Summary – Volume I

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Executive Summary

I. INTRODUCTION

The 2012 President's budget and 2013 advance appropriations request for the Department of Veterans Affairs (VA) delivers the President's promises and fulfills our Nation's commitments to Veterans. VA's 2012 budget continues support for transforming VA into a 21st Century organization that is people-centric, results-driven, and forward looking.

VA's budget request for 2012 and for advance appropriations for medical care in 2013 are based on implementing our four strategic goals which keep a steady focus on improving the quality and accessibility of VA health care, benefits and services; increasing Veteran satisfaction; raising readiness to serve and protect in a time of crisis; and improving internal management systems to achieve mission performance.

VA's 2012 budget also continues our focus on three key priorities: eliminating Veteran homelessness; reducing the claims backlog; and expanding access to benefits and services. These crosscutting and high impact efforts are designed to address the most visible and urgent issues in VA.

The Department's resource request for 2012 is $132.2 billion. This includes almost $61.9 billion in discretionary resources and nearly $70.3 billion in mandatory funding. Our discretionary budget request represents an increase of $5.9 billion, or nearly 10.6 percent, over the 2010 enacted level.

II. Stewardship of Resources

VA's 2012 budget will continue to ensure accountability, efficiency, and effectiveness in the delivery of high quality and timely benefits and services to Veterans. We have put into place management systems and new initiatives to make every dollar count and eliminate waste.

- Established the Project Management Accountability System (PMAS) which is a disciplined approach for managing our IT portfolio. PMAS requires IT projects to

establish milestones that deliver functionality for improving the effectiveness and efficiency of service delivery to Veterans.

- Launched two online medical dashboards, *LinKS* and *Aspire*, that make data available to the public to measure and compare performance data between VA medical centers.
- Corrected 3 out of 4 longstanding material weaknesses identified in prior financial management audits. All financial weaknesses are resolved. The remaining weakness is IT security controls.
- Implemented an innovative process to define and assess VA's capital portfolio. This process, Strategic Capital Investment Planning (SCIP), captures the full portfolio of VA's infrastructure and service gaps and develops both capital and non-capital solutions.
- Health informatics is a foundational component for VA's transition from a medical model to a patient-centered model of care. The delivery of health care will be more specific to the individual Veteran yet utilize treatment regimens validated through population studies. A recent independent study of VA's health IT program, which covered a 10-year period between 1997 and 2007, found that savings were more than $7 billion, and 86 percent of the savings were due to eliminating duplicated tests and reducing medical errors.
- Implemented the new GI Bill, with an estimate of reducing the average days to process a claim from 39 in 2010 to 23 days in 2011.
- Reducing improper payments and improving operational efficiencies in our medical fee care program are estimated to result in savings of $150 million in 2011. This includes continued expansion of the Consolidated Patient Account Centers to standardize VA's billing and collection activities consistent with industry best practices.

III. Multi-Year Plan for Medical Care

Advance appropriations for VA medical care require a multi-year approach to budget planning whereby one year builds off the previous year. This provides opportunities to more effectively use resources in a constrained fiscal environment as well as update requirements.

The 2012 budget request for VA medical care of $50.9 billion is a net increase of $240 million over the 2012 advance appropriations request of $50.6 billion in the 2011 budget. This is the result of an increase of $953 million associated with potential increased reliance on the VA healthcare system due to economic employment conditions, partially offset by a rescission of $713 million which reflects the cumulative effect of the President's freeze on pay raises for Federal employees in 2011 and 2012. The 2013 request of advance appropriations is $52.5 billion, an increase of $1.7 billion over the 2012 budget request.

The establishment of a Contingency Fund of $953 million for medical care is requested in 2012. This is a groundbreaking mechanism to ensure VA has additional funding in 2012, if needed. This economic impact was incorporated into the Model for the first time this year. Based upon experience in 2010, the need for this funding will be carefully initiated in 2012. This cautious approach, recognizes the impact of economic conditions as estimated by the model while acknowledging the uncertainty associated with the estimates.

Another key building block in developing the 2012 and 2013 budget request for medical care is the use of unobligated balances, or carryover, from 2011 to meet projected patient demand. This carryover of more than $1 billion, which includes savings from operational improvements, is factored into VA's request for appropriations in 2012 and 2013. This is a vital component of our multi-year budget and any reductions in the amount of 2011 projected carryover funding would require increased appropriations in 2012 and 2013.

IV. Key Priorities

Eliminating Veteran Homelessness

VA uses a multi-faceted approach by providing safe housing; outreach; educational opportunities; mental healthcare and treatment; support services; homeless prevention services and opportunities to return to employment. Homelessness is both a housing and healthcare issue, heavily burdened by depression and substance abuse.

The 2012 budget includes $939 million for specific programs to prevent and reduce homelessness among Veterans. This is an increase of 17.5 percent, or $140 million over the 2011 level of $799 million. This increase includes an additional $50.4 million to enhance case management for permanent housing solutions offered through the Housing Urban Development-VA Supported Housing (HUD-VASH) program.

Our 2012 budget plan also supports a comprehensive approach to eliminating Veteran homelessness by making key investments in mental health programs. The 2012 budget includes $6.2 billion for mental healthcare programs, an increase of $450 million, or 8 percent over the 2011 level of $5.7 billion.

Reducing the Claims Backlog

VA is attacking the claims process and backlog through a focused and multi-pronged approach. A key element of VA's strategy is to deploy leading-edge, 21st century technology solutions.

The Veterans Benefits Management System (VBMS) initiative is the cornerstone of VA's claims transformation strategy. It is a holistic solution that integrates a business transformation strategy to address process and people with a paperless claims processing system. Combining a paperless claims processing system with improved business processes is the key to eliminating the backlog and providing Veterans with timely and quality decisions. The Virtual Regional Office, completed in May 2010, engaged employees and subject-matter experts to determine system specifications and business requirements for VBMS. The first VBMS pilot began in Providence in November 2010. Nationwide deployment of VBMS is expected to begin in 2012.

VA also published the first set of streamlined forms capturing medical information essential to prompt evaluation of disability compensation and pension claims, and dozens more of these forms are in development for various disabilities. Veterans can provide them to private doctors as an evidence guide that will speed their claims decisions. Another initiative to reduce the time needed to obtain private medical records utilizes a private contractor to retrieve the records from the provider, scan them into a digital format, and send the material to VA through a secure transmission. This contract frees VA staff to focus on processing claims more quickly.

The disability claims workload from returning war Veterans, as well as from Veterans of earlier periods is increasing each year. Annual claims receipts increased 51 percent when comparing receipts from 2005 to 2010 (788,298 to 1,192,346). We anticipate claims receipts of nearly 1.5 million in 2011 (including new Agent Orange presumptive) and 1.3 million in 2012. The funding request in the President's budget for VBA is essential to meet the increasing workload and put VA on a path to achieve our ultimate goal of no claims over 125 days.

Expanding Access to Benefits and Services

VA made significant progress in expanding access. In July 2010, the Center for Women Veterans sponsored a forum to highlight enhancements in VA services and benefits for women Veterans which resulted in an information toolkit tor advocates such as Veteran Service Organizations to share with their constituency.

The Enhancing the Veteran Experience and Access to Healthcare (EVEAH) initiative will expand health care for Veterans, including women and rural populations. Care alternatives will be created to meet these special population access needs, including the use of new technology such as tele-medicine, in-home care, and other delivery innovations. One area of success is the 20 percent expansion in home telehealth-based clinical services in rural areas which increases access, and reduces avoidable travel for patients and clinicians.

Through the Improve Veteran Mental Health Initiative, all Veterans will have access to the appropriate mental health services for which they are eligible, regardless of their geographic location. VA is leveraging the virtual environment with services such as the Veterans' Suicide Prevention Chat Line and real time clinical video conferences.

V. Other Key Focus Areas

VetSuccess on Campus

In July 2009, VA established a pilot program at the University of South Florida called VetSuccess on Campus to provide outreach and supportive services to Veterans during their transition from military to college, ensuring that their health, education and benefit needs are met. The program has since expanded to include an additional seven campuses, serving approximately 8,000 Veterans. This program will enable Veterans to stay in college to complete their degrees and enter career employment. The 2012 budget includes $1.1 million to expand the program to serve an additional 9,000 Veteran students on nine campuses, more than doubling the size of the current program.

Virtual Lifetime Electronic Record (VLER)

As the President directed in April 2009, VLER will create the interoperability necessary to ensure Servicemember and Veteran information is available consistently, securely, and reliably for all service and benefits providers. A total of $70 million in IT funds in 2012 is required to complete the pilot phase and move to national production and deployment of initial VLER.

Veterans Relationship Management (VRM)

This program will provide Veterans, their families and survivors with direct, easy and secure access to the full range of VA programs through an efficient and responsive multi-channel program. The 2012 budget for VRM is $108 million, and will support continued development of the on-line portal as well as the development of customer relationship management capabilities.

VI. Overview of the 2012 Funding Level

- Provides $132.2 billion for high-quality health care, benefits, and memorial service to our country's veterans.
  - $61.9 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.
  - $70.3 billion for mandatory entitlement programs in benefits for our veterans and their beneficiaries.

Budget Authority by Account

Budget Authority (dollars in thousands)			
BA/Fund Account	2010 Actual	2011 Current Estimate	2012 Request
Federal funds:			
Benefit programs:			
Disability Compensation	$56,647,074	$49,159,368	$52,911,619
Burial Mandatory Benefits	165,290	174,538	210,418
Pensions Mandatory Benefits	4,364,578	4,644,279	4,945,282
Subtotal, Compensation and Pension	**61,176,942**	**53,978,185**	**58,067,319**
Education Mandatory Benefits	8,052,865	9,589,575	10,161,844
Vocational rehabilitation and employment Mandatory Benef	768,857	806,531	849,242
Vocational rehabilitation loan subsidy (non-add)	29	29	19
Subtotal, Readjustment Benefits	**8,821,722**	**10,396,106**	**11,011,086**
Insurance Mandatory Benefits	56,288	77,589	100,252
Housing Mandatory Benefits	808,096	1,403,433	318,612
Non-Appropriated Accounts			
Vocational Rehabilitation Upward Reestimate	179	195	0
Native American Veteran Housing	1,454	4,508	0
Housing Benefit Program fund Liquidating	-6,813	-7,106	-6,267
Trust Funds	1,082,383	1,098,114	1,046,478
General Post Fund	26,950	27,800	28,800
Proprietary receipts	-685,395	-531,031	-253,069
Intragovernmental transactions	-1,269	-1,033	-947
Total Benefits Mandatory	**71,280,537**	**66,446,760**	**70,312,264**
Medical Research and Support	581,000	581,000	508,774
Medical programs:			
Medical services	34,740,500	37,121,000	40,050,985
Medical care collection fund	2,847,565	2,882,000	3,078,000
Total Medical services with collections	**37,588,065**	**40,003,000**	**43,128,985**
Medical Support and Compliance	4,882,000	5,307,000	5,424,000
Medical facilities	4,859,000	5,740,000	5,376,000
VA/DoD Health Care Sharing Incentive Fund	55,000	30,000	0
Total Medical Care	**47,384,065**	**51,080,000**	**53,928,985**
Total medical programs	**47,965,065**	**51,661,000**	**54,437,759**
National Cemeteries Administration	250,000	250,000	250,934
Department Administration:			
General administration	397,500	397,500	448,225
Credit Reform - General Counsel (non-add)	*5,304*	*5,304*	*5,041*
VBA-GOE	1,689,207	2,148,776	2,018,764
Credit Reform - VBA (non-add)	125,285	138,134	137,444
Subtotal, GOE	**2,086,707**	**2,546,276**	**2,466,989**
Office of Inspector General	109,000	109,000	109,391
Construction Major	1,194,000	1,194,000	589,604
Construction Minor	703,000	703,000	550,091
Grants for State Extended Care	100,000	100,000	85,000
Grants for State Cemeteries	46,000	46,000	46,000
Credit Reform	166,103	166,103	156,176
Information Technology	3,307,000	3,307,000	3,161,376
Total Departmental Administration	**7,711,810**	**8,171,379**	**7,164,627**
Total Budget Authority	**$127,207,412**	**$126,529,139**	**$132,165,584**
Total Mandatory	**$71,280,537**	**$66,446,760**	**$70,312,264**
Total Discretionary without MCCF	**$53,079,310**	**$57,200,379**	**$58,775,320**
Total Discretionary with MCCF and other receipts	**$55,926,875**	**$60,082,379**	**$61,853,320**

