controls	2013	300
5B	Information Security Program	2013	301
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Expenditures by States

<i>Amounts Included in FY 2010 President's Budget</i>			
(dollars in thousands)			
	2008	2009	2010
	Actuals	Estimates	Estimates
Alabama			
Compensation and pensions	\$ 994,234	\$ 1,120,896	\$ 1,184,491
Readjustment benefits	\$ 55,569	\$ 80,228	\$ 149,434
General operating expenses	\$ 27,459	\$ 33,594	\$ 40,300
Medical and construction programs	\$ 635,128	\$ 706,285	\$ 786,834
Insurance and indemnities	\$ 17,689	\$ 18,752	\$ 18,658
Total	\$1,730,080	\$1,959,754	\$2,179,718
Alaska			
Compensation and pensions	\$134,703	\$151,864	\$160,480
Readjustment benefits	\$ 10,056	\$ 14,518	\$ 27,042
General operating expenses	\$ 4,645	\$ 5,683	\$ 6,817
Medical and construction programs	\$ 129,364	\$ 143,858	\$ 160,264
Insurance and indemnities	\$ 1,896	\$ 2,010	\$ 2,000
Total	\$280,665	\$317,933	\$356,603
Arizona			
Compensation and pensions	\$895,355	\$1,009,420	\$1,066,691
Readjustment benefits	\$ 81,310	\$ 117,390	\$ 218,653
General operating expenses	\$ 59,248	\$ 72,484	\$ 86,954
Medical and construction programs	\$ 817,655	\$ 909,261	\$ 1,012,959
Insurance and indemnities	\$ 27,547	\$ 29,202	\$ 29,055
Total	\$1,881,114	\$2,137,757	\$2,414,312
Arkansas			
Compensation and pensions	\$634,741	\$715,605	\$756,205
Readjustment benefits	\$ 30,858	\$ 44,551	\$ 82,981
General operating expenses	\$ 35,551	\$ 43,493	\$ 52,176
Medical and construction programs	\$ 642,441	\$ 714,417	\$ 795,893
Insurance and indemnities	\$ 9,718	\$ 10,302	\$ 10,250
Total	\$1,353,308	\$1,528,367	\$1,697,506
California			
Compensation and pensions	\$3,170,871	\$3,574,829	\$3,777,652
Readjustment benefits	\$ 292,394	\$ 422,140	\$ 786,290
General operating expenses	\$ 163,066	\$ 199,494	\$ 239,319
Medical and construction programs	\$ 3,526,673	\$ 3,921,786	\$ 4,369,049
Insurance and indemnities	\$ 127,676	\$ 135,349	\$ 134,670
Total	\$7,280,680	\$8,253,598	\$9,306,980

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008		2009		2010
	Actuals		Estimates		Estimates
Colorado					
Compensation and pensions	\$715,264		\$806,387		\$852,138
Readjustment benefits	\$ 69,844	\$	\$ 100,836	\$	\$ 187,821
General operating expenses	\$ 51,713	\$	\$ 63,266	\$	\$ 75,896
Medical and construction programs	\$ 1,355,133	\$	\$ 1,506,956	\$	\$ 1,678,818
Insurance and indemnities	\$ 22,242	\$	\$ 23,579	\$	\$ 23,460
Total	\$2,214,197		\$2,501,024		\$2,818,133
Connecticut					
Compensation and pensions	\$236,923		\$267,106		\$282,260
Readjustment benefits	\$ 39,308	\$	\$ 56,750	\$	\$ 105,704
General operating expenses	\$ 13,061	\$	\$ 15,979	\$	\$ 19,169
Medical and construction programs	\$ 391,680	\$	\$ 435,562	\$	\$ 485,236
Insurance and indemnities	\$ 19,663	\$	\$ 20,845	\$	\$ 20,740
Total	\$700,635		\$796,242		\$913,110
Delaware					
Compensation and pensions	\$102,101		\$115,109		\$121,639
Readjustment benefits	\$ 7,358	\$	\$ 10,623	\$	\$ 19,787
General operating expenses	\$ 4,429	\$	\$ 5,418	\$	\$ 6,500
Medical and construction programs	\$ 141,526	\$	\$ 157,381	\$	\$ 175,330
Insurance and indemnities	\$ 3,554	\$	\$ 3,768	\$	\$ 3,749
Total	\$258,968		\$292,300		\$327,006
District of Columbia					
Compensation and pensions	\$103,698		\$116,909		\$123,542
Readjustment benefits	\$ 11,770	\$	\$ 16,992	\$	\$ 31,650
General operating expenses	\$ 1,175,156	\$	\$ 1,437,685	\$	\$ 1,724,688
Medical and construction programs	\$ 964,462	\$	\$ 1,072,516	\$	\$ 1,194,832
Insurance and indemnities	\$ 2,170	\$	\$ 2,300	\$	\$ 2,288
Total	\$2,257,256		\$2,646,402		\$3,077,001
Florida					
Compensation and pensions	\$ 3,080,045	\$	\$ 3,472,431	\$	\$ 3,669,444
Readjustment benefits	\$ 217,874	\$	\$ 314,553	\$	\$ 585,894
General operating expenses	\$ 123,616	\$	\$ 151,231	\$	\$ 181,421
Medical and construction programs	\$ 2,917,698	\$	\$ 3,244,583	\$	\$ 3,614,615
Insurance and indemnities	\$ 101,256	\$	\$ 107,342	\$	\$ 106,803
Total	\$6,440,488		\$7,290,140		\$8,158,178
Georgia					
Compensation and pensions	\$ 1,394,504	\$	\$ 1,572,159	\$	\$ 1,661,357
Readjustment benefits	\$ 150,135	\$	\$ 216,755	\$	\$ 403,734
General operating expenses	\$ 88,175	\$	\$ 107,874	\$	\$ 129,408
Medical and construction programs	\$ 941,531	\$	\$ 1,047,015	\$	\$ 1,166,423
Insurance and indemnities	\$ 31,192	\$	\$ 33,067	\$	\$ 32,901
Total	\$2,605,537		\$2,976,870		\$3,393,824

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008		2009		2010
	Actuals		Estimates		Estimates
Hawaii					
Compensation and pensions	\$ 198,251	\$	\$ 223,508	\$	\$ 236,189
Readjustment benefits	\$ 18,133	\$	\$ 26,179	\$	\$ 48,762
General operating expenses	\$ 11,758	\$	\$ 14,384	\$	\$ 17,256
Medical and construction programs	\$ 146,612	\$	\$ 163,038	\$	\$ 181,632
Insurance and indemnities	\$ 9,492	\$	\$ 10,063	\$	\$ 10,012
Total	\$384,247		\$437,172		\$493,851
Idaho					
Compensation and pensions	\$ 222,881	\$	\$ 251,275	\$	\$ 265,532
Readjustment benefits	\$ 16,466	\$	\$ 23,773	\$	\$ 44,280
General operating expenses	\$ 6,305	\$	\$ 7,714	\$	\$ 9,254
Medical and construction programs	\$ 131,899	\$	\$ 146,676	\$	\$ 163,404
Insurance and indemnities	\$ 5,471	\$	\$ 5,800	\$	\$ 5,770
Total	\$383,022		\$435,238		\$488,240
Illinois					
Compensation and pensions	\$ 854,657	\$	\$ 963,537	\$	\$ 1,018,205
Readjustment benefits	\$ 94,711	\$	\$ 136,738	\$	\$ 254,691
General operating expenses	\$ 81,144	\$	\$ 99,271	\$	\$ 119,088
Medical and construction programs	\$ 1,435,882	\$	\$ 1,596,752	\$	\$ 1,778,855
Insurance and indemnities	\$ 51,887	\$	\$ 55,006	\$	\$ 54,730
Total	\$2,518,281		\$2,851,303		\$3,225,568
Indiana					
Compensation and pensions	\$ 604,475	\$	\$ 681,482	\$	\$ 720,147
Readjustment benefits	\$ 45,178	\$	\$ 65,224	\$	\$ 121,489
General operating expenses	\$ 26,868	\$	\$ 32,870	\$	\$ 39,432
Medical and construction programs	\$ 549,776	\$	\$ 611,370	\$	\$ 681,095
Insurance and indemnities	\$ 18,715	\$	\$ 19,839	\$	\$ 19,740
Total	\$1,245,010		\$1,410,786		\$1,581,902
Iowa					
Compensation and pensions	\$ 323,723	\$	\$ 364,964	\$	\$ 385,671
Readjustment benefits	\$ 24,352	\$	\$ 35,158	\$	\$ 65,487
General operating expenses	\$ 7,680	\$	\$ 9,395	\$	\$ 11,271
Medical and construction programs	\$ 407,298	\$	\$ 452,930	\$	\$ 504,585
Insurance and indemnities	\$ 14,273	\$	\$ 15,131	\$	\$ 15,055
Total	\$777,326		\$877,578		\$982,068
Kansas					
Compensation and pensions	\$ 329,644	\$	\$ 371,639	\$	\$ 392,725
Readjustment benefits	\$ 27,588	\$	\$ 39,830	\$	\$ 74,188
General operating expenses	\$ 20,160	\$	\$ 24,664	\$	\$ 29,587
Medical and construction programs	\$ 341,176	\$	\$ 379,399	\$	\$ 422,668
Insurance and indemnities	\$ 13,456	\$	\$ 14,264	\$	\$ 14,193
Total	\$732,023		\$829,797		\$933,361

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008 Actuals	2009 Estimates	2010 Estimates
Kentucky			
Compensation and pensions	\$ 713,950	\$ 804,905	\$ 850,572
Readjustment benefits	\$ 42,203	\$ 60,931	\$ 113,491
General operating expenses	\$ 23,332	\$ 28,544	\$ 34,242
Medical and construction programs	\$ 489,459	\$ 544,295	\$ 606,370
Insurance and indemnities	\$ 11,718	\$ 12,422	\$ 12,360
Total	\$1,280,661	\$1,451,097	\$1,617,035
Louisiana			
Compensation and pensions	\$ 643,619	\$ 725,614	\$ 766,782
Readjustment benefits	\$ 36,627	\$ 52,880	\$ 98,496
General operating expenses	\$ 24,037	\$ 29,407	\$ 35,278
Medical and construction programs	\$ 590,651	\$ 656,825	\$ 731,733
Insurance and indemnities	\$ 13,778	\$ 14,606	\$ 14,533
Total	\$1,308,713	\$1,479,332	\$1,646,822
Maine			
Compensation and pensions	\$ 343,843	\$ 387,647	\$ 409,641
Readjustment benefits	\$ 21,937	\$ 31,671	\$ 58,992
General operating expenses	\$ 11,909	\$ 14,569	\$ 17,478
Medical and construction programs	\$ 217,008	\$ 241,321	\$ 268,842
Insurance and indemnities	\$ 6,860	\$ 7,273	\$ 7,236
Total	\$601,557	\$682,481	\$762,189
Maryland			
Compensation and pensions	\$ 614,247	\$ 692,500	\$ 731,790
Readjustment benefits	\$ 58,281	\$ 84,143	\$ 156,727
General operating expenses	\$ 27,208	\$ 33,287	\$ 39,932
Medical and construction programs	\$ 469,002	\$ 521,547	\$ 581,028
Insurance and indemnities	\$ 27,877	\$ 29,553	\$ 29,404
Total	\$1,196,617	\$1,361,030	\$1,538,881
Massachusetts			
Compensation and pensions	\$ 659,819	\$ 743,877	\$ 786,082
Readjustment benefits	\$ 44,081	\$ 63,641	\$ 118,539
General operating expenses	\$ 28,167	\$ 34,459	\$ 41,338
Medical and construction programs	\$ 853,987	\$ 949,664	\$ 1,057,970
Insurance and indemnities	\$ 33,576	\$ 35,594	\$ 35,415
Total	\$1,619,629	\$1,827,235	\$2,039,344
Michigan			
Compensation and pensions	\$ 921,674	\$ 1,039,092	\$ 1,098,046
Readjustment benefits	\$ 68,245	\$ 98,527	\$ 183,519
General operating expenses	\$ 41,881	\$ 51,237	\$ 61,466
Medical and construction programs	\$ 923,349	\$ 1,026,797	\$ 1,143,899
Insurance and indemnities	\$ 34,609	\$ 36,689	\$ 36,505
Total	\$1,989,757	\$2,252,342	\$2,523,434

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008		2009		2010
	Actuals		Estimates		Estimates
Minnesota					
Compensation and pensions	\$ 654,605	\$	737,999	\$	779,871
Readjustment benefits	\$ 44,155	\$	63,748	\$	118,739
General operating expenses	\$ 58,103	\$	71,084	\$	85,274
Medical and construction programs	\$ 755,049	\$	839,641	\$	935,399
Insurance and indemnities	\$ 24,776	\$	26,265	\$	26,133
Total	\$1,536,688		\$1,738,737		\$1,945,415
Mississippi					
Compensation and pensions	\$ 431,425	\$	486,387	\$	513,982
Readjustment benefits	\$ 22,196	\$	32,045	\$	59,688
General operating expenses	\$ 28,754	\$	35,178	\$	42,200
Medical and construction programs	\$ 624,066	\$	693,984	\$	773,130
Insurance and indemnities	\$ 9,090	\$	9,636	\$	9,588
Total	\$1,115,531		\$1,257,229		\$1,398,588
Missouri					
Compensation and pensions	\$ 812,877	\$	916,434	\$	968,429
Readjustment benefits	\$ 58,621	\$	84,634	\$	157,642
General operating expenses	\$ 84,056	\$	102,833	\$	123,362
Medical and construction programs	\$ 950,119	\$	1,056,566	\$	1,177,063
Insurance and indemnities	\$ 23,266	\$	24,664	\$	24,540
Total	\$1,928,938		\$2,185,132		\$2,451,036
Montana					
Compensation and pensions	\$ 205,700	\$	231,906	\$	245,063
Readjustment benefits	\$ 12,739	\$	18,391	\$	34,256
General operating expenses	\$ 6,757	\$	8,266	\$	9,916
Medical and construction programs	\$ 143,875	\$	159,995	\$	178,241
Insurance and indemnities	\$ 4,986	\$	5,285	\$	5,259
Total	\$374,057		\$423,843		\$472,736
Nebraska					
Compensation and pensions	\$ 307,850	\$	347,069	\$	366,761
Readjustment benefits	\$ 21,309	\$	30,765	\$	57,303
General operating expenses	\$ 18,333	\$	22,429	\$	26,906
Medical and construction programs	\$ 304,209	\$	338,291	\$	376,872
Insurance and indemnities	\$ 8,530	\$	9,042	\$	8,997
Total	\$660,231		\$747,596		\$836,839
Nevada					
Compensation and pensions	\$ 364,486	\$	410,920	\$	434,234
Readjustment benefits	\$ 28,017	\$	40,449	\$	75,341
General operating expenses	\$ 13,626	\$	16,670	\$	19,998
Medical and construction programs	\$ 487,679	\$	542,316	\$	604,165
Insurance and indemnities	\$ 8,457	\$	8,965	\$	8,920
Total	\$902,265		\$1,019,321		\$1,142,659