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Key Performance Measures

Key Measures by Organization	Past Fiscal Year Results				Fiscal Year Targets			Strategic Target
	2007	2008	2009	2010	2011 (Final)	2012 (Request)	2013 (Adv. Approp.	
Veterans Health Administration								
Prevention Index IV (The 2007-2008 results are PI III. The 2009-2010 results and 2011- 2013 targets are PI IV.)	88%	88%	89%	91%	93%	93%	93%	94%
Clinical Practice Guidelines Index III (The 2007-2008 results are CPGI II. The 2009-2010 results and 2011-2013 targets are CPGI III.)	83%	84%	91%	92%	92%	92%	92%	93%
Non-institutional, long-term care average daily census (ADC)	41,022	54,053	72,315	85,940	109,256	113,926	118,522	154,152
Percent of primary care appointments completed within 14 days of the desired date	N/Av	N/Av	N/Av	93%	93%	94%	94%	95%
Percent of specialty care appointments completed within 14 days of the desired date	N/Av	N/Av	N/Av	93%	93%	94%	95%	96%
Percent of new patient appointments completed within 14 days of the desired date	N/Av	N/Av	N/Av	84%	85%	86%	87%	88%
Percent of patients rating VA health care as 9 or 10 (on a scale from 0 to 10) (VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Health Care Plans and Systems (CAHPS). FY 2009 was a re-baseline year to determine both annual and strategic targets. The FY 2009 results are not comparable with prior years and cannot be compared to FY 2010 due to additional changes to the survey instrument and administration protocol that were implemented in FY 2010.)								
Inpatient	78%	79%	63% (Baseline)	64%	65%	66%	67%	75%
Outpatient	78%	78%	57% (Baseline)	55%	57%	58%	59%	70%
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (One milestone to be achieved over 1 year) (Measure being dropped after 2011)	67%	80%	80%	80%	100%	N/Ap	N/Ap	100%
Percent of milestones completed leading to 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)	N/Av	N/Av	N/Av	25%	35%	50%	60%	100%

Key Measures by Organization	Past Fiscal Year Results				Fiscal Year Targets			Strategic Target
	2007	2008	2009	2010	2011 (Final)	2012 (Request)	2013 (Adv. Approp.	
Veterans Benefits Administration								
National accuracy rate - compensation entitlement claims	88%	86%	84%	(1) 84%	90%	92%		98%
Rehabilitation Rate (General)	73%	76%	74%	76%	77%	77%		80%
Average days to complete original Education claims (Supports Priority Goal)	32	19	26	39	23	23		10
Average days to complete supplemental Education claims	13	9	13	16	12	9		7
Percent of pension maintenance claims pending inventory that is more than 90 days old	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline		0%
National accuracy rate - pension maintenance claims (1) through July	91%	93%	95%	(1) 96%	95%	95%		98%
Percent of Compensation and Pension pending inventory that is more than 125 days old (Supports Priority Goal)	N/Av	N/Av	N/Av	36%	60%	65%		0%
Rate of high client satisfaction ratings on services delivered (Insurance)	96%	95%	96%	95%	95%	95%		95%
Default Resolution Rate (1) Corrected	N/Av	N/Av	(1) 71.5%	76.3%	73.0%	74.0%		75.0%
National Cemetery Administration								
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	83.4%	84.2%	87.4%	88.1%	89.0%	89.8%		94.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	95%	95%	97%	98%		100%
Percent of graves in national cemeteries marked within 60 days of interment	94%	93%	95%	94%	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 (Supports	38%	95%	93%	74%	90%	90%		90%
Percent of respondents who rate national cemetery appearance as excellent	97%	98%	98%	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

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, their families, and survivors – 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 280,000 VA employees who are committed to providing the best medical care, benefits, social support, and lasting memorials that Veterans and their dependents deserve 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 physician 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 Veteran-Centered 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 and the Post-9/11 GI Bill, a new education program which provides financial support to individuals with at least 90 days of aggregate service on or after September 11, 2001, or individuals discharged with a service-connected disability after 30 days.
Web: www.gibill.va.gov

Delivering Vocational Rehabilitation and Employment Services

The Vocational Rehabilitation and Employment program focuses on providing individualized services to Veterans with service-connected disabilities to assist them 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

VA's Loan Guaranty program helps eligible Veterans, active duty personnel, surviving spouses, and members of the Reserves and National Guard in purchasing homes. VA also assists these borrowers in retaining their homes through joint servicing efforts with VA-guaranteed loan servicers via foreclosure avoidance services. In addition, VA offers grants to Veterans and Servicemembers who have specific service-connected disabilities for the purpose of constructing an adapted dwelling or modifying an existing one to meet their special 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 VA as a result of foreclosure.
Web: http://www.homeloans.va.gov

Meeting Insurance Needs

VA's 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 the option for the continuation of insurance coverage after a Servicemember's separation from service. The program continues to provide life insurance coverage to WWII and Korean War-era Veterans, and to Veterans who have lost or impaired insurability resulting from military service and therefore cannot obtain commercial insurance at standard (healthy) rates. In total, the program insures 7.1 million Veterans, Servicemembers, and their families.

Insurance coverage is made available in reasonable amounts and at premium rates 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, 2010, there were an estimated 22.7 million living Veterans, with 22.6 million of them in the U.S. and Puerto Rico. There were an estimated 34.6 million dependents (spouses and dependent children) of living Veterans in the U.S. and Puerto Rico. There were over 530,000 survivors of deceased Veterans receiving VA survivor benefits in the U.S. and Puerto Rico. Thus, nearly 57.7 million people, or 18.4 percent of the total estimated resident population of the U.S. and Puerto Rico (314.4 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, 2010.

Estimated Population (in Millions) of Living Veterans, Dependents & Survivors of Veterans Receiving VA Survivor Benefits, and Others U.S. and Puerto Rico, September 30, 2010

Estimated Number and Median Age of Veterans by Period of Service*, September 30, 2010

9/30/2010	Median Age	Veterans in millions
World War II (WWII)	86.0	2.0
Pre-KC Peacetime	80.7	0.1
Korean Conflict (KC)	78.9	2.5
Between KC & VNE	72.1	2.3
Vietnam Era (VNE)	63.2	7.5
Between GW & VNE	50.1	3.4
Gulf War (GW)	39.1	5.7

*** 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[5] of the Veteran Population of the United States, Puerto Rico, US Island Areas[6], and Foreign Countries

September 30, 2006 - September 30, 2020

Veterans populations projeccted as of September 30, 2006

Period	9/30/2006	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011	9/30/2012	9/30/2013	9/30/2014	9/30/2015	9/30/2020
All Veterans [1]	24,179,183	23,816,018	23,442,489	23,066,965	22,658,145	22,234,242	21,806,449	21,376,954	20,956,685	20,544,335	18,641,197
Wartime Veterans [1]	18,017,235	17,739,441	17,455,916	17,175,123	16,854,420	16,502,019	16,122,098	15,708,283	15,279,794	14,853,595	12,847,863
Gulf War [2][3]	4,681,950	4,965,953	5,238,587	5,506,541	5,736,873	5,946,221	6,144,323	6,332,033	6,519,095	6,703,182	7,597,472
GW Only	4,315,432	4,602,025	4,878,090	5,149,904	5,384,506	5,598,577	5,801,757	5,994,905	6,187,777	6,378,059	7,309,312
GW, VNE Only	360,134	357,772	354,578	350,965	346,951	342,493	337,688	332,530	327,007	321,105	285,624
GW, VNE, KC Only	5,586	5,397	5,199	4,993	4,779	4,558	4,329	4,094	3,852	3,605	2,332
GW, VNE, KC, WWII Only	798	760	720	679	637	594	549	504	459	413	203
Vietnam Era [2]	7,988,534	7,884,366	7,772,607	7,653,326	7,526,219	7,390,961	7,247,414	7,095,397	6,934,788	6,765,527	5,791,628
VNE Only	7,297,299	7,214,528	7,125,139	7,028,704	6,924,814	6,813,095	6,693,208	6,564,875	6,427,884	6,282,086	5,420,027
VNE, KC Only	222,881	213,104	203,010	192,617	181,948	171,036	159,926	148,670	137,328	125,972	71,997
VNE, KC, WWII Only	101,836	92,804	83,961	75,368	67,089	59,185	51,714	44,725	38,258	32,347	11,445
Korean Conflict [2]	3,126,283	2,960,719	2,792,200	2,621,236	2,448,464	2,274,663	2,100,735	1,927,700	1,756,677	1,588,869	841,769
KC Only	2,559,279	2,434,739	2,306,732	2,175,549	2,041,606	1,905,461	1,767,804	1,629,459	1,491,370	1,354,586	730,618
KC, WWII Only	235,903	213,914	192,578	172,029	152,404	133,828	116,413	100,249	85,410	71,946	25,174
WWII [2]	3,256,624	2,911,876	2,583,169	2,272,391	1,981,216	1,711,011	1,462,809	1,237,278	1,034,727	855,070	269,721
WWII Only	2,918,087	2,604,397	2,305,909	2,024,314	1,761,085	1,517,404	1,294,133	1,091,800	910,601	750,364	232,899
Peacetime Veterans [4]	6,161,948	6,076,577	5,986,574	5,891,842	5,792,325	5,688,010	5,578,929	5,465,143	5,346,739	5,223,852	4,551,566
Between GW & VNE	3,451,763	3,443,105	3,433,541	3,422,976	3,411,312	3,398,441	3,384,251	3,368,622	3,351,422	3,332,511	3,206,846
Between KC & VNE	2,550,997	2,485,695	2,416,354	2,342,968	2,265,573	2,184,251	2,099,126	2,010,362	1,918,151	1,822,744	1,311,460
Pre-KC	159,188	147,777	136,678	125,897	115,440	105,318	95,551	86,160	77,166	68,596	33,259

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) Prior to Fiscal Year 2010, Post-Gulf War Veterans (10/01/09 - present) were included under Peacetime Veterans.

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

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

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

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Medical Programs

Overview

- Provides $53.9 billion in 2012 to strengthen the quality of health care provided to our Nation's Veterans.
- Increases funding for health care in 2012 by $2.9 billion over the 2011 level.
- Revises the 2012 advance appropriations of $50.6 billion as follows:
  - Reduces the advance appropriations by $713 million to reflect the President's freeze on pay raises for Federal civilian employees.
  - Sets up a contingency fund that would provide additional funds up to $953 million to become available for obligation if the Administration determines that the additional costs due to changes in economic conditions, as estimated by the VA's Enrollee Health Care Projection Model, materialize in 2012.
- Provides $55.8 billion for 2013 for the three medical care appropriations: Medical Services, Medical Support and Compliance, and Medical Facilities. This includes $52.5 billion in advance appropriations and $3.3 billion in medical care collections. This request for advance appropriations will provide reliable and timely resources to VA medical facilities to support the uninterrupted delivery of health care for Veterans.

- Unobligated balances will be carried forward to reduce the new appropriations needed in 2012 and 2013.
- Provides health care to 6.2 million patients in 2012 and 6.3 million in 2013.
  - Includes 536,451 Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn (OEF/OIF/OND) Veterans (8.7% of all patients) in 2012.
  - Includes 594,003 OEF/OIF/OND Veterans (9.4% of all patients) in 2013.
- Continues the expansion started in 2009 of health care eligibility for VA health care to non-disabled Veterans earning modest incomes.
- Expands and improves access to health care and plans to eliminate homelessness among our Veterans by funding the following programs in 2012:
  - **Mental Health**—$6.2 billion, including contingency funding, to continue our effort to improve access to mental health services across the country including increases for post-traumatic stress disorder, substance use disorder, and suicide prevention.
  - **Iraqi and Afghanistan Veterans**—$3 billion to meet the needs of 536,451 Veterans with service in OEF/OIF/OND.
  - **Prosthetics**—$2.5 billion to support the rising demand for prosthetics to improve Veterans' quality of life through new and innovative technology.
  - **Homeless Programs**—$4 billion for core medical services for the homeless Veterans and $938.6 million for specific programs to assist homeless Veterans as VA continues to implement its comprehensive plan to reduce homelessness. This plan includes major programs such as:
    - $224.2 million for the Homeless Grants and Per Diem program to assist community-based organizations with services for homeless Veterans.
    - $201.5 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.
    - $399.5 million to continue VA's extensive outreach efforts to homeless Veterans in the community; the continued activation of the new homeless domiciliary residential rehabilitation and treatment programs; and supportive services for low income Veterans.
  - **Spinal Cord Injuries**—$531.3 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.

- **Rural Health**—$250 million for rural health initiatives to continue providing access and quality care to Veterans in rural areas with initiatives such as: mobile clinics, expanding fee-basis care, operating Rural Health Resource Centers, accelerating telemedicine deployment, and exploring collaborations with other federal and community providers.
- **Traumatic Brain Injuries**—$299 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.
- **Readjustment Counseling**—$189 million for readjustment counseling and outreach services provided through our 300 Vet Centers to meet the needs of our Veterans. There will be 70 mobile Vet Centers that provide outreach at active-duty, National Guard, and Reserve activities nationally.
- **Women Veterans**—$270 million to enhance primary care for women Veterans—one of VA's top priorities. VA has 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.

Summary of the Health Care Budget 2012 Funding and 2013 Advance Appropriations Request

	2010	2011	2012	2013
Full-Time Equivalents	245,137	252,295	252,819	253,155

- Provides $53.9 billion for health care services, long-term care, other health care programs, initiatives, legislative proposals, and operational improvements in 2012 and requests $55.8 billion in 2013 for advance appropriations.
- **Health Care Services** 2012 funding of $46.2 billion, including $953 million in a contingency fund, and 2013 advance appropriations request of $47.4 billion.
  - Acute care funding is 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. **2012: $36 billion; 2013: $36.4 billion.**
  - Rehabilitative care of $818 million and dental care funding of $708 million to provide these services to our Veterans. **2012: $1.5 billion; 2013: $1.6 billion.**

- Mental health services funding to improve access to mental health services across the country. **2012: $6.2 billion; 2013: $6.5 billion.**
- Prosthetics funding to purchase and repair prosthetics and sensory aids such as hearing aids, pacemakers, artificial hip and knee joints, and ocular lenses. **2012: $2.5 billion; 2013: $2.9 billion.**

- **Long-Term Care** 2012 funding of $6.9 billion and 2013 advance appropriations of $7.5 billion.
  - Non-institutional care funding of $1.6 billion includes increases for programs like home-based primary care (an increase of $101.4 million) and telehome health (an increase of $9.2 million). The VA telehome health program will help Veterans gain better access to and use of VA services by enhancing the ability to deliver care in the Veteran's home. **2012: $1.6 billion; 2013: $1.9 billion.**
  - VA community living centers care funding of $3.8 billion for over 10,000 average daily census (ADC). **2012: $3.8 billion; 2013: $4.1 billion.**
  - Community nursing home care funding of $641.3 million for almost 7,000 ADC. **2012: $641.3 million; 2013: $697.7 million.**
  - State home nursing care funding of $750.1 million for over 21,000 ADC. **2012: $750.1 million; 2013: $801.6 million.**
- **Other Health Care Programs** funding 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. **2012: $1.6 billion; 2013: $1.7 billion.**
- **Initiatives** funding for various initiatives in 2012 designed to expand health care benefits for the Nation's Veterans and their caregivers. Two of our major initiatives that represent increased funding over the 2011 levels are described below:
  - **Homeless Initiative** funding of $140 million, an increase of 18 percent. Total funding of $938.6 million for specific programs to assist homeless Veterans is provided as VA continues to implement its comprehensive plan to reduce homelessness.
  - **Caregivers Initiative** funding of $208 million to provide supplemental help to family caregivers of the most severely wounded post-September 11, 2001, Veterans.
- **Legislative Proposals** are being proposed that are designed to use better business practices with the private sector to reduce costs and increase revenues. **Cost Savings: 2012: $19.6 million; 2013: $19.8 million. Revenues: 2012: $88 million; 2013: $91 million.** The major proposals will:

- Standardize the ambulatory rates charges for beneficiary travel by authorizing VA to reimburse vendors for special mode transportation, such as ambulances, at the local prevailing Medicare ambulance rate resulting in cost savings for transportation costs.
- Increase third-party revenues by treating VA as a participating provider for reimbursement by third-party payers, absent an existing agreement, to ensure that VA is not denied payment or reduced payments.

- **Operational Improvements** are being proposed to reduce the rate of increase in the cost of providing health care while still delivering world-class medical care to our Veterans. **2012: $-1.2 billion; 2013: $-1.3 billion.** These operational improvements will focus on such areas as reducing improper payments and improving operations efficiencies in the medical fee care program; implementing Medicare's standard payment rates for fee services; and consolidating contracting requirements and adopting other acquisition program improvements.

Medical Patient Case Load

- Supports an increase in 2012 of over 85,000, or 1.4 percent, unique patients over the 2011 estimate.
  - Priority 1-6 patients. In 2012, there are over 4 million patients, an increase over 2011 of 1.5 percent, or 62,631 new patients. We devote 88 percent of our health care resources to meet the needs of these Veterans.
  - Priority 7-8 patients. In 2012, there are 1.4 million patients, an increase over 2011 of 1.1 percent, or 15,744 new patients.
- Increases outpatient visits from 85.8 million in 2011 to 90.8 million in 2012, an increase of 5.1 million, or 5.9 percent.
- Increases inpatients treated from 931,028 in 2011 to 959,920 in 2012, an increase of 28,892, or 3.1 percent.

Quality of Care for Our Veterans—Resources Support Secretary's Health Care Priorities

- Provide easier access to benefits and services and end homelessness among our Veterans as we transform VA into a 21st Century organization.
- Achieve the following two priority goals through activities undertaken by the Veterans Health Administration:
  - Reduce the homeless Veteran population to 59,000 by June 2012, on the way to eliminating Veteran homelessness.
  - Improve the quality, access, and value of mental health care provided to Veterans by December 2011.
- Continue to improve the quality and safety of health care:
  - Improve our performance on the clinical practice guidelines index, which focuses on high-prevalence and high-risk diseases that have a significant impact on Veterans' overall health status. Performance improved to 92 percent in 2010, or a 1 percentage point rise over 2009. VA plans to maintain a 92 percent performance level in 2011 and 2012.
  - Improve our performance on the prevention index aimed at primary prevention and early detection with immunizations and screenings. Performance improved to 91 percent in 2010, or a 2 percentage point rise over 2009. VA plans to maintain a 93 percent performance level in 2011 and 2012.
- Improve timely and appropriate access to the delivery of primary and specialty care that is critical to providing high-quality health care to Veterans:
  - Strive to improve timely access in 2011 by measuring the appointment performance measures using a 14-day standard instead of the previous 30-day standard. The current appointment measures that use the 30-day standard exceeded the target for both of the primary and specialty care measures as follows:
    - Completed 99 percent of primary care appointments within 30 days of the desired date in 2008, 2009, and, most recently, in 2010. This performance exceeded the targets set for this measure in each of these years.
    - Completed 99 percent of specialty appointments within 30 days of the desired date in 2008, 2009, and, most recently, in 2010. This performance exceeded the targets set for this measure in each of these years.

- Implement new 14-day standard for appointment measures as follows:
  - Achieve 93 percent in 2011 and 94 percent in 2012 of primary care appointments within 14 days of the desired date.
  - Achieve 93 percent in 2011 and 94 percent in 2012 of specialty care appointments within 14 days of the desired date.
- Continue the mental health care priority goals as follows:
  - Documented 96 percent of eligible new mental health patients within 14 days of the initial mental health encounter in 2010. VA plans to maintain a 96 percent performance level in 2011 and 2012.
  - Screened 98 percent of eligible patients at required intervals for post-traumatic stress disorder in 2010. VA plans to maintain a 97 percent performance level in 2011 and 2012.

Medical Care Collections Fund (MCCF)

- VA estimates collections of $3.1 billion, representing 7 percent of the available resources in 2012 and an increase of $196 million, or a 6.8 percent increase, over the 2011 estimate.
  - Of the $196 million increase in collections for 2012, $243 million is for additional third-party insurance collections; $3 million is for increased first-party other co-payments; and a decrease of $50 million for pharmacy co-payments as a result of the general downturn in the economy.
- For the 2013 advance appropriations, VA estimates collections of $3.3 billion, representing 7 percent of the available resources in 2013 and an increase of $213 million, or a 6.9 percent increase, over the 2012 estimate.
  - Of the $213 million increase in collections for 2013, $209 million is for additional third-party insurance collections; $5 million is for increased first-party other co-payments; and a slight decrease of $1 million for pharmacy co-payments as a result of the general downturn in the economy.
- 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.

Medical and Prosthetic Research

	2010	2011	2012
Full-Time Equivalents	3,352	3,345	3,220

- VA is anticipating $1.7 billion in total resources for Medical and Prosthetic Research in 2012.
- The direct Medical and Prosthetic Research appropriation request is $509 million.
- Other Federal and Other Non-Federal resources are estimated to be $710 million in 2012.
- Total projects for Research are anticipated to be 2,118.

The following table summarizes Research and Development Program Funding for selected Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF) and Operation New Dawn (OND), Prosthetics, Women's Health, and Gulf War Veterans Illness programs.

Selected Research and Development Program Funding (dollars in thousands)			
Description	2010 Actual	2011 Estimate	2012 Estimate
OEF/OIF/OND			
Pain	$11,040	$12,286	$10,531
Post Deployment Mental Health	$44,640	$40,558	$39,203
Sensory Loss	$23,111	$23,263	$23,076
Spinal Chord injury	$29,881	$31,305	$32,870
Traumatic Brain Injury and Other Neurotrauma	$22,168	$15,917	$18,528
Prosthetics	$13,059	$17,278	$11,674
Women's Health	$12,636	$12,097	$11,935
Gulf War Veterans Illness	$9,792	$13,579	$15,013

- Clinical research represents an evidence-based approach for choosing the most effective therapeutic interventions for the Veteran population, and is an important contributor to the ongoing improvement of VA clinical care.
- VA is at the forefront of producing new transformational approaches and technologies for preventing, diagnosing, and treating disease.
- VA research takes advantage of being fully integrated within the nation's biomedical community through partnerships with academic affiliates, non-profit and commercial entities, and other federal agencies.

Focus Highlights for 2012

The 2012 focus for VA research will be on critical areas for OEF/OIF/OND Veterans to include: Homelessness/Access to Care and Rural Health, Personalized Medicine, and Military Exposure-Related Illnesses.

Homelessness / Rural Health / Access / Telemedicine

- Homelessnes is a top priority for VA with emphasis on interventions, risk factors and health care usage patterns in an effort to eliminate Homelessness.
- One of the critical missions of VA research is to identify system-wide gaps in care to Veterans. This includes assessing specific barriers to care for vulnerable populations, including rural Veterans. VA research has demonstrated an explicit focus on access as a component of validating the quality of care in all VA health care services, organizational structures, and mechanisms for delivering care.

- The development, evaluation, and implementation of new telemedicine technologies represent an important focus of research to improve access to VA health care, particularly for rural Veterans. A major potential tool for improving access to care, "store-and-forward" photographic technology, has been assessed for teleretinal screening and teledermatology.

Genomic & Personalized Medicine

- Using information on a patient's genetic make-up, healthcare can be tailored to more effectively provide a precise level of care. VA expects to continue investigating whether genetic influences in disease and/or responses to medications can be used to further advance personalized care.
- The Million Veteran Program will collect one million genetic samples with the goal of an evidence-base for treatments that are optimized to each Veterans genetic makeup.

Core Research Priorities

- Mental Health,
- Priorities for combat Veterans (e.g., rehabilitation engineering, prosthetics/orthotics, Gulf War Veterans' illnesses, traumatic brain injury, and spinal cord injury), and
- Women Veterans.

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Veterans Benefits Administration

Overview

Summary of 2011 Budget Request

This budget request will allow the Veterans Benefits Administration (VBA) to administer and improve a comprehensive program of benefits and services for Veterans, continue to take significant steps toward transforming VBA into a 21st Century Organization and honor our commitment to be advocates for our nation's

Veterans. Our transformation objectives remain to advocate for Veterans, provide Veterans with a high quality VA experience, provide benefits faster, improve quality and services and increase productivity.

The number of disability compensation and pension claims received is expected to increase from 1,192,346 in 2010 to 1,325,953 in 2012, an 11 percent increase. However, due to the addition of new presumptions for Agent Orange (Ischemic Heart Disease, Parkinson's Disease, and Hairy and other B-Cell cancers) claims receipts are estimated to spike to 1,480,492 in 2011. This spike results in approximately 350,000 additional receipts being carried over into the next year, creating a relative increase from 2010 to 2012 of nearly 41 percent.

This budget supports VBA's commitment to Veterans and their family members to provide Veterans benefits sooner. This will be accomplished through a combination of improved business processes, expanded technology and retained staff increases. VA will continue identification of policy and procedural efficiencies and the use of contracted service support to address the increasing volume of disability claims.

Of the $75.0 billion in total obligations, 97 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
- 3 percent represents the Insurance Program
- 2 percent is a combined total for the Vocational Rehabilitation & Employment (VR&E) Program and the Housing Program

The remaining 3 percent will fund the discretionary costs associated with administering all benefit programs

Highlights of VBA Mandatory Benefits Budget Request

Note: 2010 total includes $13,377M for new presumptions for Agent Orange exposure.