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008		2009		2010
	Actuals		Estimates		Estimates
New Hampshire					
Compensation and pensions	\$ 178,336	\$	201,055	\$	212,462
Readjustment benefits	\$ 16,961	\$	24,487	\$	45,611
General operating expenses	\$ 8,046	\$	9,844	\$	11,809
Medical and construction programs	\$ 112,861	\$	125,505	\$	139,819
Insurance and indemnities	\$ 6,722	\$	7,126	\$	7,091
Total	\$322,926		\$368,018		\$416,791
New Jersey					
Compensation and pensions	\$ 613,371	\$	691,512	\$	730,746
Readjustment benefits	\$ 59,885	\$	86,458	\$	161,038
General operating expenses	\$ 15,450	\$	18,902	\$	22,675
Medical and construction programs	\$ 438,309	\$	487,415	\$	543,003
Insurance and indemnities	\$ 41,639	\$	44,141	\$	43,920
Total	\$1,168,653		\$1,328,428		\$1,501,382
New Mexico					
Compensation and pensions	\$ 439,169	\$	495,117	\$	523,208
Readjustment benefits	\$ 27,280	\$	39,385	\$	73,360
General operating expenses	\$ 13,933	\$	17,046	\$	20,449
Medical and construction programs	\$ 334,575	\$	372,059	\$	414,491
Insurance and indemnities	\$ 8,680	\$	9,202	\$	9,156
Total	\$823,637		\$932,810		\$1,040,664
New York					
Compensation and pensions	\$ 1,382,834	\$	1,559,002	\$	1,647,454
Readjustment benefits	\$ 146,563	\$	211,599	\$	394,130
General operating expenses	\$ 107,024	\$	130,932	\$	157,070
Medical and construction programs	\$ 2,179,446	\$	2,423,621	\$	2,700,025
Insurance and indemnities	\$ 75,671	\$	80,219	\$	79,816
Total	\$3,891,538		\$4,405,373		\$4,978,496
North Carolina					
Compensation and pensions	\$ 1,615,389	\$	1,821,183	\$	1,924,511
Readjustment benefits	\$ 117,916	\$	170,239	\$	317,092
General operating expenses	\$ 63,573	\$	77,775	\$	93,302
Medical and construction programs	\$ 1,114,953	\$	1,239,867	\$	1,381,269
Insurance and indemnities	\$ 32,417	\$	34,365	\$	34,192
Total	\$2,944,247		\$3,343,430		\$3,750,365
North Dakota					
Compensation and pensions	\$ 100,293	\$	113,070	\$	119,485
Readjustment benefits	\$ 8,391	\$	12,115	\$	22,566
General operating expenses	\$ 5,846	\$	7,152	\$	8,580
Medical and construction programs	\$ 139,647	\$	155,293	\$	173,003
Insurance and indemnities	\$ 2,808	\$	2,977	\$	2,962
Total	\$256,986		\$290,606		\$326,596

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008		2009		2010
	Actuals		Estimates		Estimates
Ohio					
Compensation and pensions	\$ 1,177,846	\$	1,327,900	\$	1,403,240
Readjustment benefits	\$ 86,067	\$	124,258	\$	231,447
General operating expenses	\$ 766,504	\$	937,741	\$	1,124,941
Medical and construction programs	\$ 1,510,546	\$	1,679,781	\$	1,871,353
Insurance and indemnities	\$ 46,175	\$	48,950	\$	48,704
Total	\$3,587,139		\$4,118,630		\$4,679,685
Oklahoma					
Compensation and pensions	\$ 997,436	\$	1,124,505	\$	1,188,306
Readjustment benefits	\$ 52,846	\$	76,296	\$	142,111
General operating expenses	\$ 60,132	\$	73,565	\$	88,251
Medical and construction programs	\$ 475,126	\$	528,356	\$	588,613
Insurance and indemnities	\$ 14,878	\$	15,773	\$	15,693
Total	\$1,600,418		\$1,818,496		\$2,022,975
Oregon					
Compensation and pensions	\$ 693,190	\$	781,500	\$	825,840
Readjustment benefits	\$ 44,486	\$	64,226	\$	119,630
General operating expenses	\$ 33,916	\$	41,493	\$	49,776
Medical and construction programs	\$ 657,185	\$	730,813	\$	814,159
Insurance and indemnities	\$ 16,929	\$	17,946	\$	17,856
Total	\$1,445,706		\$1,635,978		\$1,827,260
Pennsylvania					
Compensation and pensions	\$ 1,294,102	\$	1,458,966	\$	1,541,742
Readjustment benefits	\$ 89,788	\$	129,630	\$	241,452
General operating expenses	\$ 127,600	\$	156,106	\$	187,269
Medical and construction programs	\$ 1,691,332	\$	1,880,821	\$	2,095,321
Insurance and indemnities	\$ 62,358	\$	66,106	\$	65,774
Total	\$3,265,180		\$3,691,629		\$4,131,559
Puerto Rico					
Compensation and pensions	\$ 493,339	\$	556,188	\$	587,744
Readjustment benefits	\$ 17,972	\$	25,946	\$	48,328
General operating expenses	\$ 21,554	\$	26,369	\$	31,633
Medical and construction programs	\$ 460,084	\$	511,630	\$	569,979
Insurance and indemnities	\$ 1,856	\$	1,967	\$	1,957
Total	\$994,804		\$1,122,101		\$1,239,643
Rhode Island					
Compensation and pensions	\$ 134,190	\$	151,285	\$	159,868
Readjustment benefits	\$ 7,437	\$	10,738	\$	20,000
General operating expenses	\$ 8,552	\$	10,462	\$	12,551
Medical and construction programs	\$ 173,473	\$	192,908	\$	214,908
Insurance and indemnities	\$ 5,137	\$	5,445	\$	5,418
Total	\$328,788		\$370,838		\$412,746

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008		2009		2010
	Actuals		Estimates		Estimates
South Carolina					
Compensation and pensions	\$ 885,726	\$	998,564	\$	1,055,219
Readjustment benefits	\$ 58,885	\$	85,014	\$	158,350
General operating expenses	\$ 29,884	\$	36,560	\$	43,858
Medical and construction programs	\$ 544,333	\$	605,318	\$	674,352
Insurance and indemnities	\$ 16,990	\$	18,011	\$	17,921
Total	\$1,535,818		\$1,743,468		\$1,949,700
South Dakota					
Compensation and pensions	\$ 151,434	\$	170,726	\$	180,412
Readjustment benefits	\$ 11,097	\$	16,021	\$	29,841
General operating expenses	\$ 8,828	\$	10,800	\$	12,956
Medical and construction programs	\$ 281,507	\$	313,046	\$	348,748
Insurance and indemnities	\$ 3,684	\$	3,905	\$	3,886
Total	\$456,549		\$514,498		\$575,842
Tennessee					
Compensation and pensions	\$ 904,032	\$	1,019,203	\$	1,077,029
Readjustment benefits	\$ 59,690	\$	86,177	\$	160,515
General operating expenses	\$ 49,276	\$	60,284	\$	72,318
Medical and construction programs	\$ 1,110,758	\$	1,235,202	\$	1,376,072
Insurance and indemnities	\$ 19,670	\$	20,852	\$	20,748
Total	\$2,143,426		\$2,421,718		\$2,706,681
Texas					
Compensation and pensions	\$ 3,642,388	\$	4,106,415	\$	4,339,398
Readjustment benefits	\$ 396,557	\$	572,525	\$	1,066,400
General operating expenses	\$ 170,177	\$	208,195	\$	249,757
Medical and construction programs	\$ 2,607,396	\$	2,899,517	\$	3,230,196
Insurance and indemnities	\$ 71,198	\$	75,477	\$	75,098
Total	\$6,887,717		\$7,862,130		\$8,960,849
Utah					
Compensation and pensions	\$ 208,228	\$	234,756	\$	248,075
Readjustment benefits	\$ 20,475	\$	29,561	\$	55,060
General operating expenses	\$ 23,347	\$	28,563	\$	34,265
Medical and construction programs	\$ 294,361	\$	327,340	\$	364,671
Insurance and indemnities	\$ 7,029	\$	7,452	\$	7,414
Total	\$553,441		\$627,671		\$709,486
Vermont					
Compensation and pensions	\$ 81,661	\$	92,064	\$	97,287
Readjustment benefits	\$ 14,950	\$	21,584	\$	40,204
General operating expenses	\$ 4,096	\$	5,011	\$	6,012
Medical and construction programs	\$ 138,068	\$	153,536	\$	171,046
Insurance and indemnities	\$ 3,172	\$	3,362	\$	3,345
Total	\$241,946		\$275,558		\$317,894

Amounts Included in FY 2010 President's Budget

(dollars in thousands)

	2008		2009		2010
	Actuals		Estimates		Estimates
Virginia					
Compensation and pensions	\$ 1,361,906	\$	1,535,407	\$	1,622,521
Readjustment benefits	\$ 131,201	\$	189,420	\$	352,820
General operating expenses	\$ 70,412	\$	86,142	\$	103,339
Medical and construction programs	\$ 751,798	\$	836,027	\$	931,372
Insurance and indemnities	\$ 38,052	\$	40,339	\$	40,137
Total	\$2,353,370		\$2,687,336		\$3,050,188
Washington					
Compensation and pensions	\$ 1,136,588	\$	1,281,385	\$	1,354,086
Readjustment benefits	\$ 90,105	\$	130,089	\$	242,307
General operating expenses	\$ 38,734	\$	47,387	\$	56,847
Medical and construction programs	\$ 747,336	\$	831,064	\$	925,844
Insurance and indemnities	\$ 31,280	\$	33,160	\$	32,993
Total	\$2,044,043		\$2,323,085		\$2,612,077
West Virginia					
Compensation and pensions	\$ 428,629	\$	483,235	\$	510,652
Readjustment benefits	\$ 48,576	\$	70,131	\$	130,629
General operating expenses	\$ 110,129	\$	134,732	\$	161,628
Medical and construction programs	\$ 600,318	\$	667,575	\$	743,709
Insurance and indemnities	\$ 6,262	\$	6,638	\$	6,605
Total	\$1,193,914		\$1,362,311		\$1,553,223
Wisconsin					
Compensation and pensions	\$ 644,366	\$	726,456	\$	767,672
Readjustment benefits	\$ 44,836	\$	64,732	\$	120,571
General operating expenses	\$ 40,291	\$	49,292	\$	59,132
Medical and construction programs	\$ 709,124	\$	788,571	\$	878,504
Insurance and indemnities	\$ 24,641	\$	26,122	\$	25,991
Total	\$1,463,257		\$1,655,172		\$1,851,869
Wyoming					
Compensation and pensions	\$ 84,193	\$	94,918	\$	100,304
Readjustment benefits	\$ 5,296	\$	7,646	\$	14,241
General operating expenses	\$ 2,775	\$	3,395	\$	4,073
Medical and construction programs	\$ 152,918	\$	170,050	\$	189,444
Insurance and indemnities	\$ 2,048	\$	2,171	\$	2,160
Total	\$247,229		\$278,181		\$310,222
Guam					
Compensation and pensions	\$ 21,088	\$	23,774	\$	25,123
Readjustment benefits	\$ 978	\$	1,412	\$	2,629
General operating expenses	\$ 0	\$	0	\$	0
Medical and construction programs	\$ 1,786	\$	1,986	\$	2,212
Insurance and indemnities	\$ 247	\$	262	\$	260
Total	\$24,098		\$27,433		\$30,224

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Appropriation Structure

Appropriations and funds are listed below with a brief description of the scope of the account:

Medical Programs

Appropriations

MEDICAL CARE PROGRAMS: Provides for a comprehensive, integrated health care delivery system that addresses the needs of the Nation's veterans by financing the operation, maintenance, and administration from the following accounts that are required to address the health care needs of eligible veterans.

MEDICAL SERVICES: Provides for a comprehensive, integrated health care delivery system that addresses the needs of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the Civilian Health and Medical Programs for the Department of Veterans Affairs (CHAMPVA). This is an annual, multi-year, and no-year account.

MEDICAL SUPPORT AND COMPLIANCE: Provides for the management, security, and administration of the VA health care system through the operation of VA medical centers, other facilities, Veterans Integrated Service Networks offices and facility director offices, chief of staff operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, and human resource management. This is an annual, multi-year, and no-year account.

MEDICAL FACILITIES: Provides for the operations and maintenance of the VA health care system's vast capital infrastructure required to provide health care to the Nation's veterans. These costs include utilities, engineering, capital planning, leases, laundry services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition. This is an annual, multi-year, and no-year account.

DOD VA HEALTH CARE SHARING INCENTIVE FUND: Provides a minimum of \$15,000,000 for a joint incentive program to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives at the facility, intra-regional, and nationwide levels. Section 8111(d) of title 38, United States Code requires each Secretary to contribute a minimum of \$15,000,000 from the funds appropriated to the Secretary's Department fund and to establish the fund effective October 1, 2003. P.L. 109-364, John Warner National Defense Authorization Act for Fiscal Year 2007, section 743, amended section 8111(d)(4) of title 38, United States Code, to extend the program 3 years to September 30, 2010. This is a no-year account.

MEDICAL AND PROSTHETIC RESEARCH: Supports research that facilitates and improves the primary function of VHA, which is to provide high-quality and cost-effective medical care to eligible veterans and contribute to the Nation's knowledge about disease and disability. This is a multi-year appropriation and no-year appropriation.

Special Funds

MEDICAL CARE COLLECTIONS FUND: Provides medical collections that are used for specified purposes to support the health care for eligible veterans. Public Law 105-33, the Balanced Budget Act of 1997, established the Department of Veterans Affairs Medical Care Collections Fund (MCCF). It required that amounts collected or recovered after June 30, 1997, be deposited in the MCCF. The amounts collected in the fund are available only for: 1) VA medical care and services during any fiscal year; and 2) VA expenses for identifying, billing, auditing, and collecting amounts owed the government. VA has the authority to collect inpatient, outpatient, medication, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for non-service connected conditions; and authority to collect revenue from enhanced use leases. Public Law 108-7, the Consolidated Appropriations Resolution, 2003, granted permanent authority to recover pharmacy co-payments for outpatient medication. VA's authority to do income verification with the Social Security Administration and Internal Revenue Service in title 38, section 5317(g), was extended through September 30, 2011, by section 802 of Public Law 110-389, the Veterans' Benefits Improvement Act of 2008. Public Law 110-387, the Veterans' Mental Health and Other Care Improvements Act of 2008, extended the authority, in title 38, section 1729(a)(2)(E) to recover third party insurance payments from service-connected veterans for nonservice-connected conditions through October 1, 2010. Public Law 110-387, the Veterans' Mental Health and Other Care Improvements Act of 2008, extended the authority in title 38, section 1710(f)(2)(B), to collect copayments for hospital care and

nursing home care through September 30, 2010. Public Law 108-199, the Consolidated Appropriations Act, 2004, and P.L. 108-447, the Consolidated Appropriations Act, 2005, require revenue from the following accounts to be deposited into the MCCF beginning in FY 2004:

Long-Term Care Co-Payments (Formerly Veterans Extended Care Revolving Fund): This account was established by Public Law 106-117, the Veterans Millennium Health Care and Benefits Act. This account receives per diems and co-payments from certain patients receiving extended care services as authorized in title 38, U.S.C., § 1701B. Amounts deposited in the account are used to provide extended care services.

Compensated Work Therapy Program (formerly Special Therapeutic and Rehabilitation Activities Fund): This program, established pursuant to the Veterans Omnibus Health Care Act of 1976, Public Law 94-581, approved October 21, 1976, provides a mechanism for furnishing rehabilitative services to certain Veteran beneficiaries receiving medical care and treatment from VA. Funds to operate the various rehabilitative activities and provide therapeutic work for remuneration of patients and members in VA facilities are derived from contractual arrangements with private industry, non-profit organizations, and State and Federal entities. This is a self-sustaining activity that does not require an appropriation.

Compensation and Pensions Living Expenses Program (formerly Medical Facilities Revolving Fund): This program provides for operating expenses of VA medical facilities furnishing nursing home care to certain Veterans who receive Pensions. Title 38, U.S.C., provides that a Veteran with no spouse or child will receive \$90 per month in Pensions 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 to cover the expenses of the facility furnishing the nursing home care. Public Law 105-368, Veterans Programs Enhancement Act of 1998, has granted permanent authority for the transfer of Pensions funds in excess of \$90 per month from the Compensation and Pensions account, in accordance with the provisions of title 38, U.S.C. § 5503(a)(1)(B). This authority will be retroactive as of October 1, 1997.

Parking Program (formerly Parking Revolving Fund): VA collects parking fees for the use of parking facilities at VA facilities.

Other Revolving Funds

MEDICAL CENTER RESEARCH ORGANIZATIONS: The Veterans' Benefits and Services Act of 1988, P.L. 100-322 authorized VA Research and Education Corporations to provide a mechanism whereby non-VA funds may be received and administered to perform research by a nonprofit corporation at any VA medical center.

CANTEEN SERVICE REVOLVING FUND: This fund finances the operation of canteens at all medical facilities. These activities are under the management of the Veterans Canteen Service, established by Congress in 1946. Income from sales makes this a self-sustaining activity.

Other Trust Funds

Other Trust Funds

GENERAL POST FUND: This trust fund consists of gifts, bequests, and proceeds from the sale of property left in the care of VA facilities by former beneficiaries who die leaving no heirs or without having otherwise disposed of their estates. Such funds are used to promote the comfort and welfare of Veterans in hospitals and other facilities where no general appropriation is available for this purpose. In addition, donations from pharmaceutical companies, non-profit corporations, and individuals to support VA medical research are deposited in this fund.