- Total 2012 benefit appropriation request is $70.3 billion, an increase of $3.9 billion, or 5.8 percent from the 2011 level. However, the 2011 request is artificially low due to the carryover of $13.4 billion from 2010 in emergency supplemental funding provided by P.L. 111-212 to fund the obligations for the first year of the new Agent Orange presumptions claims. Obligations could not be incurred until October 2010 due to the time needed to issue the applicable regulations and for Congress to exercise its consideration under the Congressional Review Act. When the $13.4 billion is taken into account, 2012 appropriations are about $9.5 billion, or 12 percent, below the 2011 funding level.
- An estimated 4 million Veterans and survivors will receive Compensation, and over 507 thousand will receive Pension benefits in 2012.
- Almost 925 thousand Veterans, reservists, and dependents are expected to receive Readjustment Benefits in 2012, including 843 thousand receiving education benefits and almost 82 thousand receiving VR&E payments.
- Just over 7 million servicemembers, Veterans, and family members are expected to be insured under VA life insurance programs in 2012
- An estimated 263 thousand servicemembers and Veterans will receive VA-guaranteed housing loans in 2012, with a face value of $57 billion.

Highlights of the VBA Discretionary Budget Request

With a workforce that is correctly sized, trained, led and supported by innovation, VBA will be positioned to meet the needs of our Veterans while also ensuring the sound stewardship of taxpayer funds. The 2012 request includes:

- $2,019 million in appropriations, for a total of $2,401 million in obligations for administrative expenses, and 20,321 FTE in 2012, the budget request represents a 19.5% increase over the 2010 enacted appropriation level

- Increased FTE by more than 716 FTE in 2012, compared to 2010, to support additional claims as a result of Agent Orange presumptives and retain temporary positions for some of the FTE hired in 2009 and 2010 with American Recovery and Reinvestment Act funds to expedite claims processing.

- Continued funding for the Veterans Benefits Management System (VBMS). This initiative will integrate VBA's core business applications and modernized payment system, VETSNET, as well as existing and planned infrastructure

Business Process Re-engineering and Innovative Technology Improvements

VBA continues to partner with the Office of Information and Technology on a number of innovative improvements designed to improve services to Veterans and enhance their VA experience. They will assist VBA to fulfill its' responsibilities to process Veterans benefit claims quicker and reduce the pending claims inventory. There are three key and interdependent initiatives, each providing a unique service:

Veterans Benefits Management System

The Veterans Benefits Management System initiative is a business transformation initiative supported by technology and designed to improve VBA service delivery, beginning with the Compensation business line. VBMS is a holistic solution that integrates a Business Transformation Strategy (BTS) to address process, people, and organizational structure factors, and an information technology solution to provide a 21st Century paperless claims processing system. The information technology solution, the VBMS, is a corresponding investment reflected in the VA IT Appropriation.

VBMS is focused on five key elements: (1) **Business process re-engineering** will streamline and improve claims workflows, and enable continuous improvement, (2) **Communications and change management** will address the "people and organizational structure" sides of the transformation effort, (3) **Metrics and measurement systems** will enable continuous feedback and improvement and increase accountability for performance, (4) Enhanced **data mining and predictive capabilities** will help anticipate Veterans needs, and (5) **Technology modernization** will provide secure, end-to-end electronic claims workflow and data storage technology – VBMS. Focusing on these five elements will enable VBA to achieve its goal to continuously deliver improved service and provide a high-quality experience for Veterans.

The VBMS initiative began in January 2010 with the development of the VRO, whose focus was to produce a graphical representation of the business requirements needed to develop the software component. The first iteration of the VBMS software was deployed at a pilot site, the Providence VA Regional Office, in November 2010. A subsequent pilot will be deployed in 2011 and will further refine and strengthen the technology platform.

During 2012, a third pilot will be deployed and will integrate new and improved business processes with the software solution that was developed, refined, and validated during the VRO and the two previous pilots. VA will begin execution of a nationwide deployment strategy for the modern paperless claims processing solution in 2012.

Veterans Relationship Management

Veterans Relationship Management (VRM) is a broad, multi-year initiative to improve Veterans' secure access to health care and benefits information and assistance. VRM will provide VA employees with up-to-date tools to better serve Veterans and their families, and Veterans will be empowered through enhanced self-service capabilities.

The goal of the VRM program is to enable on-demand access to comprehensive VA services and benefits. This program will ensure consistent, user-centric access to enhance Veterans', their families', and their agents' self-service experience through a multi-channel customer relationship management (CRM) approach. This program is designed to improve the speed, accuracy, and efficiency in which information is exchanged between Veterans and VA, regardless of the communications method (phone, Web, e-mail). The focus of this program includes modernization of voice telephony, unification of public contact representative desktops (Unified Desktop), implementation of identity and access management, development of cross-VA knowledge management systems, implementation of CRM systems, and integration of self-service capabilities with multiple communication channels.

The 2012 budget request includes $7.7 million. This funding will be used primarily for payroll and contractual services that will provide strategic support for integration of all initiatives that encompass all organizations and provide tactical support in implementing this strategy.

Virtual Lifetime Electronic Record (VLER)

The VLER initiative is an interagency federal initiative 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

(including private sector providers who care for Veterans and their beneficiaries). VLER streamlines VA's use of data and information.

Meeting Veterans' Needs

- Continue to find new ways to increase the number of Veterans' Disability Compensation and Pensions adjudicated, with an expected determination on nearly 1.3 million claims in 2012, an increase of more than 18% over 2010 and nearly 12% over 2011.
- Meet the demands of the significant increase in Education workload resulting from the Post-9/11 GI Bill, the subsequent modification of the Post-9/11 GI Bill by P.L. 111-377, and fulfill our commitment to Veterans' education by improving Education original claims processing timeliness by approximately 40 percent in 2012 as compared to 2010.
- Meet the demands of the estimated 15.5 percent increase in Vocational Rehabilitation and Employment workload in 2012 compared to 2010 while slightly improving the rehabilitation rate to 77 percent from 76 percent in 2010.
- Continue to provide world-class insurance service by obligating a projected $2.6 billion to servicemembers, Veterans, and their beneficiaries in the form of insurance death benefits, policy loans, and traumatic injury protection payments; maintain the high client satisfaction ratings for services delivered at 95 percent in 2012.

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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.
  - The 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, oversight, and technical expertise to the Department to fulfill the Nation's commitment to provide Veterans with the best possible service.

Summary of the GOE Budget Request

Full Time Equivalents	2010	2011	2012
Gen. Ad.	2,753	3,139	3,315
VBA	19,605	20,333	20,321
GOE	22,358	23,472	23,636

* Table reflects both direct and reimbursable FTE

Highlights of the 2012 GOE Request

In 2012, VA is requesting $2.467 billion and 23,636 FTE in direct appropriations for the GOE account. This consists of $2.019 billion and 20,321 FTE for the Veterans Benefits Administration (VBA) and $448 million and 3,315 FTE for the General Administration account. In total, the 2012 request is $380 million higher than the 2010 enacted level and is largely reflective of additional staff resources necessary to process benefits claims and implement transformation efforts across the department. The General Administration amount includes $23.6 million requested for VA's acquisitions workforce capacity and capabilities. 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:

- In 2012, $10.1 million and 89 FTE are requested to support all operations within the Office of the Secretary, which includes: the Center for Minority Veterans, the Center for Women Veterans, the Center for Faith Based and Neighborhood Partnerships, the Office of Survivors Assistance, the Office of Employment Discrimination Complaint Adjudication (OEDCA) and the immediate Office of the Secretary. The Office of Secretary provides executive leadership to all programs to transform VA into a 21st century organization to ensure Veterans are cared for over a life time, from the day the oath is taken to the day they are laid to rest.

- A total of $78 million in budget authority and 544 FTE are requested for the Board of Veterans' Appeals (BVA) in 2012 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 will also allow BVA to contract for hearing transcription services and access electronic research materials essential for accurate decision writing.

- In 2012, $84.1 million and 732 FTE are requested for the Office of General Counsel. This will support GC's continuing efforts to address an expanding legal workload, including an increasing number of cases before the United States Court of Appeals for Veterans Claims and to improve the timeliness of publishing regulations for VA's legislative and regulatory programs.

- A total of $46.2 million and 316 FTE are requested for the Office of Management in 2012. The 2012 budget will support priorities and initiatives designed to improve business practices, enhance financial oversight, and strengthen internal controls and transparency within the Department. The request includes funding for audits of the Non-VA Care (Fee) Program and enhancements to the tracking of construction projects.

- In 2012, $74.3 million in budget authority and 810 FTE are requested for the Office of Human Resources and Administration. When combined with $391.4 million in reimbursements, these funds will continue to support the VA's Human Capital Investment Plan initiatives started in 2010. These include: Leadership Development, Mission Critical Training, Program-Based Training for entry and mid-level employees, the H.R. Academy and Workforce Planning.

- A total of $28.6 million and 125 FTE are requested for the Office of Policy and Planning (OP&P) in 2012. The 2012 budget will allow for: expanded coverage of the Corporate Analysis and Evaluation Service to allow VA to better anticipate demands for its services and conduct long range planning and allow for increased VA/DoD Collaboration efforts. In addition, OP&P will partner with other VA organizations on new VA-wide initiatives to maximize economies and efficiencies across the Department. These initiatives include: the Business Intelligence Program Management Office, corporate predictive modeling, interagency data mining, as well as other strategic planning transformation efforts.

- A total of $19.9 million and 107 FTE are requested for the Office Operations, Security, and Preparedness in 2012 for a variety of mission critical activities including: continued refinement and development of the VA's continuity programs through crisis management exercises, evaluation and training; a program office for the Personnel Security and Suitability Program; improving the protection of the Department's physical infrastructure to ensure the provision of safe and secure environments for care and service; expanded oversight and inspection of VA Police Operations at VA facilities throughout the country; a program office for

HSPD-12 implementation and compliance; and increased requirements for VA Special Access Programs.

- In 2012, $23.9 million and 93 FTE are requested for the Office of Public and Intergovernmental Affairs. The budget request will provide for additional outreach, funding to enhance VA's partnership with Tribal Governments and to establish an Office of New Media intended to educate and empower Veterans and their families. In addition, the budget includes funding for grants to the U.S. Paralympics, inc. and local partners to help plan and implement VA's paralympic program and for subsistence payments to Veterans and service members participating in the program.

- A total of $6.6 million and 52 FTE are requested for the Office of Congressional and Legislative Affairs in 2012. This funding will allow VA to continue to address an increasing workload, become proactive in advancing congressional communications and legislative outreach, and improve the image of VA.

- A total of $76.4 million and 447 FTE are requested for the Office of Acquisition, Logistics, and Construction (OALC) in 2012. This includes $23.6 million for a new Presidential initiative to improve contracting and acquisitions across government. In addition, the budget request will provide funding to transform OALC into an enterprise-wide facilities management system by: increasing the role of project management at the regional and local levels; integrating facilities management functions to maximize life-cycle performance; expanding facility assessment and planning capability; leveraging technical expertise for minor design, construction and leasing; and increasing VA's return on investment .

General Administration
($ in thousands)

	2010 Actual		2011 Current Est. [1/]		2012 Request	
	Enacted BA	FTE	BA	FTE	BA	FTE
Office of the Secretary	9,270	83	9,270	89	10,104	89
Board of Veterans' Appeals	73,273	549	73,273	549	78,006	544
Office of General Counsel	80,778	744	80,778	738	84,073	732
Office of Management	43,956	267	43,956	301	46,222	316
Office of Human Resources & Administration	68,590	549	68,590	769	74,343	810
Office of Policy & Planning	26,015	67	26,015	103	28,647	125
Office of Operations, Security & Preparedness	16,746	76	16,746	95	19,873	107
Office of Public and Intergovernmental Affairs	22,079	69	22,079	90	23,981	93
Office of Congressional & Legislative Affairs	6,065	36	6,065	46	6,585	52
Office of Acquisition, Logistics and Construction	50,728	313	50,728	359	76,391	447
Total Budget Authority	**$397,500**	**2,753**	**$397,500**	**3,139**	**$448,225**	**3,315**

1/ This account is operating under a continuing resolution (P.L. 111—242)

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National Cemetery Administration

Overview

Highlights of the 2012 Request

Discretionary

- 52.8% of the total National Cemetery Administration's (NCA) budget is for the operation and maintenance of VA's national cemeteries.
- 16.8% of the NCA budget is for the construction and renovation of VA's national cemeteries and facilities.
- 9.7% of the total resources under NCA are available for grants to states and tribal governments for Veterans cemeteries.