Benefits Programs

Appropriations

COMPENSATION AND PENSIONS: Provides for compensation payments to service-connected disabled Veterans and their survivors; provides for pension payments, subject to an income standard, to war-time Veterans who are permanently and totally disabled from non-service-connected causes and their survivors; and provides burial and other benefits to Veterans and their survivors.

READJUSTMENT BENEFITS: Provides payments for education and training for eligible Veterans and dependents, as well as special assistance to disabled Veterans. Funding provided for this program consists of direct appropriations to this VA account, as well as offsetting collections received from the Department of Defense.

VETERANS INSURANCE AND INDEMNITIES: Provides payment for extra hazard costs to the National Service Life Insurance and United States Government Life Insurance funds, supplements the Service-Disabled Veterans Insurance Fund, and provides direct payment to policyholders. It also provides funds for expenses of the Veterans Mortgage Life Insurance Program.

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT: Funding for this account consists primarily of voluntary contributions by eligible servicepersons and Department of Defense matching contributions on behalf of specific servicepersons. The account serves as a depository and disbursing account for the contributory-matching education program which provides educational assistance payments to participants who entered the service between January 1, 1977 and June 30, 1985, and are pursuing training under chapter 32 (38 U. S. C.). Public Law 99-576, enacted October 28, 1986, permanently closed the program to new enrollees after March 31, 1987. However, the enactment of Public Law 101-510 allows servicepersons enrolled or eligible to enroll in the program who are involuntarily separated from the service on or after February 3, 1991, an opportunity to receive assistance under the Montgomery GI Bill (MGIB) program in lieu of Post-Vietnam Era Veterans Education Program (VEAP). Public Law 102-484 extended the same opportunity to certain servicepersons who voluntarily separated from the military on or after December 5, 1991. An opportunity to enroll in the MGIB program also was extended to Chapter 32 (and section 903) servicepersons, who were VEAP participants on October 9, 1996, under Public Law 104-275.

Revolving Funds

VOCATIONAL REHABILITATION REVOLVING FUND: Loans (advances) will be made to disabled Veterans eligible for vocational rehabilitation who are without sufficient funds to meet their expenses. Under the Federal Credit Reform Act of 1990, this fund now receives a direct appropriation for its administrative expenses, which it reimburses directly to the General Operating Expenses appropriation. Subsidy budget authority is provided for costs associated with loans obligated in 1992 and beyond.

VETERANS HOUSING BENEFIT PROGRAM FUND: The Veterans Housing Benefit Program Fund (VHBPF) reflects the loan financing activity in the Direct Loan Financing Account, Guaranteed Loan Financing Account, the Loan Sales Securities Guaranteed Loan Financing Account, and the Transitional Housing Direct Loan Financing Account. All direct and

guaranteed loans made prior to September 30, 1991, are scored in the VHBPF Liquidating Account. Under the Federal Credit Reform Act of 1990, all direct and guaranteed loans made after September 30, 1991, are financed by subsidy appropriations to the VHBPF Program Account. This account also receives an appropriation for administrative expenses. The principal objective of the loan guaranty program is to encourage and facilitate the extension of favorable credit terms by private lenders to Veterans for the purchase, construction, or improvement of homes to be occupied by Veterans and their families.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM: This program was established in the Veterans Benefits Improvement Act of 1998, Public Law 105-368. The program is a pilot project designed to expand the supply of transitional housing for homeless Veterans by authorizing the Secretary to guarantee loans for self-sustaining housing projects specifically designed to create long-term transitional housing for homeless Veterans. VA may guarantee up to 15 loans with a maximum aggregate value of \$100 million. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee. All funds authorized for this program were appropriated by the end of 2000; therefore, no appropriation language has been included in this budget. The loan financing activity of this account is shown under the "Transitional Housing Direct Loan Financing Account" in the President's budget.

NATIVE AMERICAN VETERANS HOUSING PROGRAM: This program was designed to test the feasibility of enabling VA to make direct home loans to Native American Veterans who live on U.S. trust lands. Annual appropriations are received for administrative expenses associated with this program. This program began as a pilot program in 1993 and was made permanent in 2006. The direct loan financing activity of this account is shown under the "Native American Direct Loan Financing Account" in the President's budget.

SERVICEMEMBER'S GROUP LIFE INSURANCE FUND: Established in 1965 as the financing mechanism to provide Group Life Insurance to members of the uniformed forces on active duty and certain members of the Reserves. Premiums, including the cost of administration, are deducted monthly from the serviceperson's pay and remitted by each uniformed service to VA and, in turn, to the primary insurer. The Government contributes toward the military extra hazard cost by paying for all death claims over a certain maximum as defined by law. Public Law 109-80 increased the maximum amount of coverage available to \$400,000, effective September 1, 2005. In addition, Public

Law 109-13 provides for Traumatic Servicemember's Group Life Insurance, effective December 1, 2005. This program provides for payment between \$25,000 and \$100,000 to any member of the uniformed services covered by SGLI who sustains a traumatic injury that results in certain serious losses.

Public Enterprise Funds

SERVICE-DISABLED VETERANS INSURANCE FUND: This program finances claim payments on non-participating policies issued to service-disabled Veterans who served in the Armed Forces after April 25, 1951. The program provides insurance coverage for service-disabled Veterans at standard rates. Claim payments exceed premium receipts each year. Funds are derived mainly from premiums and payments from the Veterans Insurance and Indemnities appropriation. Public Law 106-419 allowed for term premiums to be frozen, effective November 1, 2000, at the first renewal after the insured reaches age 70 and remain frozen thereafter.

VETERANS REOPENED INSURANCE FUND: Established in 1965 as the financing mechanism for a program authorizing reopening of National Service Life Insurance for one year, for certain disabled Veterans of World War II and the Korean conflict. Operations are financed from premiums collected from policyholders and interest on investments.

Trust Funds

NATIONAL SERVICE LIFE INSURANCE FUND: Started in 1940 as the financing mechanism for World War II insurance. Closed to new issues in 1951. Income is derived from premiums, interest on investments, and transfers from Veterans Insurance and Indemnities appropriation.

UNITED STATES GOVERNMENT LIFE INSURANCE FUND: Started in 1919 as the financing mechanism for converted insurance issued under the War Risk Insurance Act of 1914, as amended. Closed to new issues April 1951. Income is derived from interest on investments and transfers from the Veterans Insurance and Indemnities appropriation.

VETERANS SPECIAL LIFE INSURANCE FUND: Finances the payment of claims for the insurance program authorized for insurable Veterans who served after April 1951 and before January 1, 1957. Income is derived mainly from premiums and interest on investments.

Departmental Administration

Appropriations

GENERAL OPERATING EXPENSES: For the administration of all VA non-medical benefits and support functions for the entire Department. Includes the Veterans Benefits Administration and the General Administration activities. While the program accounts associated with credit reform receive an appropriation directly for associated administrative expenses, total obligations from those appropriations are reflected under the General operating expenses account, with financing provided as offsetting collections.

NATIONAL CEMETERY ADMINISTRATION: This appropriation provides funding for the administration of all functions associated with the National Cemetery Administration. Provides, upon request, for the interment in any national cemetery with available grave space the remains of eligible deceased service persons and discharged Veterans (together with their spouses and certain dependents).

OFFICE OF THE INSPECTOR GENERAL: Responsible for the audit, investigation, and inspection of all Department of Veterans Affairs programs and operations.

INFORMATION TECHNOLOGY SYSTEMS ACCOUNT: This appropriation will fund payroll and non-payroll information technology requirements of the Department. In addition, this account will receive reimbursements from the credit programs, the insurance benefit programs, and other revolving funds.

CONSTRUCTION, MAJOR PROJECTS: For constructing, altering, extending, and improving any VA facility, including planning, assessments of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is \$10 million or more or where funds for a project were made available in a previous major project appropriation.

CONSTRUCTION, MINOR PROJECTS: For constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is equal to or less than \$10 million.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES: Grants to States for the purpose of assisting States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing

hospitals, nursing homes, and domiciliary facilities in State homes to furnish care to Veterans. A grant may not exceed 65 percent of the total cost of the project. This account was approved on August 19, 1964, and authorized as an appropriation in 1965. Public Law 102-585 granted permanent authority for this program. Public Law 104-262 added Adult Day Health Care and another level of care that may be provided by State homes. This is a no-year account.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES:

Grants to aid states, federally recognized tribal government, or U.S. territories in establishing, expanding or improving State veterans' cemeteries. A grant can be up to 100 percent of the cost of establishment, expansion or improvement. Federal funding for the cost of initial equipment when the cemetery is established is also permitted. VA does not provide for acquisition of land. The value of the land cannot be considered as an "allowable cost" under the grant. States are solely responsible for acquisition of the necessary land. The States remain responsible for providing the land and paying for all costs related to the operation and maintenance of the state cemeteries, including the cost for subsequent equipment purchases.

Other Revolving Funds

PERSHING HALL REVOLVING FUND: Established by Public Law 102-86 for the operation and maintenance of Pershing Hall, an asset of the United States located in Paris, France. Receipts generated by the operation of Pershing Hall are also deposited in the revolving fund.

NATIONAL CEMETERY GIFT FUND: Consists of gifts and bequests which are made for the purpose of beautifying national cemeteries or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona.

DEPARTMENT OF VETERANS AFFAIRS CAPITAL ASSET FUND: Provides for costs associated with the transfer and future transfers of real property, including costs of demolition, environmental remediation, maintenance and repair, improvements to facilitate the transfer, and administrative expenses. This account also finances costs associated with enhancing medical care services to Veterans by improving, renovating, replacing, updating, or establishing patient care facilities through construction projects. Additionally, costs associated with the transfer, lease, or adaptive use of a structure or property under the jurisdiction of the Secretary that is listed on the National Register of Historic Places will be financed in this account. Receipts to this account will be realized from the transfer of real property to another department or agency of the United States, to a State (or a political subdivision of a state), or to any public or private

entity, including an Indian tribe in accordance with P. L. 108-422. This is a no-year revolving fund.

Intragovernmental Funds

SUPPLY REVOLVING FUND: Established in 1953, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. Functioning as an intragovernmental fund, without fiscal year limitation, it seeks to assure the most timely, cost-effective acquisition of goods and services for VA programs. As a self-sustaining fund, the majority of its operating expenses are recovered through a mark-up on goods sold.

FRANCHISE FUND: The Franchise Fund has permanent authority under P.L. 104-204, as amended by P.L. 109-114. Established in 1997, the Franchise Fund provides VA program offices with common administrative services and is financed on a fee-for-service basis.



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Department of Veterans Affairs Discretionary and Mandatory Programs Funding and Average Employment for 2008 - 2010 (dollars in thousands)																
	2008			2009 - Current Estimate			2010			Change		Percentage Change				
	BA	(BY) Outlay	FTE	BA	(BY) Outlay	FTE	BA	(BY) Outlay	FTE	BA	(BY - CY) Outlay	BA	(BY - CY) Outlay	FTE		
Discretionary Programs																
Medical Programs- VHA																
Medical Services	\$28,003,345	\$27,564,192	158,263	\$30,701,013	\$30,008,850	170,268	\$34,704,500	\$33,728,468	175,996	\$4,003,487	\$3,719,618	13.04%	\$3,719,618	5,728	12.40%	3.36%
Medical Support & Compliance (formerly Administration)	\$3,956,617	\$3,634,998	35,847	\$4,450,000	\$4,334,635	39,068	\$5,100,000	\$4,957,660	39,921	\$650,000	\$623,025	853	\$623,025	853		
Medical Facilities	4,233,182	4,241,189	22,291	5,029,000	4,965,827	23,348	4,693,000	4,729,301	23,759	\$-336,000	\$-236,526	-6.68%	\$-236,526	411	-4.76%	1.76%
Economic Recovery Act (non-add)				1,000,000	21,900	400,000		400,000								
Collections	2,442,563	2,474,011	0	2,536,855	2,505,423	0	2,881,462	2,735,389	0	\$324,607	\$229,966	12.70%	\$229,966	0	9.18%	
Total Medical care	38,635,707	37,914,390	216,401	42,736,868	41,814,735	232,684	47,378,962	46,150,818	239,676	\$4,642,094	\$4,336,083	10.86%	\$4,336,083	6,992	10.37%	3.00%
VA/DoD Sharing Incentive Fund	90,000	41,567	126	34,000	56,000	117	0	48,500	127	\$-34,000	\$7,500	-100.00%	\$7,500	10	-13.39%	8.55%
Medical research	480,000	436,626	3,142	510,000	492,641	3,201	580,000	550,716	3,345	\$70,000	\$58,075	13.73%	\$58,075	144	11.79%	4.50%
Subtotal VHA	39,208,707	38,392,583	219,669	43,280,868	42,363,376	236,002	47,958,962	46,750,034	243,148	\$4,678,094	\$4,386,658	10.81%	\$4,386,658	7,146	10.35%	3.03%
National Cemetery Administration- NCA																
Burial Administration	193,858	167,002	1,512	230,000	227,118	1,603	242,000	236,440	1,619	\$12,000	\$9,322	5.22%	\$9,322	16	4.10%	1.00%
Economic Recovery Act (non-add)				50,000	5,000			32,500								
Information Technology	2,558,122	1,988,974	6,348	2,748,081	2,558,320	6,780	3,307,000	3,100,302	7,580	\$558,919	\$541,982	20.34%	\$541,982	800	21.19%	11.80%
Economic Recovery Act (non-add)				50,100	9,444			40,656								
Construction																
Veterans Health Administration	1,364,077	445,424		813,382	726,924		1,076,800	837,460		\$263,418	\$110,536	32.39%	\$110,536	0	15.21%	
Veterans Benefits Administration	0	2,113		0	23		0	31		\$0	\$8	6.86%	\$8	0	34.78%	
National Cemetery Administration	167,400	76,460		105,000	69,067		112,200	88,893		\$7,200	\$19,826	0.00%	\$19,826	0	28.71%	
Staff Offices	0	4,794		5,000	10,975		5,000	8,896		\$0	\$-2,079	0.00%	\$-2,079	0	-18.94%	
Subtotal Major Construction	1,331,477	528,791	0	923,382	806,989	0	1,194,000	935,280	0	\$270,618	\$128,291	29.31%	\$128,291	0	15.90%	
<i>Minor</i>																
Veterans Health Administration	508,539	355,081		584,234	483,582		507,198	528,463		\$-77,036	\$44,881	-13.19%	\$44,881	0	9.28%	
Veterans Benefits Administration	31,000	19,962		41,300	27,580		16,907	32,015		\$-24,393	\$4,435	-59.06%	\$4,435	0	16.08%	
National Cemetery Administration	75,000	31,086		87,000	60,891		50,720	71,760		\$-36,280	\$10,869	-41.70%	\$10,869	0	17.85%	
Staff Offices	15,996	6,553		29,000	15,852		25,175	23,320		\$-3,825	\$7,468	-13.19%	\$7,468	0	47.11%	
Subtotal Minor Construction	630,535	412,682	19	741,534	587,905	19	600,000	655,558	19	\$-141,534	\$67,653	-19.09%	\$67,653	0	11.51%	
Grants For State Extended Care Facilities	165,000	115,634		175,000	98,623		85,000	127,125		\$-90,000	\$28,502	-51.43%	\$28,502	0	28.90%	
Grants For State Cemeteries	39,500	31,092		42,000	29,143		42,000	29,678		\$0	\$535	0.00%	\$535	0	1.84%	
Total Construction	2,366,512	1,088,198	19	1,881,916	1,522,660	19	1,921,000	1,747,641	19	\$39,084	\$24,981	2.08%	\$24,981	0	14.78%	
Departmental Administration																
Veteran Benefits Administration				198,000	119,000	0	0	69,000	0	\$-198,000	\$-50,000	-100.00%	\$-50,000	0	-42.02%	#DIV/0!
Filipino Veterans Equity Compensation Fund				198,000	119,000	0	0	69,000	0	\$-198,000	\$-50,000	-100.00%	\$-50,000	0	-42.02%	#DIV/0!
Subtotal Filipino ECF				1,056,349	1,011,761	12,146	1,387,143	1,299,071	13,349	\$330,794	\$287,310	31.31%	\$287,310	1,203	28.40%	9.90%
Veteran Benefits Administration- GOE	948,817	888,822	10,054	1,056,349	1,011,761	12,146	1,387,143	1,299,071	13,349							
Compensation Administration (includes Burial)				157,100	59,245			97,855								
Economic Recovery Act (non-add)				143,632	140,095	1,200	147,000	143,273	1,200	\$3,368	\$3,178	2.34%	\$3,178	0	2.27%	0.00%
Pensions Administration	1,407,770	1,379,099	1,461	1,199,981	1,151,856	13,346	1,534,143	1,442,344	14,549	\$334,162	\$290,488	27.85%	\$290,488	1,203	25.22%	9.01%
Subtotal, Compensation and Pension	1,089,587	1,026,731	11,515	1,199,981	1,151,856	13,346	1,534,143	1,442,344	14,549	\$334,162	\$290,488	27.85%	\$290,488	1,203	25.22%	9.01%
Education Administration	185,590	83,145	967	97,198	93,130	1,466	118,252	111,906	1,576	\$21,054	\$18,776	21.66%	\$18,776	110	20.16%	7.50%
Vocational Rehabilitation and Employment	147,616	141,407	1,235	163,622	157,189	1,291	172,071	166,736	1,295	\$8,449	\$9,547	6.07%	\$9,547	4	5.16%	0.31%
Insurance Administration	4,044	3,977	365	4,494	994	386	534	444	386	\$40	\$-550	8.10%	\$-550	0	-55.33%	0.00%
Subtotal GOE, VBA without Credit Reform	1,426,837	1,255,260	14,082	1,461,295	1,403,169	16,489	1,825,000	1,721,430	17,806	\$363,705	\$318,261	24.89%	\$318,261	1,317	22.68%	7.99%

Department of Veterans Affairs Discretionary and Mandatory Programs Funding and Average Employment for 2008 - 2010 (dollars in thousands)															
	2008			2009 - Current Estimate			2010			Change			Percentage Change		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Mandatory Programs															
Benefit Programs															
Compensation and Pensions															
Disability Compensation Benefits	37,242,133	36,255,726		38,987,824	40,406,276		42,955,758	42,807,356		\$3,967,934	\$2,401,080	0	10.18%	5.94%	
Economic Recovery Act (non-add)				584,000	584,000					-\$584,000	-\$584,000	0	-100.00%	-100.00%	
Transfer to Veterans Insurance Benefits (RB)				-450,000						\$450,000	\$0	0	-100.00%		
Transfer to Veterans Insurance Benefits (VII)				-5,772			46,993	46,993		\$5,772	\$0	0	-100.00%		
Proposed legislation- Concurrent Receipt															
Subtotal Compensation	37,242,133	36,255,726		38,532,052	40,406,276		43,002,751	42,854,349		\$4,470,699	\$2,448,073	0	11.60%	6.06%	
Pensions Benefits															
Economic Recovery Act (non-add)				116,000	116,000		0	0		-\$116,000	-\$116,000	0	-100.00%	-100.00%	
Subtotal Pension	3,800,773	3,789,751		3,926,264	3,912,715		4,041,041	4,027,095		\$114,777	\$114,380	0	2.92%	2.92%	
Burial Benefits															
Proposed legislation	195,949	195,949		197,593	197,593		221,408	221,408		\$23,815	\$23,815	0	12.05%	12.05%	
National cemetery gift fund							0	0		\$0	\$0	0			
Subtotal Burial	195,949	195,949	0	197,593	197,593	0	221,408	221,408	0	\$23,815	\$23,815	0	12.05%	12.05%	
Total Compensation and Pensions	41,238,855	40,241,426	0	42,655,909	44,516,584	0	47,265,200	47,102,852	0	\$4,609,291	\$2,586,268	0	10.81%	5.81%	
Readjustment Benefits															
Education Benefits															
Transfer from Compensation Benefits	2,677,341	2,590,155		3,213,261	4,011,094		8,086,344	8,048,767		\$4,873,083	\$4,037,673	0	151.66%	100.66%	
Subtotal Education	2,677,341	2,590,155	0	3,663,261	4,011,094	0	8,086,344	8,048,767	0	\$4,423,083	\$4,037,673	0	120.74%	100.66%	
Vocational Rehabilitation & Employment															
Total Readjustment Benefits	3,300,289	3,209,553	0	4,282,944	4,633,753	0	8,663,624	8,630,952	0	\$4,380,680	\$3,997,199	0	102.28%	86.26%	
Housing Program															
Native American Veteran housing Loan Program	809,213	809,213		350,916	350,916		23,553	23,553		-\$327,363	-\$327,363	0	-93.29%	-93.29%	
Vocational Rehabilitation Upward Reestimate	5,311	5,311		1,229	1,229		0	0		\$-1,229	\$-1,229	0	-100.00%	-100.00%	
Veterans housing benefit program fund liquidating	82	82		812	812		-12,605	-12,605		\$-812	\$-812	0	-100.00%	-100.00%	
Subtotal Housing	794,364	789,974	0	338,964	341,522	0	10,948	10,948	0	\$-328,016	\$-330,574	0	-96.77%	-96.79%	
Insurance Benefits															
Subtotal Insurance	41,250	41,332		48,072	48,854		49,288	49,288		\$1,216	\$434	0	2.53%	0.89%	
Trust Funds															
Post-Vietnam era veterans education account	820	2,030		996	2,130		1,240	2,035		\$244	\$-95	0	24.50%	-4.46%	
Service-disabled veterans insurance fund	0	3,407		0	8,061		0	6,218		\$0	\$-1,843	0	-22.86%	-22.86%	
Veterans reopened insurance fund	0	23,121		0	26,636		0	27,480		\$0	\$844	0	3.17%	3.17%	
Servicemembers' group life insurance fund	0	-17		0	-32		0	-18		\$0	\$14	0	-43.75%	-43.75%	
National service life insurance	1,144,755	1,163,064		1,163,372	1,207,689		1,135,170	1,192,260		-\$28,202	\$-15,429	0	-2.42%	-1.28%	
U.S. Government life insurance	5,295	6,190		5,180	6,783		4,360	5,910		-\$820	-\$873	0	-15.83%	-12.87%	
Veterans special life insurance fund	0	-14,164		0	-1,540		0	8,890		\$0	\$10,430	0	-67.72%	-67.72%	
Subtotal Trust Funds	1,150,870	1,183,631	0	1,169,548	1,249,727	0	1,140,770	1,242,775	0	\$-28,778	\$-6,952	0	-2.46%	-0.56%	
Subtotal, Benefits Programs	46,525,628	45,465,916	0	48,495,437	50,790,440	0	57,129,830	57,036,815	0	8,634,393	6,246,375	0	0	0	0

Department of Veterans Affairs															
Discretionary and Mandatory Programs Funding and Average Employment for 2008 - 2010															
(dollars in thousands)															
	2008			2009 - Current Estimate			2010			Change			Percentage Change		
	BA	(BY) Outlay	FTE	BA	(BY) Outlay	FTE	BA	(BY) Outlay	FTE	BA	(BY - CY) Outlay	FTE	BA	(BY - CY)/CY	FTE
Mandatory Programs															
Medical Programs															
Canteen service revolving fund	0	3,762	3,008	0	2,500	3,015	0	3,000	3,020	\$0	\$500	5	1.49%	20.00%	0.17%
General post fund	39,718	27,082	0	41,137	27,894	0	41,749	28,200	0	\$612	\$306	0	1.49%	1.10%	0
Subtotal Veterans Health Administration	39,718	30,844	3,008	41,137	30,394	3,015	41,749	31,200	3,020	\$612	\$806	5	1.49%	2.65%	0.17%
Departmental Administration															
Supply Fund	0	2,564	407	0	0	632	0	0	662	\$0	\$0	30		4.75%	
Franchise Fund	0	33,784	702	0	0	828	0	0	1,062	\$0	\$0	234		28.26%	
Subtotal Departmental Administration	0	36,348	1,109	0	0	1,460	0	0	1,724	\$0	\$0	264		18.08%	
Benefits Programs Proprietary receipts															
GI Bill	-192,414	-192,414	0	-160,345	-160,345	0	0	0	0	\$160,345	\$160,345	0	-100.00%	-100.00%	0
National service life insurance fund	-134,477	-134,477	0	-123,050	-123,050	0	-110,170	-110,170	0	\$12,880	\$12,880	0	-10.47%	-10.47%	0
Post-Vietnam era veterans education account	-150	-150	0	-146	-146	0	-141	-141	0	\$5	\$5	0	-3.42%	-3.42%	0
Downward Reestimates:										\$0	\$0	0			
Acquired Direct	-649,883	-649,883	0	-15,560	-15,560	0	0	0	0	\$15,560	\$15,560	0	-100.00%	-100.00%	0
Vendee Direct	0	0	0	-6,107	-6,107	0	0	0	0	\$6,107	\$6,107	0	-100.00%	-100.00%	0
Transitional housing - Direct Loans	-91	-91	0	-455	-455	0	0	0	0	\$455	\$455	0	-100.00%	-100.00%	0
Veterans housing benefit fund guaranteed loan	-532,110	-532,110	0	-455,369	-455,369	0	0	0	0	\$455,369	\$455,369	0	-100.00%	-100.00%	0
Veterans housing benefit fund loan sales securities	-44,180	-44,180	0	-111,341	-111,341	0	0	0	0	\$111,341	\$111,341	0	-100.00%	-100.00%	0
Native American veterans program account	-1,836	-1,836	0	-617	-617	0	0	0	0	\$617	\$617	0	-100.00%	-100.00%	0
Vocational rehabilitation loan program	-701	-701	0	-124	-124	0	0	0	0	\$124	\$124	0	-100.00%	-100.00%	0
Negative Subsidy:										\$0	\$0	0			
Acquired Direct	0	0	0	0	0	0	-8,150	-8,150	0	\$-8,150	\$-8,150	0			
Vendee Direct	-1,156	-1,156	0	-32,769	-32,769	0	-45,833	-45,833	0	\$13,064	\$13,064	0	39.87%	39.87%	0
Veterans housing benefit fund guaranteed loans	-133,341	-133,341	0	-299,282	-299,282	0	-78,642	-78,642	0	\$220,640	\$220,640	0	-73.72%	-73.72%	0
U.S. Government life insurance	-273	-273	0	-210	-210	0	-170	-170	0	\$40	\$40	0	-19.05%	-19.05%	0
Native American veterans program account	-893	-893	0	-1,519	-1,076	0	-3,472	-2,689	0	\$1,953	\$1,613	0	128.57%	149.91%	0
Subtotal, Proprietary receipts	-1,691,505	-1,691,505	0	-1,206,894	-1,206,451	0	-246,578	-245,795	0	\$960,316	\$960,656	0	-79.57%	-79.63%	0
Intragovernmental transactions															
National service life insurance fund	-522	-522	0	-490	-490	0	-460	-460	0	\$30	\$30	0	-6.12%	-6.12%	0
Post-Vietnam era veterans education account	-669	-669	0	-850	-850	0	-1,099	-1,099	0	\$-249	\$-249	0	29.29%	29.29%	0
Subtotal, Intragovernmental transactions	-1,191	-1,191	0	-1,340	-1,340	0	-1,559	-1,559	0	\$-219	\$-219	0	16.34%	16.34%	0
Total, Mandatory Programs	44,872,650	43,840,412	4,117	47,328,340	49,613,043	4,475	56,923,442	56,820,661	4,744	\$9,595,102	\$7,207,618	2,691	20.27%	14.53%	6.01%
Total Net, Department Veterans Affairs	88,507,652	84,855,312	249,498	95,153,472	95,819,188	269,438	109,962,545	108,205,738	279,176	\$14,809,073	\$12,386,550	9,738	15.56%	12.93%	3.61%
Total Gross, Department Veterans Affairs	90,984,652	87,332,312	249,498	97,710,327	98,376,043	269,438	112,844,007	111,087,200	279,176	\$15,133,680	\$12,711,157	9,738	15.49%	12.92%	3.61%

<i>Appropriation-Reconciliation</i> (dollars in thousands)				
Appropriation/Fund Account	2008	2009	2010	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability Compensation Mandatory Benefits	\$37,242,133	\$38,987,824	\$42,955,758	\$3,967,934
Economic Recovery Act		\$584,000		-\$584,000
Transfer to Readjustment Benefits (RB)	0	-450,000	0	\$450,000
Transfer to Veterans Insurance Benefits (VII)	0	-5,772		\$5,772
Proposed Legislation Concurrent Receipt			46,993	\$46,993
Total Disability Compensation	37,242,133	39,116,052	43,002,751	\$3,886,699
Burial Mandatory Benefits	195,949	197,593	221,408	\$23,815
Pensions Mandatory Benefits	3,800,773	3,926,264	4,041,041	\$114,777
Economic Recovery Act		116,000		-\$116,000
Subtotal, Compensation and Pension	41,238,855	43,355,909	47,265,200	\$3,909,291
Education Mandatory Benefits	2,677,341	3,213,261	8,086,344	\$4,873,083
Transfer from Compensation		450,000		-\$450,000
Vocational rehabilitation and employment Mandatory Benefits	622,948	619,683	577,280	-\$42,403
Subtotal, Readjustment Benefits	3,300,289	4,282,944	8,663,624	\$4,380,680
Insurance Mandatory Benefits	41,250	42,300	49,288	\$6,988
Transfer from Compensation	0	5,772		-\$5,772
Housing Mandatory Benefits	809,213	350,916	23,553	-\$327,363
Total Benefits Mandatory	45,389,607	48,037,841	56,001,665	\$7,963,824
Medical Research and Support	480,000	510,000	580,000	\$70,000
Total Medical Research and Support	480,000	510,000	580,000	\$70,000
Medical programs:				
Medical Services	29,104,220	30,969,903	34,704,500	\$3,734,597
Transfer to Medical Facilities	-160,000			\$0
Transfer to Medical Administration	-545,000			\$0
Transfer to VA/DoD Health Care Sharing Incentive Fund	-45,000	-15,000		\$15,000
Transfer to Information Technology	-284,875	-253,890		\$253,890
Recission of Supplemental Funds	-66,000			\$0
Medical Care Collections Fund	2,442,563	2,556,855	2,881,462	\$324,607
Total Medical Services with Collections	30,445,908	33,257,868	37,585,962	\$4,328,094
Medical Support and Compliance	3,517,000	4,450,000	5,100,000	\$650,000
Transfer from Medical Services	545,000			\$0
Transfer for Construction Reorganization	-18,271			\$0
Transfer for Information Technology Reorganization	-87,112			\$0
Total Medical Support and Compliance	3,956,617	4,450,000	5,100,000	\$650,000
Medical Facilities	4,100,000	5,029,000	4,693,000	-\$336,000
Economic Recovery Act		1,000,000		-\$1,000,000
Transfer from Medical Services	160,000			\$0
Transfer for Construction Reorganization	-26,818			\$0
Total Medical facilities	4,233,182	6,029,000	4,693,000	-\$1,336,000
VA/DoD Health Care Sharing Incentive Fund ¹	90,000	34,000	0	-\$34,000
Total Medical Care	38,725,707	43,770,868	47,378,962	\$3,608,094
Total medical programs	39,205,707	44,280,868	47,958,962	\$3,678,094