Mandatory

- 4.7% is available for Graveliners and Outer Burial Receptacles (OBRs).
- 16.0% of the total NCA budget is for Headstones and Markers.

Summary of the NCA Operations and Maintenance Budget Request

The National Cemetery Administration requests $250.9 million in budget authority and 1,696 FTE for operations and maintenance in 2012.

	2010	2011	2012
Full-Time Equivalents	1,670	1,686	1,696

The 2012 NCA Operations and Maintenance request includes:

- $3.7 million and 10 FTE to support increased interment activities and maintenance workload.
- A total of $32.9 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.
- $3.0 million for projects that will provide renewable energy at NCA facilities.

Cemetery Workload

- NCA continues to experience growth in cemetery workload.
- In 2012, NCA projects that interments will increase by 1% over 2011.
- Cemetery maintenance workload will also continue to increase in 2012 over 2011. NCA projects that the number of gravesites maintained will increase by 82,000 (2.6%) and the number of developed acres maintained will increase by 253 (3.0%).

Accomplishments

- In 2010, NCA began interment operations in the Philadelphia, PA area at the final of the six additional national cemeteries mandated by Public Law 108-109, National Cemetery Expansion Act, 2003.
- With the opening of this cemetery, the total number of VA national cemeteries increased to 131.
- As a result of the recent expansion and the opening of new state Veterans cemeteries, the percentage of Veterans served by a burial option within 75 miles of their residence has increased steadily from 83.4% in 2007 to 88.1% in 2010.
- VA introduced new burial policies in the President's 2011 Budget request that will result in the construction of five new national cemeteries. As a result, planning has begun that will provide an additional 500,000 Veterans access to a burial option. VA will also improve access through the construction of columbarium-only satellite cemeteries in densely populated urban areas.
- VA entered into a formal agreement with the Department of the Army to provide support to Arlington National Cemetery through temporary details and through a Memorandum of Agreement to allow Arlington National Cemetery employees to begin training at NCA's National Training Center in St. Louis, MO.
- NCA achieved the highest score ever recorded for a public or private organization three consecutive times on the American Customer Satisfaction Index sponsored by the University of Michigan. Most recently, on the 2010 survey, NCA again received the highest score for any public or private organization. Our own internal surveys confirm this performance. For 2010, 98% of the survey respondents rated the appearance of national cemeteries as excellent; 95% rated the quality of service as excellent.

Expected Results

The budget request will support the following results in 2012:

- 89.8% of America's Veterans will be served by a burial option within 75 miles of their residence, an increase of 0.8% from 2011.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
% Served	73.9%	75.2%	75.3%	77.1%	80.2%	83.4%	84.2%	87.4%	88.1%	89.0%	89.8%

- 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% surveyed will rate national cemetery appearance as excellent.

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Construction Programs

Overview of 2012 Request

The pie chart below reflects funding for all Construction Programs.

For 2012, VA prioritized construction projects utilizing the newly implemented Strategic Capital Investment Planning (SCIP) process. SCIP is an innovative Department-wide planning process that resulted in the creation of a single, integrated prioritized list of projects from all capital investment accounts (major construction, minor construction, non-recurring maintenance and leasing). SCIP is designed to improve the delivery of services and benefits to Veterans, their families and survivors by addressing VA's most critical needs and/or performance gaps first, investing wisely in VA's future and significantly improving the efficiency of VA's far-reaching and wide range of activities.

Construction, Major Projects

- The Major Construction program level of $725,285,000 includes available prior year funds and new budget authority of $589,604,000 requested for the 2012 Construction, Major Projects appropriation.

  - The Construction, Major Projects appropriation provides for constructing, altering, extending, and improving any VA facility, including planning, architectural and engineering services, 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 10 medical facility projects: Bay Pines, FL; Denver, CO; New Orleans, LA; Palo Alto, CA; Reno, NV; San Francisco, CA; San Juan, PR; Seattle, WA; St. Louis, MO; and West Los Angeles, CA.

  - The construction request also fully funds the gravesite expansion of a National Cemetery in Honolulu, HI.

  - Additionally funds are provided for advance planning activities, to improve facility security, to reimburse Treasury's judgment fund, to support salaries and expenses of resident engineer staff, 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:

Location	Description	Total Estimated Cost	Funding Through 2011	2012 Request
Veterans Health Administration (VHA)				
New Orleans, LA	New Medical Facility	995,000	935,000	60,000
Denver, CO	New Medical Facility	800,000	758,000	42,000
San Juan, PR	Seismic Corrections - Bldg 1	277,000	176,280	100,720
St. Louis (JB), MO	Medical Facility Improvements & Cemetery Expansion	346,300	31,700	80,000
Palo Alto, CA	Centers for Ambulatory Care/Poly/Blind Rehab/Research	716,600	194,877	75,900
Bay Pines, FL	Inpatient/Outpatient Improvements	158,200	114,230	43,970
Seattle, WA	Correct Seismic Deficiencies Building 100, Nursing Tower and Community Living Center	51,800	4,300	47,500
Reno, NV	Correct Seismic Deficiencies and Expand Clinical Services, Building 1	213,800	0	21,380
West Los Angeles, CA	Build New Essential Care Tower, Correct Seismic Deficiencies and Renovate Building 500	1,027,900	0	50,790
San Francisco, CA	Correct Seismic Deficiencies in Buildings 1, 6, 8, and 12	224,800	0	22,480
Advance Planning Fund	Various Stations			59,145
Asbestos	Various Stations			40,000
Facility Security	Various Stations			8,000
CFM Staff	Various Stations			24,200
Judgment Fund	Various Stations			5,000
	Subtotal, Line Items			**136,345**
Total VHA		**4,811,400**	**2,214,387**	**681,085**
National Cemetery Administration (NCA)				
National Memorial Cemetery of Pacific	Expand Columbarium and Replace Administration Building	23,700	0	23,700
Advance Planning Fund	Various Stations			4,500
NCA Land Acquisition Fund	Various Stations			10,000
	Subtotal, Line Items			**14,500**
Total NCA		**23,700**	**0**	**38,200**
General Administration - Staff Offices				
Department APF for Major				**6,000**
Program Level				725,285
Available from existing major projects				-135,681
Major Construction		**4,835,100**	**2,214,387**	**589,604**

Construction, Minor Projects

- $550,091,000 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, 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 2012 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 2012 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 2012 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 Construction of Veterans Cemeteries

- $46,000,000 for Grants for Construction of Veterans Cemeteries.

  - Grants are provided to states and tribal governments for the establishment, expansion, improvement or operation of state and tribal government Veterans cemeteries. The state and tribal government Veterans cemeteries complement the national cemeteries and are a critical part of ensuring that the burial needs of Veterans and eligible family members are met.

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Information Technology Programs

1/The FY 2010 enacted funding is from the Consolidated Appropriations Act, 2010 (P.L. 111-117) of $3.307 billion with a rescission of $5 million (P.L. 111-226).
2/Reflects continuing resolution funding level provided in P.L. 111-242, as amended.

	2010	2011	2012
Full-Time Equivalents	6,853	7,518	7,527

Overview

- The 2012 request for Information and Technology (IT) is $3.161 billion. In addition, $50 million in reimbursements will support the IT program. VA's level of IT investment is 5.1 percent of the overall VA discretionary funding and 2.4 percent of VA's total funding.
- The budget has been developed to be strategically aligned with VA's four strategic goals.
- The request includes $915 million in 2012 to support a staffing level of 7,345 FTE, with an additional $22 million in estimated reimbursements to support 182 reimbursable FTE, under the consolidated IT organization. High levels of system availability and customer service are required of the IT organization to support the mission of VA. An increase of 674 FTE is required over 2010 levels to provide the support required by the VA mission areas, which have grown by over 20,000 new staff over the last three years.
- Programmatic IT activities utilize 71 percent of the budget authority, while Staffing and Administration account for 29 percent.

Summary of the IT Budget Request

The request includes funding for the following:

- $655 million for the Major Transformational Initiatives in VA's Strategic Plan, the Department's highest priorities.
- $1.4 billion for the operations and maintenance of VA's IT infrastructure.
- $68 million for information security programs which protect Veteran's privacy and provide secure IT operations across VA.
- $8 million for systems to be developed in accordance with the Caregivers and Veterans Omnibus Health Services Act of 2010.
- $7 million for an automated system called Fast Track which processes newly added Agent Orange presumptive conditions.
- $30 million for the Patient Care Priority Programs, such as Pharmacy Reengineering (PRE), Laboratory System Reengineering Project (LSRP), Bar Code Expansion – Positive Patient Identification (BCE-PPI), and International Classification of Diseases (ICD-10).
- $20 million for the winning ideas from the innovations competition.
- $9 million for the Strategic Asset Management (SAM) system which will replace multiple legacy applications and provide better control of the supply chain.
- $15 million for the continued funding of other vital projects.

Major Transformational Initiatives

IT funding requested to support VA's Major Transformational Initiatives includes the following:

- $6 million for projects to support the Homelessness initiative such as the Homeless Operations and Management Evaluation System (HOMES) that will perform case management and tracking functions for case workers.
- $148 million for the Veterans Benefits Management System, which will continue to deploy pilots to VBA Regional Offices integrating new and improved business processes.
- $70 million for the Virtual Lifetime Electronic Record, which includes the effort to develop unconstrained health data sharing across the National Health Information Network and the expansion of the Information Disability Evaluation System from 27 to 120 sites.
- $12 million for projects in support of the Mental Health initiative including an on-line recovery planning tool, deployment of educational material using the

MyHealtheVet web application, and mental health assessment tools for patient information collection.

- $108 million for the Veterans Relationship Management initiative, which will increase the number of flexible communication channels for Veterans to receive information such as the Virtual Call Center and self-service capabilities through the eBenefits portal.
- $41 million for the New Models of Health Care (NMHC) initiative. Examples of information technology projects under this initiative include: pilot projects for phone and electronic specialty care consultations, a web-based smoking cessation service, and the use of telepathology/teleaudiology to diagnose diseases/hearing disorders remotely.
- $85 million for the Access to Healthcare initiative that will provide for the installation of inpatient flow technology tools throughout all VHA facilities and the Point of Service Kiosk system.
- $29 million for the Preparedness initiative in order to sustain the operations of its Homeland Security Presidential Directive-12 (HSPD-12) badge offices, two backend data centers, and the integration of external data sources (such as personal identification information) for use by security personnel.
- $8 million for the Systems to Drive Performance (STDP) initiative will fund development of the STDP Business Intelligence Dashboard, which will supply VA leadership with the tools necessary to monitor performance and support data-driven decisions resulting in greater efficiencies across the Department.
- $76 million for the Integrated Operating Model (IOM) initiative that will include investments in the Enterprise Management Framework, a centralized, comprehensive framework to effectively manage VA's IT systems and processes. IOM will also implement SecureVA, which will provide visibility to the desktop and implementation of VA Medical Device Isolation Architecture.
- $21 million for the Human Capital Investment Plan (HCIP) to establish a Senior Executive Service (SES) Management office for delivering an enterprise approach to SES management as well as the automation of the Performance Review Board paper based forms.
- $30 million for the Research & Development (R&D) initiative that will allow for the migration of field and central office data to a new enterprise-wide Research Administrative Management System.
- $5 million for the Strategic Capital Investment Planning (SCIP) initiative that will fund the implementation of the SCIP Automation tool to assist the Office of Asset Enterprise Management in the collection of capital investment planning needs.

- $8 million for the Health Care Efficiency initiative in order to provide enhancements to existing Fee Basis Claims System and program integrity tools.
- $8 million for Health Informatics will include an investment in A Virtual Implementation of VistA (AViVA) which will make it easier for third party providers to build applications and for health care providers to collaborate and provide the best care for Veterans.

Project Management Accountability System (PMAS)

In June 2009, Secretary Shinseki stated that VA will implement a new, rigorous department-side IT project management approach that halts programs that fail to meet delivery milestones. The new approach, called PMAS, is specifically designed to improve the results of IT investments at VA through the use of incremental product build methods to focus on near-term, assured deliveries of new capabilities. Additional benefits of PMAS are substantial and include the following:

- Elimination of "big bang" program/project failures and the reduction of project management and technical risks through incremental product delivery
- Enhances business effectiveness through frequent delivery of functionality
- Re-balances requirements with available staffing
- Focuses the project management efforts by reducing projects with inadequate resources
- Enables VA to focus on troubled projects early and implement corrective actions quickly through real-time performance indicators

In 2010, VA produced the PMAS guide (versions 1.0 and 2.0), provided PMAS training for its staff, and created a pilot solution to track and report on the status of PMAS deliverables. In 2011, the PMAS dashboard will be migrated from a pilot to a production solution and will be expanded to further increase project management effectiveness and enhance decision-making capabilities. Also, VA will further develop and implement project performance measures and update the PMAS Guide.