Appropriation-Reconciliation				
<i>(dollars in thousands)</i>				
Appropriation/Fund Account	2008	2009	2010	Increase (+) Decrease (-)
National Cemetery Administration	195,000	230,000	242,000	\$12,000
Transfer for Construction Reorganization	-1,142			\$0
Economic Recovery Act		50,000		-\$50,000
Total National Cemetery Administration	193,858	280,000	242,000	-\$38,000
Filipino Veterans Equity Compensation Fund		198,000		-\$198,000
Department Administration:				
General administration	277,999	335,772	393,500	\$57,728
Transfer for White House Commission	197			\$0
Transfer for Construction Reorganization	46,725			\$0
Transfer for Information Technology Reorganization				\$0
Total General Administration	324,921	335,772	393,500	\$57,728
VBA-GOE	1,327,001	1,466,095	1,825,000	\$358,905
Supplemental	100,000			\$0
Economic Recovery Act		157,100		-\$157,100
Transfer for Construction Reorganization	-164			\$0
Transfer to Information Technology		-4,800		\$4,800
Total VBA GOE	1,426,837	1,618,395	1,825,000	\$206,605
Subtotal, GOE	1,751,758	1,954,167	2,218,500	\$264,333
Office of Inspector General	80,500	87,818	107,000	\$19,182
Economic Recovery Act		1,000		-\$1,000
Subtotal, IG	80,500	88,818	107,000	\$18,182
Construction Major	1,069,100	923,382	1,194,000	\$270,618
Supplemental	396,377			\$0
Transfer of Supplemental from Medical Services	66,000			\$0
Subtotal, Construction Major	1,531,477	923,382	1,194,000	\$270,618
Construction Minor	630,535	741,534	600,000	-\$141,534
Grants for State Extended Care	165,000	175,000	85,000	-\$90,000
Economic Recovery Act		150,000		-\$150,000
Subtotal, Grants State Extended Care	165,000	325,000	85,000	-\$240,000
Grants for State Cemeteries	39,500	42,000	42,000	\$0
Credit Reform	155,545	158,237	166,103	\$7,866
Information Technology	1,966,465	2,489,391	3,307,000	\$817,609
Economic Recovery Act		50,100		-\$50,100
Supplemental	20,000			\$0
Transfer from Medical Services	284,875	253,890		-\$253,890
Transfer from VBA-GOE		4,800		-\$4,800
Transfer for Information Technology Reorganization	87,112			\$0
Transfer for Construction Reorganization	-330			\$0
Subtotal, Information Technology	2,358,122	2,798,181	3,307,000	\$508,819
Total Departmental Administration	6,712,437	7,031,319	7,719,603	\$688,284
Total appropriations	\$91,501,609	\$99,828,028	\$111,922,230	\$12,094,202
Total Mandatory	\$45,389,607	\$48,037,841	\$56,001,665	\$7,963,824
Total Discretionary without MCCF	\$43,669,439	\$49,233,332	\$53,039,103	\$3,805,771
Total Discretionary with MCCF and other receipts	\$46,112,002	\$51,790,187	\$55,920,565	\$4,130,378

Budget Authority (Net) <i>(dollars in thousands)</i>			
Appropriation/Fund Account	2008	2009	2010
Federal funds:			
Benefit programs:			
Disability compensation benefits	\$37,242,133	\$39,116,052	\$43,002,751
Pensions benefits	3,800,773	4,042,264	4,041,041
Education Benefits	2,677,341	3,663,261	8,086,344
Vocational rehabilitation and employment benefits	622,948	619,683	577,280
Insurance benefits	41,250	48,072	49,288
Housing program account mandatory	809,213	350,916	23,553
Native American	5,311	1,229	0
Vocational Rehabilitation Upward Reestimates	82	812	0
Burial benefits	195,949	197,593	221,408
Total benefit programs	45,395,000	48,039,882	56,001,665
Medical programs:			
Medical services	28,003,345	30,701,013	34,704,500
Medical care collections fund	2,442,563	2,556,855	2,881,462
Total medical care	30,445,908	33,257,868	37,585,962
Medical Support and Compliance	3,956,617	4,450,000	5,100,000
Medical facilities	4,233,182	6,029,000	4,693,000
VA/DoD Health Sharing Incentive Fund	90,000	34,000	0
Medical and prosthetic research	480,000	510,000	580,000
Total medical programs	39,205,707	44,280,868	47,958,962
National Cemeteries Administration	193,858	280,000	242,000
Departmental Administration:			
General administration	324,921	335,772	393,500
Filipino Veterans Equity Compensation Fund	0	198,000	0
Office of Inspector General	80,500	88,818	107,000
VBA-GOE	1,426,837	1,618,395	1,825,000
Construction Major	1,531,477	923,382	1,194,000
Construction Minor	630,535	741,534	600,000
Grants for State Extended Care	165,000	325,000	85,000
Grants for State Cemeteries	39,500	42,000	42,000
Credit Reform	155,545	158,237	166,103
Information Technology	2,358,122	2,798,181	3,307,000
Total Departmental administration	6,712,437	7,229,319	7,719,603
Total appropriations, adjusted	91,507,002	99,830,069	111,922,230

Budget Authority (Net) <i>(dollars in thousands)</i>			
Appropriation/Fund Account	2008	2009	2010
Proprietary receipts from the public:			
GI Bill receipts	-192,414	-160,345	0
National service life insurance fund	-134,477	-123,050	-110,170
Post-Vietnam era veterans education account	-150	-146	-141
Downward reestimates:			
Acquired Direct	-649,883	-15,560	0
Vendee Direct	0	-6,107	0
Transitional Housing	-91	-455	0
Veterans housing benefit fund guaranteed loan account	-532,110	-455,369	0
Veterans housing benefit fund loan sale securities	-44,180	-111,341	0
Native American veterans program account	-1,836	-617	0
Vocational rehabilitation loan program	-701	-124	0
Negative subsidy:			
Acquired Direct Loan	0	0	-8,150
Vendee Direct	-1,156	-32,769	-45,833
Veterans housing benefit fund guaranteed loan account	-133,341	-299,282	-78,642
U.S. Government life insurance	-273	-210	-170
Native American veterans program account	-893	-1,519	-3,472
Medical care collections fund	-2,477,000	-2,556,855	-2,881,462
Total proprietary receipts from the public	-4,168,505	-3,763,749	-3,128,040
Total federal funds	87,338,497	96,066,320	108,794,190
Trust funds:			
Post-Vietnam era veterans education account	820	996	1,240
General post fund	39,718	41,137	41,749
Pershing Hall revolving fund	0	0	0
National service life insurance	1,144,755	1,163,372	1,135,170
U.S. Government life insurance	5,295	5,180	4,360
Service-disabled veterans insurance fund	0	0	0
Veterans reopened insurance fund	0	0	0
Veterans special life insurance fund	0	0	0
Servicemembers' group life insurance fund	0	0	0
Total trust funds (gross)	1,190,588	1,210,685	1,182,519
Veterans housing benefit program fund liquidating account	-20,242	-13,993	-12,605
Intragovernmental transactions			
Post-Vietnam era veterans education account	-669	-850	-1,099
National service life insurance	-522	-490	-460
Total Intergovernmental transactions	-1,191	-1,340	-1,559
Total Department of Veterans Affairs	\$88,507,652	\$97,261,672	\$109,962,545

Outlays (Net) <i>(dollars in thousands)</i>				
Appropriation/Fund Account	2008	2009	2010	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability compensation benefits	\$36,255,726	\$40,990,276	\$42,807,356	\$1,817,080
Proposed legislation - Concurrent Receipt			46,993	\$46,993
Pensions benefits	3,789,751	4,028,715	4,027,095	-\$1,620
Burial Benefits	195,949	197,593	221,408	\$23,815
Education Benefits	2,590,155	4,011,094	8,048,767	\$4,037,673
Vocational rehabilitation and employment benefits	619,398	622,659	582,185	-\$40,474
Insurance benefits	41,332	48,854	49,288	\$434
Veterans housing benefit program fund liquidating account	-24,632	-11,435	-12,605	-\$1,170
Housing program account benefits	809,213	350,916	23,553	-\$327,363
Native American Veteran housing Loan Program	5,311	1,229	0	-\$1,229
Vocational Rehabilitation Upward Reestimate	82	812	0	-\$812
Credit Reform	155,545	158,237	166,103	\$7,866
Service-disabled veterans insurance fund	3,407	8,061	6,218	-\$1,843
Veterans reopened insurance fund	23,121	26,636	27,480	\$844
Servicemembers' group life insurance fund	-17	-32	-18	\$14
Total benefit programs	44,464,341	50,433,615	55,993,823	5,560,208
Medical programs:				
Medical services	27,564,192	30,008,850	33,728,468	3,719,618
Medical care collections fund	2,474,011	2,505,423	2,735,389	229,966
Total medical services	30,038,203	32,514,273	36,463,857	3,949,584
Medical Support and Compliance	3,634,998	4,334,635	4,957,660	623,025
Medical facilities	4,241,189	4,987,727	5,129,301	141,574
VA/DoD Healthcare Sharing Incentive Fund	41,567	56,000	48,500	-7,500
Medical and prosthetic research	436,626	492,641	550,716	58,075
Canteen service revolving fund	3,762	2,500	3,000	500
Total medical programs	38,396,345	42,387,776	47,153,034	4,765,258
Departmental Administration				
General Administration	372,891	326,977	374,945	47,968
VBA GOE	1,255,260	1,462,414	1,819,285	356,871
Filipino Veterans Equity Compensation Fund		119,000	69,000	-50,000
National Cemetery Administration	167,002	232,118	268,940	36,822
Construction-Major	528,791	806,989	935,280	128,291
Construction-Minor	412,682	587,905	655,558	67,653
Grants for State Extended Care Facilities	115,634	98,623	147,570	48,947
Grants for State Cemeteries	31,092	29,143	29,678	535
Information Technology	1,988,974	2,567,764	3,140,958	573,194
Office of Inspector General	71,583	85,042	100,744	15,702
Franchise fund	33,784	0	0	0
Supply fund	2,564	0	0	0
General Operating Expenses-SSA	0	0	0	0
Pershing hall revolving fund	-136	0	0	0
Total GOE & Miscellaneous	4,980,121	6,315,975	7,541,958	1,225,983
Total appropriations & funds	87,840,807	99,137,366	110,688,815	11,551,449

Outlays (Net) <i>(dollars in thousands)</i>				
Appropriation/Fund Account	2008	2009	2010	Increase (+) Decrease (-)
Proprietary receipts from the public:				
GI Bill	-192,414	-160,345	0	160,345
Downward reestimates				
Direct Loans	-649,883	-15,560		15,560
Vendee Direct	0	-6,107	0	6,107
Transitional Housing - Direct Loans	-91	-455		455
Veterans housing benefit fund guaranteed loan	-532,110	-455,369	0	455,369
Veterans housing benefit fund loan sale securities	-44,180	-111,341	0	111,341
Native American veterans program account	-1,836	-617	0	617
Vocational rehabilitation loan program	-701	-124	0	124
Negative subsidy:				
Acquired Direct	0	0	-8,150	-8,150
Vendee Direct	-1,156	-32,769	-45,833	-13,064
Veterans housing benefit fund guaranteed loan	-133,341	-299,282	-78,642	220,640
Native American veteran housing loan program account	-893	-1,076	-2,689	-1,613
Medical care collections fund	-2,477,000	-2,556,855	-2,881,462	-324,607
Total proprietary receipts from the public	-4,033,605	-3,639,900	-3,016,776	623,124
Total federal funds	83,807,202	95,497,466	107,672,039	12,174,573
Trust funds:				
General post fund	27,082	27,894	28,200	306
Post-Vietnam era veterans education account	2,030	2,130	2,035	-95
National service life insurance	1,163,064	1,207,689	1,192,260	-15,429
U.S. Government life insurance	6,190	6,783	5,910	-873
Veterans special life insurance	-14,164	-1,540	8,890	10,430
National cemetery gift fund	0	0	0	0
Total trust funds (gross)	1,184,202	1,242,956	1,237,295	-5,661
Proprietary receipts from the public	-134,900	-123,406	-110,481	12,925
Post-Vietnam era veterans education account	-150	-146	-141	5
U.S. Government life insurance	-273	-210	-170	40
National service life insurance	-134,477	-123,050	-110,170	12,880
Total trust funds (net)	1,049,302	1,119,550	1,126,814	7,264
Intragovernmental transactions	-1,191	-1,340	-1,559	-219
Post-Vietnam era veterans education account	-669	-850	-1,099	-249
U.S. Government life insurance	0			
National service life insurance	-522	-490	-460	30
Total Department of Veterans Affairs	\$84,855,313	\$96,615,676	\$108,797,294	\$12,181,618

Functional Distribution of Budget Authority (Net)
(dollars in thousands)

Function and Program	2008	2009	2010
701: Income security for veterans:			
Disability compensation benefits	\$37,242,133	\$39,116,052	\$43,002,751
Pensions benefits	3,800,773	4,042,264	4,041,041
Burial benefits	195,949	197,593	221,408
National cemetery gift fund	0	0	0
Insurance benefits	41,250	48,072	49,288
Service-disabled veterans insurance fund	0	0	0
Veterans reopened insurance fund	0	0	0
National service life insurance	1,144,755	1,163,372	1,135,170
US Government life insurance	5,295	5,180	4,360
Veterans special life insurance fund	0	0	0
Servicemember's group life insurance fund	0	0	0
US Government life insurance	-273	-210	-170
Subtotal, income security for veterans	42,429,882	44,572,323	48,453,848
702: Veterans education, training and rehabilitation:			
Education benefits	2,677,341	3,663,261	8,086,344
Vocational rehabilitation and employment benefits	622,948	619,683	577,280
Post-Vietnam era veterans education account	820	996	1,240
Post-Vietnam era veterans education receipts	-669	-850	-1,099
National service life insurance receipts	-522	-490	-460
Downward reestimates:			
Vocational Rehabilitation loan program	-701	-124	0
GI Bill receipts	-192,414	-160,345	0
National service life insurance fund	-134,477	-123,050	-110,170
Post-Vietnam era veterans education account	-150	-146	-141
Subtotal, veterans education, training and rehabilitation	2,972,176	3,998,935	8,552,994
703: Hospital & Medical Care for veterans:			
Medical services	28,003,345	30,701,013	34,704,500
Medical care collections fund	2,442,563	2,556,855	2,881,462
Total medical services	30,445,908	33,257,868	37,585,962
Medical Support and Compliance	3,956,617	4,450,000	5,100,000
Medical facilities	4,233,182	6,029,000	4,693,000
VA/DoD Health Sharing Incentive Fund	90,000	34,000	0
Medical and prosthetic research	480,000	510,000	580,000
Medical care collections fund, receipts	-2,477,000	-2,556,855	-2,881,462
Downward reestimates:			
Subtotal, hospital and medical care for veterans	36,728,707	41,724,013	45,077,500

Functional Distribution of Budget Authority (Net) <i>(dollars in thousands)</i>			
Function and Program	2008	2009	2010
704: Veterans housing:			
Veterans housing benefit program fund liquidating account	-20,242	-13,993	-12,605
Veterans housing benefit program fund program account	814,524	352,145	23,553
Vocational Rehabilitation Upward Reestimates	82	812	0
Downward reestimates:			
Veterans housing benefit guaranteed loan	-532,110	-455,369	0
Veterans housing benefit fund loan sale securities	-44,180	-111,341	0
Veterans housing benefit direct loan	0	0	0
Native American veterans program account	-1,836	-617	0
Acquired Direct	-649,883	-15,560	0
Vendee Direct	0	-6,107	0
Transitional Housing-Direct Loans	-91	-455	0
Negative subsidy:			
Acquired Direct Loan	0	0	-8,150
Vendee Direct	-1,156	-32,769	-45,833
Veterans housing benefit fund guaranteed loan account	-133,341	-299,282	-78,642
Native American veterans program account	-893	-1,519	-3,472
Subtotal, veterans housing	-569,126	-584,055	-125,149
705: Other veterans benefits and services:			
National Cemeteries Administration	193,858	280,000	242,000
General post fund	39,718	41,137	41,749
General administration	324,921	335,772	393,500
Office of Inspector General	80,500	88,818	107,000
VBA-GOE	1,426,837	1,618,395	1,825,000
Filipino Veterans Compensation Fund	0	198,000	0
Construction Major	1,531,477	923,382	1,194,000
Construction Minor	630,535	741,534	600,000
Grants for State Extended Care	165,000	325,000	85,000
Grants for State Cemeteries	39,500	42,000	42,000
Credit Reform	155,545	158,237	166,103
Information Technology	2,358,122	2,798,181	3,307,000
Subtotal, other veterans benefits and services	6,946,013	7,550,456	8,003,352
Total, function 700 distribution of Budget			
Authority for the Department of Veterans Affairs	88,507,652	97,261,672	109,962,545
Total Department of Veterans Affairs	\$88,507,652	\$97,261,672	\$109,962,545