VA is committed to the successful deployment of high quality software. This requires the effective planning, development or acquisition, and tests of software applications to ensure they best meet VA requirements. PMAS is an integral component in achieving this objective.

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Summary of Legislation Proposed

Compensation and Pensions - Proposed Legislation

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, 2010. The percent increase will align with increases in the Consumer Price Index and the increase for Social Security benefits. Current estimates suggest that the CPI will increase by 0.9%. That increase would result in an increase of $330 million in 2012 and $2.1 billion over the five year period.

Use of Health and Human Services (HHS) Data for Purposes of Adjusting VA Benefits: Public Law 110-157 requires independent verification of HHS data for purpose of adjusting VA benefits based on economic need. This proposal seeks to extend the expiration date of September 30, 2011 for an additional 10 years through 2021. Benefit costs are estimated to be $3.6 million in 2012 with net savings of $13 million over 10 years.

Special Monthly Pension Amendment: In Hartness v. Nicholson, 20 Vet. App. 216 (2006), the United States Court of Appeals for Veterans Claims interpreted 38 U.S.C. §§ 1513(a) and 1521(e) to require an award of special monthly pension to a wartime Veteran if, in addition to being at least 65 years old, he or she is considered permanently housebound or possesses a minimum disability rating of 60 percent. Under the court's interpretation, elderly wartime Veterans who are not permanently and totally disabled could receive a greater pension than elderly wartime Veterans who are permanently and totally disabled. The court compounded its error in Chandler v. Shinseki, 24 Vet. App. 23 (2010) (en banc), by disregarding 38 U.S.C. § 1513(b) to provide special monthly pension to Veterans without an additional disability who are entitled to pension based on total disability regardless of age. This proposal would make section 1513(a) consistent with what VA believes was Congress' original intent to retain the requirement in section 1521(e) that permanent and total disability is a necessary predicate for entitlement to special monthly pension and would thereby avoid inequities in the pension program. The Veterans Benefits Administration (VBA) estimates that enactment of this proposal would result in cost savings of $6.3

million in the first year; $65 million over the 5-year period through FY 2016; and $217 million over the 10-year period through FY 2020.

IRS Income Data Matching for VA Eligibility Determinations: Section 6103 (I)(7) of the Internal Revenue Code of 1986 (26 U.S.C Section 6103 (I)(D)) requires the Secretary of the Treasury and the Commissioner of Social Security to disclose certain income information to any governmental agency administering certain programs, including VA's pension, dependency and indemnity compensation and compensation, and health-care programs. Section 5317 of title 38, United States Code, governs VA's use of that information. The duty of the Secretary of the Treasury and the Social Security Commissioner to disclose that information and VA's authority to obtain it from them will expire 9/30/2011. This proposal seeks to extend the expiration date for five years. During the first year, the full cost of implementing this authority ($32 million) will be reimbursed from the Compensation, Pension and Burial (CPB) mandatory account. The savings during the first year are estimated to total $47 million, consisting of $39 million in savings in the VHA discretionary appropriation and $6 million net benefits savings to the mandatory CPB account. In future years, VHA will assume its share of the cost to implement this authority, yielding a net five-year discretionary savings to VHA of $118 million. Over the same five-year period, the net mandatory CPB savings will total $41 million.

Elimination of Benefit Payments to the Estates of Deceased *Nehmer* Class Members and to the Survivors of Certain Class Members: Amend title 38 U.S.C. to clarify that no accrued or retroactive benefits are payable to the estates of deceased Veterans who may have been eligible for retroactive benefits pursuant to court decisions included in *Nehmer versus United States Veterans Administration*. The court decision obligates VA to pay people not otherwise eligible under Title 38. Specifically, paying benefits to an estate contravenes the plain language of the law and undermines Congress's fundamental purpose of establishing statutory mandates that direct VA to pay the accrued benefits of a deceased Veteran to the "Veteran's" surviving spouse, child, or dependent parent, as detailed in 38 U.S.C. § 5121. This proposal would direct that payments of retroactive benefits due deceased Veterans under the *Nehmer* stipulation be paid only to "the first individual listed that is in existence at the time of payment: the Veteran's spouse, regardless of current marital status; the Veteran's child(ren), regardless of age or marital status (if more than one child exists, payment will be made in equal shares to each, accompanied by an explanation of the division); or the Veteran's parent(s), regardless of dependency (if both parents are alive, payment will be made in equal shares to each, accompanied by an explanation of the division)." VA's proposal, therefore, parallels current 38 U.S.C. § 5121. VA believes, notwithstanding the court's decision in *Nehmer,* that it has no statutory authority

to make future payments to estates beyond the current new Agent Orange Presumptions Nehmer class. Enactment of this provision does not result in benefit costs or savings.

Clarification of Monthly Payment Option for the Month of Death for Compensation or Pensions: This proposal will amend Title 38 U.S.C. 5310 and 5111 (c) (1) to clarify that all surviving spouses are entitled to receive payment in the amount of the Veteran's compensation or pension rate for the month of the Veteran's death, and to simplify administration of the month-of-death benefit.

Exemption to the Right to the Financial Privacy Act by Fiduciaries of VA beneficiaries: Amend title 38 U.S.C. § 5502 to authorize an exemption to the Right to Financial Privacy Act for enhanced access by VA to financial accounts held by fiduciaries of VA beneficiaries. VA is seeking to add a new subsection to 38 U.S.C. § 5502, which contains VA's authority to oversee and monitor the activities of fiduciaries. This new subsection will authorize an exemption to the Right to Financial Privacy Act (12 U.S.C. § 3401), so that VA will have enhanced access to financial accounts held by all fiduciaries of VA beneficiaries. The Veterans Benefits Administration (VBA) estimates that enactment of this provision does not result in benefit costs or savings.

Extension of Time for Medical Examinations for Veterans with Mental Disorders: Amend title 38 U.S.C. § 1156(a)(3) to extend the time for which VA is required to schedule medical examinations from the current 6 months to a proposed 18 months for those Veterans discharged from the military due to a mental disorder. This legislative proposal would require VA to schedule a medical examination for Veterans discharged from the military due to a mental disorder no later than 18 months, rather than 6 months, after separation or discharge of such Veteran from active duty. Evaluating mental disorders to determine if the condition is stable at 6 months after discharge is premature when considering the trauma experienced by the Veteran, the limited treatment time that has elapsed, and the stressful nature of transitioning into civilian life. Performing the examination no later than 18 months after discharge allows the clinician to more accurately evaluate the severity, stability, and prognosis of the condition. The Veterans Benefits Administration (VBA) estimates that enactment of this provision does not result in benefit costs or savings.

Extend authority for operations of the Manila VA Regional Office (RO):
Legislation will be proposed to extend the authority currently provided by 38 USC 315(b) to maintain the operations of the Manila RO from December 31, 2011 to December 31, 2016. 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.

Readjustment Benefits – Proposed Legislation

Vocational Rehabilitation for Servicemembers Awaiting Disability Ratings: This proposal seeks to amend Public Law 110-181, the National Defense Authorization Act for Fiscal Year 2008, by extending an existing delimiting date in Section 1631(b)(2) from December 31, 2012 to December 31, 2015. Section 1631(b)(2), provides authority under which Servicemembers with serious illnesses or injuries who have not yet received VA service-connected disability compensation ratings may receive the same vocational rehabilitation benefits (except subsistence allowance) to which Veterans may be entitled. Because of the nature of their illnesses or injuries, these individuals would normally expect to receive VA disability ratings after separation from military service that would qualify them for vocational rehabilitation services. The Veterans Benefits Administration (VBA) estimates that enactment of this provision does not result in mandatory benefit costs or savings.

Promotion of Employment and Training Opportunities for Veterans Participating in the Vocational Rehabilitation and Employment Program: Under this proposal, VA would be able to expand eligibility for incentives paid to employers who provide training and employment opportunities for Veterans with service-connected disabilities who may be difficult to place in suitable jobs. The proposed amendment would remove the existing requirement that a Veteran must have been rehabilitated to the point of employability before employers may qualify for incentive payments. Benefit costs are estimated to be $276 thousand during the first year, $1.4 million for five years, and $3.0 million over ten years.

Extend Authority to issue Temporary Residence Adaptation (TRA) Grants: Amend 38 U.S.C. § 2102A(e) to extend from December 31, 2011, to December 31, 2021, VA's authority to issue Temporary Residence Assistance (TRA) grants to provide temporary Specially Adapted Housing (SAH) assistance to an eligible individual who is residing in a home owned by a family member. No benefit costs are expected for this proposal as the TRA grants are currently counted toward the maximum allowable SAH grant amounts under Chapter 21 of Title 38, United States Code.

Index Temporary Residence Adaptation (TRA) Grants: Under this proposal, VA would adjust annually the amounts of the Temporary Residence Adaptation (TRA) assistance available pursuant to 38 U.S.C. § 2102A(b) to keep pace with a cost-of-construction index in the same manner as the Specially Adapted Housing

(SAH) grants authorized by § 2101(a) and (b). No benefit costs are expected for this proposal as the TRA grants are currently counted toward the maximum allowable SAH grant amounts under Chapter 21 of Title 38, United States Code.

Housing – Proposed Legislation

Two-Year Extension of Vendee Loan Pooling Authority: Amend 38 U.S.C. § 3720(h)(2) to extend from December 31, 2011, to December 31, 2013, the Secretary's existing authority to issue and guarantee the timely payment of principal and interest on certificates or other securities evidencing an interest in a pool of mortgage loans made in connection with the sale of Department of Veterans Affairs (VA) acquired properties. This would allow VA to obtain the best pricing for the securitized loans and to continue selling loans at a greater return without any additional risk. The estimated loan subsidy savings that would result from enactment of this proposal is $177.9 million over the period FY2012-FY2014.

Dependent Child Occupancy for VA Home Loans: Legislation will be proposed to permit a Servicemember's dependent children to satisfy the occupancy requirement in 38 U.S.C. § 3704 in those cases where the Servicemember is unable to personally occupy the property due to his or her military service. This would allow for the home of a single Veteran using the benefit to be occupied by the person's dependent child while the Veteran is on active duty status. The estimated loan subsidy cost that would result from enactment of this proposal is $370 thousand in the first year, $3.9 million over 5 years and $10.8 million over 10 years.

First Lien Exemption for Public Entities: Legislation will be proposed to expand the exemption from the first lien requirement in 38 U.S.C. § 3703(d)(3) beyond private entities to include a public entity that has provided, or will provide, assistance in response to a major disaster as determined by the President under the Disaster Relief and Emergency Assistance Act (42 U.S.C. §§ 5121, et seq.) This would provide VA with the administrative flexibility necessary to authorize the subordination of its guaranteed and direct loans to public disaster relief agencies, so that Veterans would have more options in the types of assistance available. No significant costs are anticipated.

Amend Funding Fee Waiver Requirements: Amend 38 U.S.C. § 3729 (c) to allow individuals to receive a fee waiver if they have a memo disability rating issued during a pre-discharge program based on existing medical evidence, such as service treatment records, rather than a pre-discharge examination. This change will allow all Veterans and Servicemembers who are entitled to a fee waiver, including seriously injured individuals who cannot undergo an examination, to

proceed with purchasing a home without having to pay a VA funding fee. The enactment of this proposal would result in no additional loan subsidy costs.

Two-Year Extension of Authority to Transfer Certain Acquired Properties to Nonprofit Organizations: Amend 38 U.S.C. § 2041(c) to extend, through December 31, 2013, the Secretary's existing authority to enter into agreements with homeless providers for the purpose of selling, leasing, or donating homes acquired through the guaranteed loan program. Under current law, this authority is set to expire on December 31, 2011. This would allow the Secretary to use homes acquired through the guaranteed loan program to help provide shelter to homeless veterans. VA estimates the loan subsidy costs as insignificant.

Medical Care – Proposed Legislation

The six following legislative proposals have a budgetary impact that is reflected on the accompanying table.

Remove Requirement that VA Reimburse Certain Employees for Professional Education: Legislation will be proposed to eliminate title 38, United States Code, section 7411 that states "The Secretary shall reimburse any full-time board-certified physician or dentist appointed under section 7401 (1) of this title for expenses incurred, up to $1,000 per year, for continuing professional education." VHA has a long history of providing educational and training support to all clinical and administrative staff. The Employee Education System and VA Learning University offer a large course catalog with opportunities for physicians and dentists, as well as other occupations, to obtain continuing professional education at VA expense. VHA will continue to manage training and education funding within long-standing parameters in conjunction with published policies at the national and local levels. Continuance of the entitlement in section 7411 is no longer necessary, given the improved competitive recruitment position resulting from the new pay system.