<i>Functional Distribution of Outlays</i>				
<i>(dollars in thousands)</i>				
Function and Program	2008	2009	2010	Increase (+) Decrease (-)
701: Income security for veterans:				
Disability compensation benefits	\$36,255,726	\$40,990,276	\$42,807,356	\$1,817,080
Proposed legislation - Concurrent Receipt	0	0	46,993	46,993
Pensions benefits	3,789,751	4,028,715	4,027,095	-1,620
Burial benefits	195,949	197,593	221,408	23,815
Insurance benefits	41,332	48,854	49,288	434
Service-disabled veterans insurance	3,407	8,061	6,218	-1,843
Veterans reopened insurance fund	23,121	26,636	27,480	844
Servicemembers' group life insurance fund	-17	-32	-18	14
National service life insurance	1,163,064	1,207,689	1,192,260	-15,429
U.S. Government life insurance	6,190	6,783	5,910	-873
Veterans special life insurance	-14,164	-1,540	8,890	10,430
NSLI & USGLI receipts	-135,272	-123,750	-110,800	12,950
Subtotal, income security for veterans	41,329,087	46,389,285	48,282,080	1,892,795
702: Veterans education, training, and rehabilitation:				
Education benefits	2,590,155	4,011,094	8,048,767	4,037,673
Vocational rehabilitation and employment benefits	619,398	622,659	582,185	-40,474
Vocational rehabilitation Upward Reestimate	82	812	0	-812
Credit Reform	155,545	158,237	166,103	7,866
Post-Vietnam era veterans education	2,030	2,130	2,035	-95
Post-Vietnam era veterans education receipts	-819	-996	-1,240	-244
Downward reestimates:				
Vocational rehabilitation loan program	-701	-124	0	124
GI Bill receipts	-192,414	-160,345	0	160,345
Subtotal, veterans education, training and rehabilitation	3,173,276	4,633,467	8,797,850	4,164,383
703: Hospital and medical care for veterans:				
Medical services	30,038,203	32,514,273	36,463,857	3,949,584
Medical Support and Compliance	3,634,998	4,334,635	4,957,660	623,025
Medical facilities	4,241,189	4,987,727	5,129,301	141,574
VA/DoD Health Sharing Incentive Fund	41,567	56,000	48,500	-7,500
Medical and prosthetic research	436,626	492,641	550,716	58,075
Medical care collections fund, receipts	-2,477,000	-2,556,855	-2,881,462	-324,607
Downward reestimates:				
Subtotal, hospital and medical care for veterans	35,915,583	39,828,421	44,268,572	4,440,151

<i>Functional Distribution of Outlays</i>				
<i>(dollars in thousands)</i>				
Function and Program	2006	2007	2008	Increase (+) Decrease (-)
704: Veterans Housing				
Veterans housing benefit program fund liquidating account	-24,632	-11,435	-12,605	-1,170
Housing program account benefits	809,213	350,916	23,553	-327,363
Native American Veteran housing Loan Program	5,311	1,229	0	-1,229
Downward reestimates:				
Vendee Direct	0	-6,107	0	6,107
Transitional Housing - Direct Loans	-91	-455	0	455
Veterans housing benefit guaranteed loan	-532,110	-455,369	0	455,369
Veterans housing benefit loan securities	-44,180	-111,341	0	111,341
Veterans housing benefit direct loan	-649,883	-15,560	0	15,560
Native American veterans program account	-1,836	-617	0	617
Negative subsidy:				
Acquired Direct	0	0	-8,150	-8,150
Vendee Direct	-1,156	-32,769	-45,833	-13,064
Veterans housing benefit fund guaranteed loan	-133,341	-299,282	-78,642	220,640
Native American veteran housing loan program account	-893	-1,076	-2,689	-1,613
Subtotal, veterans housing	-573,598	-581,866	-124,366	259,070
705: Other veterans benefits and services:				
VBA-GOE	1,255,260	1,462,414	1,819,285	356,871
Filipino Veterans Equity Compensation Fund		119,000	69,000	-50,000
National Cemetery Administration	167,002	232,118	268,940	36,822
Canteen service revolving fund	3,762	2,500	3,000	500
Supply fund	2,564	0	0	0
General post fund	27,082	27,894	28,200	306
General Administration	372,891	326,977	374,945	47,968
Construction-Major	528,791	806,989	935,280	128,291
Construction- Minor	412,682	587,905	655,558	67,653
Grants for State Extended Care	115,634	98,623	147,570	48,947
Grants for State Cemeteries	31,092	29,143	29,678	535
Information Technology	1,988,974	2,567,764	3,140,958	573,194
National cemetery gift fund	0	0	0	0
Office of Inspector General	71,583	85,042	100,744	15,702
Franchise fund	33,784	0	0	0
General Operating Expenses-SSA	0	0	0	0
Pershing hall revolving fund	-136	0	0	0
Subtotal, other veterans benefits and services	5,010,965	6,346,369	7,573,158	1,226,789
Total, function 700 Distribution of Budget				
Outlays for the Department of Veterans Affairs	\$84,855,313	\$96,615,676	\$108,797,294	\$11,983,188
Deduction for offsetting receipts (Function 902)				0
Total Department of Veterans Affairs	\$84,855,313	\$96,615,676	\$108,797,294	\$12,181,618

Obligations (dollars in thousands)				
Appropriation/Fund Account	2008	2009	2010	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Disability compensation benefits	\$36,474,302	\$40,546,201	\$42,955,758	\$2,409,557
Proposed legislation (COLA)	0	0	0	0
Proposed legislation (Concurrent Receipt)	0	0	46,993	46,993
Pensions benefits	3,800,773	3,926,264	4,041,041	114,777
Burial benefits	195,949	197,593	221,408	23,815
Education benefits	3,000,088	4,405,499	8,503,091	4,097,592
Post-Vietnam era veterans' education account	2,032	2,090	1,997	-93
Vocational rehabilitation and employment benefits	622,948	619,683	577,280	-42,403
Vocational rehabilitation loan program account	438	1,193	357	-836
Insurance benefits	43,504	50,907	51,578	671
Housing program account benefits	977,464	519,526	198,181	-321,345
Native American Direct Loan Program Account	5,939	1,875	664	-1,211
Service-disabled veterans insurance fund	92,055	105,762	108,060	2,298
Veterans reopened insurance fund	54,309	52,660	50,070	-2,590
Servicemembers' group life insurance fund	1,308,634	1,172,410	799,900	-372,510
Filipino Veterans Equity Compensation Fund	0	118,800	69,300	-49,500
Compensation & Pensions, Recovery Act	0	700,000	0	-700,000
Total benefits programs	46,578,435	52,420,463	57,625,678	5,205,215
Medical programs:				
Medical care	39,387,995	44,398,320	48,237,262	3,838,942
Medical prosthetics and research	531,946	571,638	630,000	58,362
Medical center research organizations	198,742	250,000	253,000	3,000
VA/DoD Health Care Sharing Incentive Fund	58,497	81,000	67,000	-14,000
Canteen service revolving fund	303,982	315,182	326,582	11,400
Total medical programs	40,481,162	45,616,140	49,513,844	3,897,704
National Cemetery Administration:	194,927	270,200	252,200	-18,000
Departmental administration:				
VBA- GOE	1,595,897	1,946,246	2,125,138	178,892
General administration	374,296	447,066	537,490	90,424
Pershing Hall revolving fund	129	193	193	0
Franchise fund	284,056	309,202	317,534	8,332
Office of Inspector General	78,431	97,414	110,885	13,471
Supply fund	2,133,450	2,197,502	2,234,100	36,598
Information Technology	2,171,387	3,163,065	3,368,406	205,341
Construction, Major & Minor	1,844,173	2,263,354	1,849,883	-413,471
Grants for State Extended Care	161,782	257,299	157,607	-99,692
Grants for State Cemeteries	36,937	43,500	43,401	-99
Total Departmental administration	8,680,538	10,724,841	10,744,637	148,825
Total federal funds	95,935,062	109,031,644	118,136,359	9,233,744
Trust funds:				
General post fund	27,648	29,320	30,743	1,423
National service life insurance	1,400,116	1,398,110	1,348,670	-49,440
U.S. Government life insurance	5,569	5,390	4,530	-860
Veterans special life insurance	207,777	213,150	212,650	-500
National cemetery gift fund	105	200	215	15
Total trust funds	1,641,215	1,646,170	1,596,808	-49,362
Total Department of Veterans Affairs	\$97,576,277	\$110,677,814	\$119,733,167	\$9,184,382
Non-Budget				
Veterans housing benefit program direct loan financing account	896,049	1,301,667	1,358,314	56,647
Veterans housing benefits program loan sale securities financing account	252,311	1,114,378	983,389	-130,989
Veterans housing benefit program guaranteed loan financing account	1,901,464	2,730,813	2,118,953	-611,860
Native American and transitional housing direct loan financing account	11,496	19,457	16,726	-2,731
Vocational rehabilitation loan financing account	2,988	3,284	2,298	-986
Total Non-Budget	\$3,064,308	\$5,169,599	\$4,479,680	-\$689,919

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Ten Year Tables

Ten Year Budget Authority	6I - 1
Ten Year Outlays	6J - 1
Ten Year Total Average Employment	6K - 1

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Budget Authority										
1999 - 2008 Actuals										
<i>(dollar in thousands)</i>										
Appropriation/Fund Account	1999 (Net)	2000 (Net)	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)
Federal funds:										
Benefit programs										
Compensation and pensions	\$21,857,058	\$21,568,364	\$23,355,690	\$26,044,288	\$28,949,000	\$29,842,126	\$32,361,923	\$33,897,787	\$38,622,360	\$41,238,855
Readjustment benefits	1,175,358	1,469,000	1,981,000	2,135,000	2,264,808	2,529,734	2,801,997	3,309,234	2,812,006	3,300,289
Veterans insurance and indemnities	46,450	25,510	24,393	26,200	27,957	32,017	44,380	45,907	49,850	41,250
Veterans housing benefit program fund program account	1,547,766	1,660,155	497,515	918,890	1,464,750	356,581	2,042,210	198,009	204,479	969,168
Veterans housing benefit program fund liquidating account, permanent	153,555	0	0	0	-60,000	-40,000	-45,000	-49,485	-42,000	-20,242
Native American veteran housing loan program account	515	520	531	544	886	1,265	567	580	584	628
Guaranteed transitional housing loans for homeless veterans	3,000	45,250	0	0	0	0	0	0	0	0
Education loan fund program account	206	214	221	65	70	197	0	0	0	0
Vocational rehabilitation loans program account	449	463	478	346	329	350	356	355	358	355
Total benefits programs	24,784,357	24,769,476	25,859,828	29,125,333	32,647,800	32,722,270	37,206,433	37,402,387	41,647,637	45,530,303
Medical programs:										
Medical care	17,818,771	19,462,191	20,949,897	22,592,233	25,369,020	20,449,427	22,584,161	24,139,378	27,517,363	30,445,908
Medical services						4,095,078	4,437,300	3,430,542	3,674,815	3,956,617
Medical administration						3,188,817	3,329,749	3,357,869	4,548,165	4,233,182
Medical facilities						27,733,322	30,351,210	30,927,789	35,740,343	38,635,707
Total Medical care programs	17,818,771	19,462,191	20,949,897	22,592,233	25,369,020	405,593	402,348	412,000	446,480	480,000
Medical and prosthetic research	315,652	321,000	350,228	367,707	392,400	30,000	30,000	30,000	70,000	90,000
Medical administration and miscellaneous operating expenses	62,933	59,703	61,780	66,681	74,230	0	0	0	0	0
DoD/VA health care sharing incentive fund										
Medical care cost recovery fund, permanent	0	0	0	0	0	0	0	0	0	0
Total medical programs	18,197,356	19,842,894	21,361,905	23,026,621	25,835,650	28,168,915	30,783,558	31,369,789	36,256,823	39,205,707

**Budget Authority
1999 - 2008 Actuals
(dollar in thousands)**

Appropriation/Fund Account	1999 (Net)	2000 (Net)	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)
Construction programs:										
Construction, major projects	142,287	65,140	65,895	183,180	99,526	671,578	481,498	1,560,519	399,000	1,531,477
Advance appropriation	0	0	0	0	0	0	0	0	0	0
Construction, minor projects	174,984	160,000	165,974	210,900	224,531	250,656	245,476	233,137	524,937	630,535
Grants for the construction of State extended care facilities	90,000	90,000	99,780	100,000	99,350	101,498	104,322	85,000	85,000	165,000
Grants for the construction of State veterans cemeteries	10,000	25,000	24,945	25,000	31,792	31,811	31,744	32,000	32,000	39,500
Parking revolving fund	-23	0	6,486	4,000	0	0	0	0	0	0
Total construction programs	417,248	340,140	363,080	523,080	455,199	1,055,543	863,040	1,910,656	1,040,937	2,366,512
Information Technology										
National cemetery administration	91,794	97,138	109,137	121,078	132,284	143,352	147,784	149,798	160,231	193,858
General operating expenses and misc.:										
General operating expenses	881,643	940,643	1,100,469	1,197,914	1,353,196	1,275,201	1,433,700	1,373,240	1,586,372	1,751,758
Office of Inspector General	35,927	43,170	46,256	52,269	57,623	61,634	69,153	69,074	70,641	80,500
Total GOE and miscellaneous	917,570	983,813	1,146,725	1,250,183	1,410,819	1,336,835	1,502,853	1,442,314	1,657,013	1,832,258
Total appropriations (adjusted)	44,316,531	45,936,323	48,731,538	53,925,217	60,349,468	63,283,563	70,355,884	72,125,146	80,602,410	88,934,780
DEDUCT: Proprietary receipts from the public	-1,360,619	-1,737,422	-2,476,478	-3,206,663	-1,485,924	-1,697,725	-1,868,383	-1,994,172	-2,226,653	-2,477,000
Total federal funds	42,955,912	44,198,901	46,255,060	50,718,554	58,863,544	61,585,838	68,487,501	70,130,974	78,375,757	86,457,780
Trust funds:										
Post-Vietnam era veterans education account	5,152	3,979	3,552	2,298	1,266	1,024	619	333	230	820
General post fund	33,331	32,185	35,295	35,334	30,576	31,066	30,926	31,851	30,754	39,718
Pershing Hall revolving fund	0	-250	-250	-250	-250	0	0	0	0	0
National service life insurance	1,248,935	1,236,168	1,239,233	1,219,747	1,192,335	1,238,240	1,210,888	1,185,856	1,138,518	1,144,755
U.S. Government life insurance	11,319	11,132	10,579	9,682	8,506	7,877	7,323	6,322	4,000	5,295
Service-disabled veterans insurance fund	-10,279	6,803	7,609	4,219	0	0	1	0	0	0
Veterans reopened insurance fund	10,317	11,687	13,216	14,781	0	0	-1	0	0	0
Veterans special life insurance fund	-18,945	-22,328	-26,520	-28,696	0	0	0	0	0	0
Servicemembers' group life insurance fund	0	-33	-596	-64	957	0	-21	-20	0	0
National cemetery gift fund	62	187	98	183	78	78	0	396	0	0
Total trust funds (gross)	1,279,892	1,279,530	1,282,216	1,257,234	1,233,468	1,278,285	1,249,735	1,224,738	1,173,502	1,190,588
DEDUCT: Proprietary receipts from the public	-206,820	-203,129	-203,558	-185,392	-1,282,639	-2,677,090	-1,474,804	-1,710,188	-1,393,310	-1,691,506
Total trust funds (net)	1,073,072	1,076,401	1,078,658	1,071,842	-49,171	-1,398,805	-225,069	-485,450	-219,808	-500,918
DEDUCT: Intragovernmental transactions	-8,537	-3,200	-2,463	-2,693	-1,665	-1,279	-1,670	-886	-725	-1,191
Total Department of Veterans Affairs	\$44,112,241	\$45,369,240	\$47,440,392	\$51,908,781	\$58,944,992	\$60,329,106	\$69,692,063	\$71,025,856	\$79,563,302	\$88,507,651