Clarify Breach of Agreement under the Employee Incentive Scholarship Program (EISP): Legislation will be proposed to amend title 38, United States Code, chapter 76, section 7675, subchapter VI, to provide that full-time student participants in the EISP would have the same liability as part-time students for breaching an agreement by leaving VA employment. The current statute clearly limits liability to part-time student status participants who leave VA employment prior to completion of their education program. This allows a scholarship participant who meets the definition of full-time student to leave VA employment prior to completion of the education program, breaching the agreement with no liability. This proposal would require liability for breaching the agreement by

leaving VA employment for both full- and part-time students. All other employee recruitment/retention incentive programs have a service obligation and liability component. This proposal would result in cost savings for the Department by recovering the education funds provided to employees who leave VA employment prior to fulfilling their agreement.

Authority to Access State Prescription Monitoring Programs (PMPs): Legislation will be proposed to modify title 38 U.S.C. § 733d (E) and § 5701(k) to allow VA to share prescription drug data on controlled substances with State Prescription Monitoring programs. This amendment would allow for enhanced information sharing between VA and non-VA monitoring programs to reduce illegal drug diversion. Sharing of prescription drug information with State Prescription Monitoring programs has been used to reduce the opportunities for the abuse, misuse, or illegal diversion of controlled substances by patients seeing multiple providers or using multiple pharmacies. These programs are supported by the President's Council on Drug Policy and have been legislated by 41 states. Thirty-four of these states have active programs. It is well known that prescription controlled substances, so vital in treating certain medical conditions, can have negative consequences on individual patient health and public health and safety when misused or abused.

Change in Collection and Verification of Veteran Income: Legislation will be proposed to revise the way VA conducts collection and verification of income information from Veterans for enrollment determinations regarding inability to defray necessary expenses. VA proposes to adopt the current methodology used for initial benefit determinations for purposes of Medicare Part B premiums. In determining such income, the Social Security Administration electronically queries the Internal Revenue Service (IRS) Federal income tax database for the beneficiary's tax return from 2 years before the effective premium calendar year (i.e., 2008 income determines 2010 premiums) as opposed to asking the beneficiary to self-report their income. Veterans currently self-report (via a means test) their previous calendar year's income and an enrollment determination are made based on this information. The Health Eligibility Center (HEC) currently verifies the Veteran's self-reported income though this may lag up to two years after its submission (the IRS tax records for a previous year are not available until July in a current year). The HEC's conversion rate in reassignments to higher priority groups or disenrollment (e.g., verifying through IRS tax records that a Veteran's income is higher than what he/she self-reported) is approximately 95 percent for reviewed cases. As a result, affected Veterans are back billed (often more than 1 year) for copays for their previous medical care and some are disenrolled due to their income and/or net worth exceeding established means test thresholds. Despite providing appeal rights during this

process, it is not a Veteran-centric approach or a particularly efficient and effective use of VA resources.

Medicare Ambulatory Rates for Beneficiary Travel: Legislation will be proposed to amend 38 U.S.C. §111 to authorize VA to reimburse vendors for authorized special mode (ambulance, wheelchair, van, etc.) transportation at the appropriate local prevailing Medicare ambulance rate when a negotiated contract rate has not been established. VA is currently required to reimburse for any authorized special mode transportation at the "actual necessary expense", which equates to either the contracted or billed rate. This does not include the exception of emergency transportation in relation to unauthorized non-VA emergency medical care claims under 38 U.S.C. §1725, "Reimbursement for emergency treatment", in accordance with 38 U.S.C. §111, "Payments or allowances for beneficiary travel". While some VA health care facilities have contracts with local transportation providers with rates at or below Medicare reimbursement rates, many stations are unable to secure such contracts, or such contracts are limited to pre-authorized transport. As a result, facilities find that billed charges for emergency or non-contract transportation are often significantly higher (up to 3-4 times) than the Medicare rates. VA would experience significant savings in ambulance costs should Medicare payment rates be implemented.

Consider VA a Participating Provider for "Purpose of Reimbursement" (increases revenues): Legislation will be proposed that would allow VA to be treated as a participating provider, whether or not an agreement is in place with a health insurer or third-party payer, thus preventing the effect of excluding coverage or limiting payment of charges for care. With the enactment of the Balanced Budget Act of 1997, Congress changed the health insurer and third-party program into one designed to supplement VA's medical care appropriations by allowing VA to retain all collections and some other copayments. VA can use these funds to provide medical care to Veterans and to pay for its medical care collection expenses. This law also granted VA authority to begin billing reasonable charges versus reasonable costs for care. Reasonable charges are based on the amounts that health insurers and third-party payers pay for the same care provided by non-government health care providers in a given geographic area. This proposal would prevent a health insurer or third-party payer from denying or reducing payment, absent an existing agreement between VA and any health maintenance organization, competitive medical plan, health care prepayment plan, preferred or participating provider organizations, individual practice associations, or other similar plan, based on the grounds that VA is not a participating provider.

The four following legislative proposals have no impact on the budget in 2012 and 2013:

Homeless Providers Grant and Per Diem Program: Legislation will be proposed to amend legislative authority in title 38 United States Code, Subchapter VII, section 2061, to obtain statutory authority to offer both capital grants and enhanced per diem payments to eligible community-based entities who serve special needs Veterans including the frail elderly, chronic mentally ill, women to include women with dependent children, and terminally ill segments of the homeless population. This proposal would grant VA permanent authority to offer capital grants and per diem to agencies that create transitional housing and supportive services for homeless Veterans with special needs; allow for enhancement of the current per diem rate for transitional housing services; and remove the requirement to provide grants to VA health care facilities.

Veterans' Access to Additional Generic Drugs Currently Available to Private Sector Patients: Legislation will be proposed to allow VA pharmaceutical procurements to be exempt from the Trade Agreements Act (TAA) and Buy American Act (BAA). Currently, there are numerous generic drugs made in Food and Drug Administration (FDA) approved manufacturing facilities in non-TAA countries. Even though these products are made in FDA approved manufacturing plants and are used extensively in the private sector in the United States, the TAA makes it difficult if not impossible for VA to purchase these products in times of national drug shortages. VA is experiencing numerous and prolonged shortages of some pharmaceuticals and these shortages are affecting patient care, because prescription quantities must be decreased from 90-day supplies to 30-day supplies and/or patients must be switched to other drugs. At lower dollar thresholds, the BAA also restricts VA's ability to purchase pharmaceuticals. The private sector is not experiencing these shortages because of their ability to purchase drugs regardless of where they were manufactured. VA would only use this new authority in drug shortage situations; it would purchase pharmaceuticals not in short supply in conformance with the TAA and BAA.

Contracting for State Veterans Nursing Home Care: Legislation will be proposed to require State Veterans Homes (SVH) to contract with VA for the purpose of providing nursing home care to Veterans who need nursing home care for a service-connected condition or have a service-connected rating of 70 percent or greater. Contracting with SVHs for nursing home care for selected Veterans would replace the current Per Diem Grant program for these Veterans. This proposal affects 38 CFR 51.41 and 38 CFR 17.57. VA has long and successful history in contracting for nursing home care. Prevailing rates are determined through analysis and negotiation. Such an approach for a clearly defined group of Veterans in SVHs will meet the demands of the homes for a fair price and

assure VA that the rates are defensible and consistent with the case-mix of SVH residents.

Advance Medical Directives of Veterans: Legislation will be proposed to amend title 38, United States Code (U.S.C.), by adding a new section 7335 to create parity between VA and the Department of Defense (DoD) by specifying that a VA advance directive (VA Form 10-0137) shall be given the same legal effect as any valid State advance directive. DoD's comparable provision for recognition of military advance medical directives by States is found in 10 U.S.C. §1044c. Currently, there is no formal mechanism allowing legal recognition of completed VA Form 10-0137 ("VA Advance Directive: Durable Power of Attorney for Health Care and Living Will") outside of VA health care facilities. As a result, Veteran's VA advance directives are not portable except within the national VA system although the Veteran population is highly mobile. If a Veteran seeks care at a community hospital or is transported there in an emergency situation, the Veteran's wishes and preferences stated on VA Form 10-0137 have no legal authority. Although VA honors valid advance directives from any State, regardless of whether the advance directive is consistent with the VA advance directive form in substance, form, or formality, there is no reciprocal recognition by States of the VA advance directive. DoD recognized a similar problem relative to advance directives executed by certain Servicemembers, retirees, and dependents. DoD took steps to protect the rights of these beneficiaries, by statutorily requiring the States to accord the same protections to transitory military, retirees and beneficiaries that it provides to its residents. The proposed amendment to title 38 seeks to address this same disparate treatment borne by some Veterans utilizing non-VA medical treatment facilities in the various States.

Other Legislative Proposals

Staying of Claims: This proposal would amend title 38, United States Code, to permit the Secretary of Veterans Affairs to delay adjudications as needed to preserve program integrity and to clarify that the Board of Veterans' Appeals (Board) may decide certain cases out of docket order.

Revise Time Limits and Effective Date for Herbicide and Gulf War Presumptions: This proposal would modify statutory time limits for the review and rule-making process after the Institute of Medicine issues a report. It would also modify the effective date for presumptions established based on such a report.

Repeal Obsolete Ethics Provision: This proposal would eliminate the blanket prohibition against VA employees having interests in, or receiving income or services from, certain for-profit educational institutions.

Notice of Disagreement Filing Period: This proposal would amend 38 U.S.C. § 7105(b)(1) to reduce the time period for filing of a notice of disagreement (NOD) following the issuance of a rating decision from one year to 180 calendar days.

Automatic Waiver of Agency of Original Jurisdiction Review of New Evidence: This proposal would amend 38 U.S.C. § 7105 to specifically incorporate an automatic waiver of agency of original jurisdiction (AOJ) consideration for any evidence submitted to VA by the appellant or his or her representative following VA's receipt of a VA Form 9 substantive appeal, unless the appellant or his or her representative expressly chooses in writing not to waive such jurisdiction.

Board of Veterans' Appeals Video Hearings: This proposal would amend 38 U.S.C. § 7107(d)(1) and (e)(2) to allow the Board to determine the most expeditious type of hearing to afford an appellant (i.e., an in-person hearing or a video conference hearing), restricting the appellant to the hearing selected by the Board unless good cause or special circumstances are shown to warrant another type of hearing.

Definition of Prevailing Party for the Equal Access of Justice Act (EAJA) and Veterans Benefits Appeals: This proposal would amend the definition of "prevailing party" for purposes of establishing eligibility to receive attorney fees and expenses fees under 28 U.S.C. § 2412 of the Equal Access of Justice Act (EAJA) for cases handled by the United States Court of Appeals for Veterans Claims (Court).

Filing of Substantive Appeals: This proposal would amend title 38, United States Code, 38 U.S.C. § 7105(d)(3), to establish a clear time period for filing a substantive appeal in order to perfect an appeal to the Board of Veterans' Appeals (Board), to make the filing of a timely substantive appeal a jurisdictional requirement for Board review, and to establish that finality attaches to any matter in which a timely substantive appeal is not filed, all for the purpose of promoting efficiency in the adjudication process.

General Treatment: Title 38 USC, § 2031(a) authorizes VA to provide to seriously mentally ill veterans, including homeless veterans, (1) outreach services, (2) care, treatment, rehabilitation, and other services, and (3) therapeutic transitional housing assistance. This authority has been extended several times since November 21, 1997. The most recent extension of this authority was from December 31, 2006, through December 31, 2011. VA proposes to amend § 2031(b) to read "The authority of the Secretary under subsection (a) expires on December 31, 2013."

Additional Services at Certain Locations: Title 38 USC, § 2033 authorizes VA, subject to appropriations, to operate a program to expand and improve the provision of benefits and services to homeless veterans. The program includes establishing sites under VA jurisdiction to be centers for the provision of comprehensive services to homeless veterans in at least each of the 20 largest metropolitan statistical areas. This authority has been extended several times since November 21, 1997. The most recent extension of this authority was from December 31, 2006, through December 31, 2011. We propose to rewrite § 2033(d) to read "The program under this section shall terminate on December 31, 2013."