Budget Outlays										
1999 - 2008 Actuals										
(dollar in thousands)										
Appropriation/Fund Account	1999 (Net)	2000 (Net)	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)
Federal Funds:										
Benefit programs:										
Compensation & pensions	\$21,147,622	\$23,819,890	\$21,419,720	\$25,678,949	\$28,020,904	\$29,783,850	\$34,693,641	\$34,680,630	\$34,599,803	\$40,241,426
Readjustment benefits	1,445,217	1,497,293	1,608,226	1,987,727	2,364,257	2,684,382	2,936,589	2,949,314	2,999,468	3,209,553
Veterans insurance and indemnities	46,660	25,578	24,484	25,661	27,958	31,638	44,649	45,956	49,873	41,332
Reinstated entitlement program for survivors	0	1,466	-2,130	733	3,478	0	0	0	0	0
Veterans housing benefit program fund										
liquidating account	-370,788	-255,081	-3,966	-126,537	-61,218	-92,958	-76,577	-71,812	-28,340	-24,632
Veterans housing benefit program fund										
program account	1,547,766	1,660,155	497,515	918,886	1,450,699	370,964	2,033,378	213,086	208,472	969,168
Native American veteran housing										
loan program account	664	663	647	935	886	1,278	555	566	571	628
Service-disabled veterans insurance fund	-10,667	6,764	7,933	3,237	5,548	3,002	-6,281	-5,713	-8,085	3,407
Veterans reopened insurance fund	6,586	9,588	11,707	12,543	15,065	17,896	19,840	20,956	22,973	23,121
Education loan fund liquidating account	-183	-88	-49	-27	-43	109				
Education loan modification						-129				
Education loan fund program account	206	214	221	64	70	69				
Vocational rehabilitation loans program account	449	463	478	332	329	337	347	348	350	355
Servicemembers' group life insurance fund	-264	-288	-330	-331	-3,466	5,239	-21	-19	-25	-17
Total benefit programs	23,813,268	26,766,617	23,564,456	28,502,172	31,824,467	32,805,677	39,646,120	37,833,312	37,845,060	44,464,341
Medical programs:										
Medical care	17,846,220	19,249,329	20,926,823	22,624,343	24,755,762	21,877,112	21,861,500	23,855,420	26,083,319	30,038,203
Medical services										
Medical administration						3,418,844	4,171,364	3,695,558	3,640,454	3,634,998
Medical facilities						2,472,619	3,015,958	3,341,474	3,544,804	4,241,189
Total Medical care programs	17,846,220	19,249,329	20,926,823	22,624,343	24,755,762	27,768,575	29,048,822	30,892,452	33,268,577	37,914,390
Medical and prosthetic research	316,192	329,400	339,056	359,523	363,988	389,091	389,759	406,094	403,841	436,626
Medical administration and										
miscellaneous operating expenses	60,682	58,540	64,473	64,723	68,370	0	0	0	0	0
DoD/VA health care sharing Incentive fund	0	0	0	0	0	0	811	6,861	35,663	41,567
Medical care cost recovery fund	599	0	0	0	0	0	0	0	0	0
Health professional scholarship program	17	0	0	0	0	0	0	0	0	0
Medical facilities revolving fund	-193	621	713	327	167	212				
Veterans extended care revolving fund	0	0	0	0	-3,076	-1,673				
Special therapeutic and										
rehabilitation activities fund	-2,069	-1,652	-1,317	-1,762	-1,116	-796				
Canteen service revolving fund	138	-1,941	5,948	5,050	-4,814	3,447	-5,813	2,622	-3,355	3,762
Total medical programs	18,221,586	19,634,297	21,335,696	23,052,204	25,179,281	28,158,856	29,433,579	31,308,029	33,704,726	38,396,345

Budget Outlays										
1999 - 2008 Actuals										
<i>(dollar in thousands)</i>										
Appropriation/Fund Account	1999 (N)et	2000 (N)et	2001 (N)et	2002 (N)et	2003 (N)et	2004 (N)et	2005 (N)et	2006 (N)et	2007 (N)et	2008 (N)et
Construction programs:										
Construction, major projects	290,429	171,797	178,846	176,434	124,886	118,396	146,228	237,185	437,136	528,791
Construction, minor projects	175,561	163,988	156,774	156,632	173,260	199,766	217,353	259,427	267,315	412,682
Parking revolving fund	11,681	14,636	4,814	504	795	3,404	0	0	0	0
Grants to the Republic of the Philippines	2	0	0	0	0	0	0	0	0	0
Grants for the construction of State extended care facilities	39,899	101,073	60,482	83,123	86,286	77,369	96,780	122,106	108,793	115,634
Grants for the construction of State veterans cemeteries	3,943	12,256	20,347	28,537	25,286	39,168	22,510	37,354	25,585	31,092
Nursing home revolving fund	-52	-172	158	0	0	0	0	0	0	0
Total construction programs	521,463	463,578	421,421	445,230	410,513	438,103	482,871	656,072	838,829	1,088,199
Information Technology	88,720	95,336	103,351	119,874	125,218	135,593	150,028	148,734	156,263	167,002
National cemetery administration										
General operating expenses and misc.:										
General operating expenses	866,699	881,602	1,071,700	1,145,365	1,220,932	1,252,361	1,293,600	1,544,925	1,476,092	1,628,150
Franchise fund	-948	-11,315	-7,060	-21,037	-17,300	-5,532	0	0	10,000	33,784
Office of Inspector General	34,571	38,805	47,236	52,179	53,228	57,819	65,952	72,815	71,696	71,583
Supply fund	-27,746	-91,640	-48,909	-193,259	-313,041	-146,211	0	261,043	29,000	2,564
Pershing hall revolving fund	-303	4	-446	0	-264	-109	-45	-45	-45	-136
Total GOE and miscellaneous	872,273	817,456	1,062,521	983,248	943,555	1,158,328	1,359,507	1,878,738	1,586,743	1,735,945
Total appropriations (adjusted)	43,428,590	47,681,948	46,384,094	52,982,854	58,357,816	62,560,964	70,922,077	71,676,151	73,975,358	85,684,830
DEDUCT: Proprietary receipts from the public	-1,360,619	-1,737,422	-2,476,478	-3,206,663	-1,485,924	-1,697,725	-1,868,383	-1,994,172	-2,226,653	-2,477,000
Total federal funds	42,067,971	45,944,526	43,907,616	49,776,191	56,871,892	60,863,239	69,053,694	69,681,979	71,748,705	83,207,830
Trust funds:										
Post-Vietnam era veterans education account	20,467	13,272	14,402	9,006	4,658	3,560	2,897	2,375	2,200	2,030
General post fund	28,871	28,439	31,910	30,921	30,367	27,487	30,508	30,324	29,670	27,082
National service life insurance	1,201,357	1,241,852	1,221,445	1,175,521	1,178,204	1,231,445	1,206,851	1,199,743	1,168,739	1,163,064
U.S. Government life insurance	11,581	11,405	10,866	9,904	9,525	9,316	8,525	7,661	7,003	6,190
Veterans special life insurance	-37,250	-42,676	-46,643	-51,856	-43,404	-37,141	-40,256	-31,852	-25,224	-14,164
National cemetery gift fund	115	132	92	99	144	51	0	79	0	0
Total trust funds (gross)	1,225,141	1,252,424	1,232,072	1,173,595	1,179,494	1,234,718	1,208,525	1,208,330	1,182,388	1,184,202
DEDUCT: Proprietary receipts from the public	-206,820	-203,129	-203,558	-185,392	-1,282,639	-2,677,090	-1,474,804	-1,710,188	-1,393,310	-1,691,506
Total trust funds (net)	1,018,321	1,049,295	1,028,514	988,203	-103,145	-1,442,372	-266,279	-501,858	-210,922	-507,304
DEDUCT: Intragovernmental transactions	-8,537	-3,200	-2,463	-2,693	-1,665	-1,279	-1,670	-886	-725	-1,191
Total Department of Veterans Affairs	\$43,166,475	\$47,085,957	\$45,037,018	\$50,881,575	\$56,892,300	\$59,555,181	\$69,667,378	\$69,950,105	\$72,804,697	\$84,855,311

**Total Average Employment
1999 - 2008 Actuals**

Appropriation/Fund Account	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Medical programs										
Medical care	182,661	179,520	182,946	183,712	186,553	*	*	*	*	*
Medical services						131,140	135,283	135,186	140,491	158,263
Medical Support and Compliance						34,218	35,652	36,244	37,405	35,847
Medical facilities						28,914	26,715	26,470	26,678	22,291
Total medical care programs	182,661	179,520	182,946	183,712	186,553	194,272	197,650	197,900	204,574	216,401
Medical and prosthetic research	2,974	3,014	3,019	3,096	3,217	3,234	3,206	3,193	3,175	3,142
VA/DoD Sharing Incentive Fund									88	126
Medical administration and miscellaneous operating expenses	488	514	528	534	551	*	*	*	*	*
Canteen service revolving fund	3,010	2,933	2,933	2,899	2,837	2,890	2,952	2,965	2,953	3,008
Total medical programs	189,133	185,981	189,426	190,241	193,158	200,395	203,808	204,058	210,790	222,677
Construction programs										
Construction, major projects	34	21	21	6	6	0	6	0	0	0
Construction, minor projects	45	50	43	53	50	36	50	19	17	19
Total construction programs	79	71	64	59	56	36	56	19	17	19
General operating expenses										
Veterans Benefits Administration	11,247	11,356	12,152	13,073	13,206	12,795	12,576	12,810	13,504	14,965
General administration	2,388	2,459	2,555	2,598	2,385	2,431	2,499	2,589	2,901	2,420
Total general operating expenses	13,635	13,815	14,707	15,671	15,591	15,226	15,075	15,399	16,405	17,385
Information Technology										
National Cemetery Administration	1,357	1,399	1,385	1,454	1,476	1,492	1,523	1,527	1,541	6,348
Office of Inspector General	342	354	370	393	399	434	454	435	470	448
Franchise Fund	357	358	636	670	662	706	832	688	726	702
Office of Acquisition and Materiel Management	644	643	361	382	410	421	451	469	426	407
Total Department of Veterans Affairs	205,547	202,621	206,949	208,870	211,752	218,710	222,199	222,595	230,375	249,498

* Reflects change in the Veterans Health Administration appropriations structure as enacted in 2004

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Estimates of Combat Theatre Obligations

- **In compliance with provisions of the Veterans' Judicial Review Act, P. L. 100-687, Section 1404.**

<i>Estimates of Combat Theatre Obligations from the National Survey of Veterans</i> (dollars in millions)			
Appropriations	2008 Obligations	Estimate of Combat Theatre Veterans *	Estimated Obligation on Combat Theatre Veterans
Employment Services			
HIRE/CETA	N/A	N/A	
EJTP/VJTP	N/A	N/A	
Compensation	\$31,766	58%	\$18,424
Dependency and Indemnity Compensation	\$4,709	N/A	
Pensions			
Veterans	\$2,858	51%	\$1,458
Survivors	\$919	N/A	
Inpatient Facilities	\$14,621	50%	\$7,311
Outpatient Care	\$17,595	49%	\$8,622
Miscellaneous Medical Service	\$1,219	N/A	
Readjustment Counseling	\$109	N/A	
Veterans Insurance and Indemnities	\$44	50%	\$22
Specially Adapted Housing	\$38	N/A	
Burial Benefits	\$196	49%	\$96
Educational Assistance	\$2,471	40%	\$989
Vocational Rehabilitation	\$623	43%	\$268
Survivors' and Dependents' Educational Assistance	\$435	N/A	
Home Loan Guaranty	\$983	43%	\$423
Automobiles and Adaptive Equipment	\$56	N/A	

* Combat Theatre is based on the question, "Did you ever serve in a combat or war zone?" from the 2001 National Survey of Veterans (NSV). N/A - Not available from the 2001 NSV.

Most NSV questions on program usage refer to current usage (2000 - 2001 time period) or in case of burial benefits anticipated usage. However, because education and vocational rehabilitation questions asked if veterans had ever used these programs, answers for this table for those programs were restricted to veterans discharged in the last 10 years. Home Loan Guaranty refers to veterans who used the program since leaving the military.

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Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Veterans Health Administration							
<i>Medical Care Programs</i>							
Performance Measures							
Percent of patients rating VA health care service as very good or excellent: *(The survey instrument used in the past has been discontinued. VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Healthcare Plans and Systems. FY 2009 is a re-baseline year to determine both annual and strategic targets.)							
Inpatient	77%	78%	78%	79%	*Baseline	TBD	TBD
Outpatient	77%	78%	78%	78%	*Baseline	TBD	TBD
Percent of primary care appointments scheduled within 30 days of the desired date	96%	96%	97%	99%	97%	98%	99%
Percent of specialty care appointments scheduled within 30 days of the desired date	93%	94%	95%	98%	95%	95%	99%
Percent of new patient appointments completed within 30 days of the desired date	N/Av	N/Av	N/Av	89%	92%	93%	95%
Percent of unique patients waiting more than 30 days beyond the desired appointment date	N/Av	N/Av	N/Av	8%	6%	5%	5%
Clinical Practice Guidelines Index III (The 2005 result is CPGI I. The 2006, 2007, and 2008 results are CPGI II. The 2009 and 2010 targets are CPGI III.)	87%	83%	83%	84%	86%	86%	87%
Prevention Index IV (The 2005 result is PI II. The 2006, 2007, and 2008 results are PI III. The 2009 and 2010 targets are PI IV.)	90%	88%	88%	88%	89%	89%	90%
Dollar value of 1st party and 3rd party collections:							
1st Party (\$ in millions)	\$772	\$863	\$915	\$922	\$876	\$940	\$1,172
3rd Party (\$ in millions)	\$1,056	\$1,096	\$1,261	\$1,497	\$1,621	\$1,882	\$1,893
Gross Days Revenue Outstanding (GDRO) for 3rd party collections	58	54	59	57	55	54	53
Number of new enrollees waiting to be scheduled for their first appointment (electronic waiting list)	N/Av	3,700	127	96	<200	<125	<200
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	73%	74%	74%	76%	80%	82%	91%
Number of locations where DoD military treatment facilities and VA medical centers have the capability to share and view DoD electronic images, bi-directionally	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	TBD

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Percent of OEF/OIF Veterans who report that their personal physician or nurse usually listened carefully to them: (New Measure)							
	Inpatient	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
Outpatient	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies (Beginning in 2007, medical supplies were added to this measure)	Baseline	\$236M	\$328M	\$188M	\$210M	\$210M	\$240M
Number of outpatient visits at Joint Ventures and significant sites. (Facilities providing 500 or more outpatient visits and/or admissions per year) (Prior year results have been restated to provide results more accurate to the measure. Targets have been adjusted accordingly.)	107,166	122,001	101,872	98,524	100,000	101,000	102,010
Common Measures							
Obligations per unique patient user (FY 2005-2007 results are expressed in constant 2005 dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI-U (CPI for All Urban Consumers) was used for the FY 2008 results and to project FY 2009-2010 targets.)	\$5,597	\$5,455	\$5,740	\$5,891	\$5,995	\$6,146	TBD
Special Emphasis Programs							
Non-institutional, long-term care average daily census (ADC) (Measure description changed)	N/Av	43,325	41,022	54,053	72,352	90,654	109,184
Percent of severely-injured or ill OEF/OIF servicemembers/Veterans who are contacted by their assigned VA case manager within 7 calendar days of notification of transfer to the VA system as an inpatient or outpatient (This measure will be dropped after FY 2009)	N/Av	Baseline	91%	89%	94%	N/Ap	100%
Percent of appointments for primary care scheduled within 30 days of desired date for Veterans and servicemembers returning from a combat zone (This measure will be dropped after FY 2009)	N/Av	Baseline	95%	97%	96%	N/Ap	94%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Percent of VHA clinical healthcare professionals who have had VA training prior to employment (New Measure)	N/Av	N/Av	N/Av	N/Av	N/Av	15%	30%
Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans (New Measure)	N/Av	N/Av	N/Av	N/Av	N/Av	17%	15%
Medical Research							
Performance Measures							
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (Two milestones to be achieved over two years)	40%	47%	67%	80%	87%	94%	100%
Progress towards development of a standard clinical practice for pressure ulcers (Six milestones to be achieved over four years) (This measure will be dropped after FY 2009)	52%	61%	65%	68%	76%	N/Av	100%
Progress toward development of robot-assisted treatment/interventions for patients who have suffered neurological injury due to conditions such as spinal cord injury, stroke, multiple sclerosis, and traumatic brain injury (Four milestones to be achieved over three years)	21%	43%	54%	64%	86%	93%	100%
Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study	29%	40%	35%	38%	41%	44%	50%
Progress towards the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patient with mental illness (including PTSD, schizophrenia, and mood disorders) (New Measure)	N/Av	N/Av	N/Av	N/Av	N/Av	15%	100%
Veterans Benefits Administration							
Compensation							
Performance Measures							
National accuracy rate-compensation rating claims (Measure description changed)	84%	88%	88%	86%	90%	90%	98%
Rating-related actions - average days pending (Compensation) (Measure description changed)	122	130	132	121	116	*105	100
Average days to complete - DIC actions (Compensation) (Measure description changed)	124	136	132	121	115	110	90

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Overall satisfaction rate (Compensation) No customer satisfaction survey performed for 2006-2008. Survey will be conducted in 2010 for 2009 data.	58%	N/Av	N/Av	N/Av	TBD	TBD	90%
National accuracy rate (Compensation maintenance claims) (Measure description changed)	90%	91%	92%	95%	95%	96%	98%
BDD Participation Rate (Compensation) (Measure description changed)	55%	46%	53%	59%	TBD	TBD	TBD
Average number of days to process a claim for reimbursement of burial expenses (Compensation)	57	72	91	84	80	75	21
National Accuracy Rate for burial claims processed % (Compensation)	93%	94%	95%	96%	97%	98%	98%
<i>Pension</i>							
Performance Measures							
Pension maintenance claims - average days to complete (Measure description changed)	68	92	104	119	85	82	60
National accuracy rate-pension maintenance claims (Measure description changed)	86%	88%	91%	93%	94%	95%	98%
National accuracy rate-pension entitlement claims (Measure description changed)	90%	90%	91%	87%	93%	93%	98%
Rating-related actions - average days pending (Pension)	83	90	89	87	76	67	65
Overall satisfaction rate No customer satisfaction survey was performed for 2006-2008. Survey will be conducted in 2010 for 2009 data.	65%	N/Av	N/Av	N/Av	TBD	TBD	90%
<i>Combined Compensation and Pension Measures</i>							
Compensation & Pension rating-related actions - average days to complete *Target reflects the effects of additional funding from American Recovery and Reinvestment Act of 2009, P.L. 111-5 (Measure description changed)	167	177	183	179	168	*150	125
Appeals resolution time (Number of Days) (Joint measure with BVA) *2009, 2010, and Strategic targets established by BVA	622	657	660	645	*700	*700	*675
Productivity Index %	N/Av	90%	88%	79%	TBD	TBD	TBD
National accuracy rate (fiduciary work) %	85%	83%	84%	81%	88%	90%	98%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Education							
Performance Measures							
Average days to complete original claims	33	40	32	19	24	24	10
Average days to complete supplemental claims	19	20	13	9	10	10	7
Montgomery GI Bill usage rate for Veterans who have passed their 10-year eligibility period	71%	70%	70%	70%	71%	71%	80%
Percent of Montgomery GI Bill participants who successfully completed an education or training program (Measure under development)	N/Av	N/Av	N/Av	N/Av	TBD	TBD	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal Customer satisfaction survey will be conducted in 2010 for 2009 data.	N/Av	N/Av	N/Av	N/Av	TBD	TBD	TBD
Percentage of beneficiaries very satisfied or somewhat satisfied with the way VA handled their education benefits claim No customer satisfaction survey was performed for 2005-2008. Survey will be conducted in 2010 for 2009 data.	N/Av	N/Av	N/Av	N/Av	89%	N/Av	95%
Telephone Activities - Blocked call rate %	38%	43%	32%	4%	10%	10%	10%
Telephone Activities - Abandoned call rate %	17%	20%	14%	5%	5%	5%	5%
Payment accuracy rate %	96%	94%	95%	96%	96%	94%	97%
Vocational Rehabilitation and Employment							
Performance Measures							
Rehabilitation rate (General) (Measure description changed)	63%	73%	73%	76%	76%	76%	80%
Serious Employment Handicap (SEH) Rehabilitation Rate %	N/Av	73%	73%	76%	76%	76%	80%
Employment Rehabilitation Rate (New Measure)	N/Ap	N/Ap	N/Ap	N/Ap	Baseline	75%	80%
Independent Living Rehabilitation Rate (New Measure)	N/Ap	N/Ap	N/Ap	N/Ap	Baseline	92%	85%
Speed of entitlement decisions (in average days) (Measure description changed)	62	54	54	48	47	45	40
Accuracy of decisions (services) % (Measure description changed)	87%	82%	77%	82%	80%	81%	96%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Veterans Satisfaction With the Vocational Rehabilitation and Employment Program % No customer satisfaction survey was performed for 2005-2007. Survey is being conducted in 2009 for 2008 data.	N/Av	N/Av	N/Av	TBD	TBD	TBD	92%
Accuracy rate of Vocational Rehabilitation program completion decisions %	97%	95%	93%	96%	95%	95%	99%
Average cost of rehabilitating participants (using constant 2009 dollars)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
Common Measures **							
Percent of participants employed first quarter after program exit	N/Av	N/Av	N/Av	N/Av	TBD	TBD	80%
Percent of participants still employed three quarters after program exit	N/Av	N/Av	N/Av	N/Av	TBD	TBD	85%
Percent change in earnings from pre-application to post-program employment	N/Av	N/Av	N/Av	N/Av	TBD	TBD	TBD
** These are designated as "common" measures because they are also used by other agencies that manage vocational rehabilitation programs.							
Housing							
Performance Measures							
Default Resolution Rate (New Measure)	N/Av	N/Av	N/Av	N/Av	56.5%	56.5%	57.0%
Veterans' satisfaction level % (No survey was completed for 2005)	N/Av	93.1%	91.7%	Avail. Dec 2009	95.0%	95.5%	97.0%
Lender Satisfaction (Percent of lenders who indicate that they are satisfied with the VA Loan Guaranty Program) (No survey was completed for 2005)	N/Av	93.2%	92.0%	Avail. Dec 2009	94.0%	94.5%	95.0%
Statistical quality index %	98.0%	99.0%	99.2%	99.6%	98.0%	98.0%	98.5%
Percent of Specially Adapted Housing (SAH) grant recipients who indicate that grant-funded housing adaptations increased their independence	N/Av	93.2%	91.3%	Avail. Dec 2009	95.0%	95.5%	97.0%
Rate of homeownership for Veterans compared to that of the general population	N/Av	N/Av	N/Av	115.2%	109.0%	109.0%	110.0%
Default Resolution Efficiency Ratio (New Measure)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Insurance							
Performance Measures							
Average number of days to process TSGLI disbursements (This measure will be dropped after 2009)	N/Av	3.8	3.0	2.5	5.0	N/Av	5
Average number of days to process SGLI death claims (New Measure)	N/Av	N/Av	N/Av	N/Av	N/Av	5	5
Percent of active duty servicemembers covered by SGLI	98%	99%	99%	99%	98%	98%	98%
Conversion rate of disabled SGLI members to VGLI	35%	41%	40%	45%	50%	50%	50%
Ratio of premium rates charged per \$1,000 by other organizations compared to the SGLI premium rates charged per \$1,000 for similar coverage	1.4	1.3	1.2	1.3	1.0	1.0	1.0
Ratio of premium rates charged per \$1,000 by other organizations compared to the VGLI premium rates charged per \$1,000 for similar coverage	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Rate of high veterans' satisfaction ratings on services delivered	96%	96%	96%	95%	95%	95%	95%
Ratio of the multiple of salary that SGLI covers for the average officer versus the multiple of salary that private sector covers for their employees	1.0	0.9	0.9	0.9	0.8	0.8	1.0
Ratio of the multiple of salary that SGLI covers for the average enlisted servicemember versus the multiple of salary that private sector covers for their employees	1.9	1.8	1.8	1.7	1.6	1.6	1.0
Number of disbursements (death claims, loans, and cash surrenders) per FTE	1,692	1,697	1,724	1,756	1,740	1,740	1,750

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
National Cemetery Administration							
<i>Burial Program</i>							
Performance Measures							
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	77.1%	80.2%	83.4%	84.2%	86.9%	90.0%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	94%	94%	98%	98%	100%
Percent of graves in national cemeteries marked within 60 days of interment	94%	95%	94%	93%	95%	95%	95%
Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries	13%	62%	38%	95%	90%	90%	90%
Percent of respondents who rate national cemetery appearance as excellent	98%	97%	97%	98%	99%	99%	100%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	74%	72%	72%	81%	82%	93%
Percent of requests from funeral directors for interment at national cemeteries that are received electronically (Internet)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	50%
Percent of headstones and markers that are delivered undamaged and correctly inscribed	96%	96%	96%	96%	98%	98%	98%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically via fax or Internet	N/Av	N/Av	N/Av	46%	50%	52%	75%
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need	98%	98%	98%	98%	99%	99%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment <small>*Target reflects the effects of additional funding from the American Recovery and Reinvestment Act of 2009, P.L. 111-5.</small>	70%	67%	69%	65%	76%	*85%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations <small>*Target reflects the effects of additional funding from the American Recovery and Reinvestment Act of 2009, P.L. 111-5.</small>	72%	77%	75%	84%	90%	*93%	95%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Percent of gravesites that have grades that are level and blend with adjacent grade levels *Target reflects the effects of additional funding from the American Recovery and Reinvestment Act of 2009, P.L. 111-5.	84%	86%	83%	86%	90%	*93%	95%
Percent of national cemetery buildings and structures that are assessed as "acceptable" according to National Shrine Standards	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	90%
Board of Veterans' Appeals							
Performance Measures							
Deficiency-free decision rate (BVA)	89.0%	93.0%	94.0%	95.0%	92.0%	92.0%	94.0%
Appeals resolution time (From NOD to Final Decision) (Avg. Number of Days); (Joint BVA-VBA measure)	622	657	660	645	700	700	675
BVA Cycle Time (Excludes Representative Time) (Avg. Number of Days)	104	148	136	155	150	150	104
Appeals decided per Veterans Law Judge	621	698	721	754	752	752	800
Cost per case (Using Constant 2007 Dollars)	\$1,453	\$1,381	\$1,337	\$1,365	\$1,451	\$1,486	\$1,486
Departmental Management							
Performance Measures							
Percent of total procurement dollars awarded to <u>service-disabled veteran-owned</u> small businesses (OSDBU) *(Corrected)	2.15%	3.58%	7.09%	*12.09%	7.00%	7.00%	7.00%
Percent of total procurement dollars awarded to <u>veteran-owned</u> small businesses (OSDBU) *(Corrected)	4.50%	6.17%	10.13%	*15.27%	10.00%	10.00%	10.00%
Number of pilot, demonstration, and existing programs implemented by VA in which faith-based and community organizations participate (CFBCI)	4	6	12	12	12	12	14
Percent of VA employees who are Veterans (HR&A) *(Corrected)	28%	*31%	*31%	30%	33%	31%	33%
The Alternative Dispute Resolution (ADR) participation rate in the informal stage of the Equal Employment Opportunity (EEO) complaint process (HR&A) *(Corrected)	17%	22%	28%	*46%	47%	48%	50%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Percent of confirmed Successors to the Secretary who attend orientation and/or the annual update (OS&P)	N/Av	N/Av	N/Av	100%	100%	100%	100%
Percent of Under Secretaries, Assistant Secretaries, and other key officials who self-certify their teams "ready to deploy" to their COOP site (OS&P)	85%	85%	90%	100%	100%	100%	100%
Cumulative percent of FTE (compared to total planned) included in Management Analysis/Business Process Reengineering studies initiated (OP&P)	0%	0%	33%	54%	54%	96%	100%
Percent of tort claims decided accurately at the administrative stage (OGC) (This measure will be dropped after FY 2009)	88.4%	92.2%	92.6%	93.6%	91.5%	N/Av	91.5%
Percent of tort claims adjudicated within 180 days (OGC) (New Measure)	N/Av	N/Av	N/Av	N/Av	N/Av	80%	100%
Average processing time for VA regulations (number of months) (OGC)							
--Requiring advance notice and public comment (2-stage)	N/Av	N/Av	N/Av	21.7	20.4	22.4	22.4
--Without advance notice and public comment (1-stage)	N/Av	N/Av	N/Av	7.4	7.7	10.8	10.8
Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)	0	0	0	0	0	0	0
Number of material weaknesses identified during the annual independent financial statement audit or separately identified by management (OM) (VA's material weaknesses identified during the annual independent financial statement audit are also considered weaknesses under FMFIA)	4	4	4	3	3	3	0
Grade on Federal Information Security Management Act (FISMA) report (OIT)	N/Av	N/Av	N/Av	N/Av	C	B	A
Overall EVM portfolio performance as measured by Cost and Schedule (OIT) Performance Variances: <ul style="list-style-type: none"> • Cost Performance • Schedule Performance 	N/Av N/Av	N/Av N/Av	N/Av N/Av	N/Av N/Av	90%-110% 90%-110%	90%-110% 90%-110%	90%-110% 90%-110%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Number of automated information systems that require a veteran to provide information already entered and available via other VA automated systems, other than essential identifying information such as name, SSN, birth date, etc. (OIT) (New Measure)	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	0
Percentage of responses to pre- & post hearing questions that are submitted to Congress within the required timeframe (OCLA)	21%	15%	27%	57%	45%	60%	100%
Percentage of testimony submitted to Congress within the required timeframe (OCLA)	N/Av	N/Av	75%	58%	90%	90%	100%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	21%	13%	40%	59%	50%	60%	100%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM)	98%	104%	112%	113%	95%	95%	95%
Percent Condition Index (owned buildings) (OAEM) (1) Corrected	82%	(1) 82%	74%	66%	85%	85%	87%
Ratio of non-mission dependent assets to total assets (OAEM)	22%	15%	12%	12%	12%	12%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (Targets conform with Federal Real Property Council Tier 1 definitions)	\$4.85	\$5.59	\$5.80	\$6.47	\$4.52	\$4.52	\$4.52
Cumulative percentage decrease in facility traditional energy consumption per GSF from the 2003 baseline (OAEM) *(Corrected)	N/Av	4%	*8%	11%	12%	15%	30%
Percent of total facility electricity consumption that is renewable (OAEM)	N/Av	3%	3%	4%	3%	5%	7.5%
Percent of above-threshold buildings square footage in inventory that incorporate the sustainable design practices in the guiding principles (OAEM) (New Measure)	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	15%
Percent of design and construction contracts that are awarded within 90 days of operating plan target dates	73%	71%	73%	85%	80%	80%	90%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Office of Inspector General							
Performance Measures							
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions	3,123	2,455	2,303	1,884	1,950	2,050	2,200
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action	224	235	217	212	226	240	250
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations *(Updated)	\$1,972	* \$1,019	* \$820	\$500	\$594	\$774	\$1,000
Return on investment (monetary benefits divided by cost of operations in dollars)	28 to 1	14 to 1	11 to 1	6 to 1	7 to 1	7 to 1	10 to 1
Percentage of:							
<i>Prosecutions successfully completed</i>	N/Av	96%	95%	94%	90%	90%	90%
<i>Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA</i>	N/Av	93%	86%	88%	80%	80%	90%
<i>Preaward recommendations sustained during contract negotiations</i>	N/Av	70%	66%	57%	63%	63%	65%
Customer satisfaction survey scores (based on a scale of 1 - 5, where 5 is high):							
Investigations	N/Av	4.9	4.9	4.6	4.6	4.6	5.0
Audit	N/Av	4.3	3.7	4.0	4.0	4.2	5.0
Healthcare Inspections	N/Av	4.6	4.4	4.7	4.5	4.5	5.0



Selected Facilities by Type

Selected VA Facilities by Type (as of December 2008)

Type of Facility	Number
Domiciliary Rehabilitation Treatment Programs - As of September 30, 2008	48
Geriatric Research, Education, and Clinical Centers	20
Health Administration Management Center	1
Independent Outpatient Clinics	6
Insurance Center	1
Memorial Service Networks	5
Mobile Clinics	5
Nursing Home Units	135
Orthotic/Prosthetic Laboratories	67
Prosthetic and Sensory Aids Restoration Clinics	6
Regional Loan Centers	9
Regional Office - Outpatient Clinic	1
Regional Offices	57
Regional Pension Maintenance Centers	3
Regional Education Processing Offices	4
VA Hospitals	155
VA National Cemeteries - As of September 30, 2008	125
VA Outpatient Clinics - As of September 30, 2008	755
Vet Centers - As of September 30, 2007	232
Veterans Benefits Administration Area Offices	4
Veterans Integrated Service Networks (VISNS)	21

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