Modify Crediting of Hours Worked by Registered Nurses on the 72/80 Alternate Work Schedule: This proposal would modify 38 U.S.C. 7456A to allow hours worked on tours of duty that cross over from the last day of a pay period into the first day of the following pay period by registered nurses on an approved 72/80 alternate work schedule to be credited as if all hours were worked on the last day of the pay period in which the tour of duty began. The 72/80 alternate work schedule would be most advantageous to VA if it could be used to provide coverage for weekend tours of duty that are typically difficult to staff. The proposed language allows VA to maintain a standard administrative work week and pay period for all employees while achieving maximum scheduling flexibility for nurses on a 72/80 alternate work schedule.

Advisory Committee on Homeless Veterans: This proposal would extend the Congressional authority to continue the Advisory Committee for Homeless Veterans (ACHV) from December 30, 2011, to December 30, 2013.

Title 38 Pay Authority to Maintain On-Call Pay for Information Technology (IT) Specialists in VA OI&T: This proposal would amend title 38 to continue to allow title 5 IT Specialists authority to serve in an "on-call" status and receive "on-call" pay because of the requirement to support VA's healthcare mission 24 hours a day, 7 days a week.

Title 38 Pay Authority to Recruit and Retain Healthcare Professionals in VA OI&T: Legislation will be proposed to allow the Office of Information and Technology (OI&T) Title 38 Pay Authority. This will enable OI&T to recruit and retain healthcare professionals in leadership positions.

Office of Small Business Programs: This proposal would change the name of the Office of Small and Disadvantaged Business Utilization to the Office of Small Business Programs. This change will bring VA into alignment with DoD's name change in accordance with the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163, section 904).

Franchise Fund: This proposal would modify Public Law 109-114, Military Quality of Life and Veterans Affairs Appropriations Act of 2006, to provide a better financial procedure for the VA Franchise Fund to more quickly return refunds to customers when improper payments are inadvertently made by the fund on the customer's behalf.

Expand Eligibility for Presidential Memorial Certification to Active Duty Deaths: This proposal would amend title 38, United States Code, to allow the Department of Veterans Affairs to furnish Presidential Memorial Certificates on behalf of any service member who died in the active military, naval, or air service.

Establishment of Assistant Secretary and 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.

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Proposed Legislation Chart

Proposed Legislation

(dollars in thousands)

The following items with budgetary impact are included in the President's legislative program for the First Session of the 112th Congress

$ in thousands	2012		2013		2014		2015		2016		2012 to 2016
	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA
Disability Compensation Benefits:											
2011 Compensation COLA increase of 0.9 percent effective December 1, 2011	328,592	328,592	410,219	410,219	426,045	426,045	441,670	441,670	456,794	456,794	**2,063,320**
Extension of Health and Human Services Data Sharing	3,556	3,556	2,005	2,005	1,381	1,381	11	11	(869)	(869)	**6,084**
Tota Disability Compensation Costs	332,148	332,148	412,224	412,224	427,426	427,426	441,681	441,681	455,925	455,925	**2,069,404**
Pensions:											
Clarification of Special Monthly Pension eligibility	(6,338)	(6,338)	(9,603)	(9,603)	(12,938)	(12,938)	(16,333)	(16,333)	(19,782)	(19,782)	**(64,994)**
Extension of Income Verification Authority (Includes VHA Savings)	(12,406)	(12,406)	(27,010)	(27,010)	(32,343)	(32,343)	(39,788)	(39,788)	(47,553)	(47,553)	(159,100)
Mandatory Cost for Administration Reimbursement from Compensation & Pensions Account (Non-Add)	*32,187*	*32,187*	*11,685*	*11,685*	*12,036*	*12,036*	*12,397*	*12,397*	*12,769*	*12,769*	***81,074***
Discretionary Cost for VHA Administration (Non-Add)	*0*	*0*	*20,300*	*20,300*	*23,419*	*23,419*	*24,824*	*24,824*	*26,313*	*26,313*	***94,856***
Mandatory Savings to Compensation and Pensions Account (Non-Add)	*(6,005)*	*(6,005)*	*(18,478)*	*(18,478)*	*(25,255)*	*(25,255)*	*(32,339)*	*(32,339)*	*(39,732)*	*(39,732)*	***(121,809)***
Discretionary Savings to Medical Care Account (Non-Add)	*(38,588)*	*(38,588)*	*(40,517)*	*(40,517)*	*(42,543)*	*(42,543)*	*(44,670)*	*(44,670)*	*(46,903)*	*(46,903)*	***(213,221)***
Total Pensions Costs	(18,744)	(18,744)	(36,613)	(36,613)	(45,281)	(45,281)	(56,121)	(56,121)	(67,335)	(67,335)	(224,094)
Vocational Rehabilitation and Employability:											
Expand VRE On The Job training eligibility	276	276	281	281	287	287	292	292	298	298	**1,434**
Housing:											
2 Year Extension of Authority to Pool Vendee Loans	(86,007)	(86,007)	(93,111)	(93,111)	1,259	1,259	0	0	0	0	**(177,859)**
Dependent Child Occupancy for VA Home Loans	370	370	525	525	831	831	986	986	1,145	1,145	**3,857**
Total Housing Costs	(85,637)	(85,637)	(92,586)	(92,586)	2,090	2,090	986	986	1,145	1,145	(174,002)
Medical Care:											
Remove Requirement that VA Reimburse Certain Employees for Professional Education	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	**(1,625)**
Clarify Breach of Agreement under Employee Incentive Scholarship Program	(37)	(37)	(38)	(38)	(38)	(38)	(39)	(39)	0	0	**(152)**
Authority to Access State Prescription Monitoring Programs	500	500	100	100	100	100	100	100	100	100	**900**
Change in Collection and Verification of Veteran Income	(2,356)	(2,356)	(2,438)	(2,438)	(2,523)	(2,523)	(2,611)	(2,611)	(2,702)	(2,702)	**(12,630)**
Medicare Ambulatory Rates for Beneficiary Travel	(17,350)	(17,350)	(17,092)	(17,092)	(16,838)	(16,838)	(15,952)	(15,952)	(15,715)	(15,715)	**(82,947)**
Total Medical Care Costs	**(19,568)**	**(19,568)**	**(19,793)**	**(19,793)**	**(19,624)**	**(19,624)**	**(18,827)**	**(18,827)**	**(18,642)**	**(18,642)**	**(96,454)**
Medical Care Revenue:											
Consider VA a Participating Provider for "Purpose of Reimbursement" (revenues)	88,000	88,000	91,000	91,000	94,356	94,356	97,848	97,848	101,468	101,468	**472,672**

* Amounts in the table reflect only VA savings; net government-wide savings are partially offset by additional Medicaid costs

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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:

Section of U.S.C-Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Expiration Date
Compensation and Pension				
38 USC 1117(c)(2); 38 USC 1118(e)	P.L. 103-446, § 106 (a) (1)	P.L. 107-103, § 202(d)(1)	Presumptive service connection for Persian Gulf War illness	9/30/2011
38 USC 1303(a)	P.L. 105-33, §8031(b)(1)	P.L. 108-183 §706	Cost-of-Living Adjustments for Dependency and Indemnity Compensation for Service-Connected Deaths	9/30/2013
38 USC 1104 (a)	P.L. 105-33, §8031(a)(1)	P.L. 108-183 §706	Cost-of-Living Adjustments - Compensation for Service-Connected Disability or Death	9/30/2013
38 USC 5503(d)(7)	P.L. 85-857	P.L. 111-275, § 607	Pension Limitations Regarding Medicaid (Reduction of pension to certain Medicaid-eligible veterans and surviving spouses receiving care in nursing homes)	5/31/2015
38 USC 1116 (e)	P.L. 102-4, §2(a)(1)	P.L. 107-103 §201 (d)(1)	Presumptions of Service Connection for Diseases Associated with Exposure to Certain Herbicide Agents: Presumption of Exposure for Veterans who Serviced in the Republic of Vietnam	9/30/2015
38 USC 5317(g); 26 USC 6103(l))7)(D)(viii)	P.L. 101-508 § 8051	P.L. 110-389 § 802	Access to IRS data for purposes of verifying eligibility for pension (Use of Income Information from IRS and HHS)	9/30/2011
42 USC 653(j)(11)	P.L. 110-157 § 301		Authority to use National Directory of New Hires for income verification purposes for certain veterans benefits	9/30/2011

Section of U.S.C-Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Expiration Date
Readjustment Benefits				
38 USC 3036(d)	P.L. 98-525 § (702)(a)(1)	P.L. 109-461 § (305)(b)	MGIB Assistance - VA and DoD Joint Report (Bi-annual report on the operation of the Montgomery GI Bill)	1/1/2011
	P.L. 110-181 § 1631 (b)(2)		Vocational rehabilitation for certain seriously disabled servicemembers	12/31/2012
38 USC 3485(a)(4)(A)(C)and (F)	P.L. 107-103	P.L. 111-275 § 101	Enhanced Work Study Allowance	6/30/2013
38 USC 3015(h) & 38 USC 3564	P.L. 105-178 § 8201	P.L. 108-183 § 304	Rounding down of Cost-of-Living Adjustments in chapters 30 and 35 rates through FY 2013	9/30/2013
38 USC 3692 (c)	P.L. 89-358	P.L. 111-275 § 102	Veterans' Advisory Committee on Education	12/31/2013
Housing Program				
38 USC 3729(b)(2)(A)(iii),(B)(ii),(C)(i),(D)(i)	P.L. 108-183 § 405		Loan Fees Collections [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]	9/30/2011
38 USC 3710(a)(12)	P.L. 109-461 § 501		Loan Guarantees for Residential Cooperative Housing Units (CO-OP loan guarantees)	12/21/2011
38 USC 2102A	P.L. 109-233 § 101(a)	P.L 110-289 §2604	Specially-Adapted Housing Assistance (SAH) for Veterans temporarily residing with family members.	12/31/2011
38 USC 3720(h)	P.L. 102-291 §5	P.L. 107-103 § 405	Mortgage Certificates for Pooled (Vendee) Loans (pooled loans asset sales - Authority to guarantee sold loans)	12/31/2011
38 U.S.C. 3703 in annotations	P.L. 110-389 § 501		Temporary increase to guaranty amount	12/31/2011
38 USC 3707	P.L. 110-389 §505(a)	P.L. 102-547 § 3	Authority to guarantee adjustable rate mortgages	9/30/2012
38 USC 3707A	P.L. 107-330 § 303	P.L. 110-389 § 505(b)	Authority to guarantee hybrid adjustable rate mortgages	9/30/2012
38 USC 3732(c)	P.L. 98-369§ 2514	P.L. 108 – 183 § 406	Calculation of Net Value at time of foreclosure	9/30/2012
38 USC 3733(a)(7)	P.L. 108-183 § 404(a)		Change Vendee Loan Program	9/30/2013
38 USC 3729(b)(2)(B)(iii)	P.L. 108-183 § 405		Loan Fees Collections [adjusts the loan fee for certain loans closed after October 1, 2011, but before October 1, 2013]	10/1/2013
38 U.S.C. 2108	P.L. 111-275 § 203		Specially Adapted Housing Assistive Technology Grant	9/30/2016

Section of U.S.C- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Expiration Date
Medical Care				
38 USC 2031(b)	P.L. 105-114 § 202(a)	P.L. 109-461 § 704(a)	General treatment (Veterans with serious mental illness, including homeless Veterans - outreach; care, treatment and rehabilitation; therapeutic transitional housing assistance).	12/31/2011
38 USC 2033(d)	P.L. 105-114 § 202(a)	P.L. 109-461 § 704(b)	Additional services at certain locations (program to expand and improve the provision of benefits and services to homeless Veterans).	12/31/2011
38 USC 1710A(d)	P.L. 106-117 § 101(a)	P.L. 110-387 § 805	Required nursing home care for certain service-connected veterans	12/31/2013
38 USC 1712A Note	P.L. 111-163 §203		Pilot Program on Counseling in retreat settings for women Veterans newly seperated from service in the Armed Forces	2 years after the commencement of the pilot program
38 USC 1710 Note	P.L. 111-163 §205		Pilot Program on assistance for Child Care for certain Veterans receiving health care	2 years after the commencement of the pilot program
38 USC 1712 Note	P.L. 111-163 §510		Pilot Program on provision of dental insurance plans to Veterans and survivors and dependents of Veterans	3 years after the commencement of the pilot program
38 USC 2066(d)	P.L. 107-95 § 5(a)(1)	P.L. 109-461 § 709(b)	Advisory Committee on Homeless Veterans	12/30/2011
Programs For Homeless Veterans				
38 USC 2041	P.L. 102-54 §9(a)	P.L. 109-461 § 705	Real Property Transfers for Homeless Veterans Assistance (Housing Assistance for Homeless Veterans)	12/31/2011
38 USC 2061(c)	P.L. 107-95 § 5(a)(1)	P.L. 109-461 § 706	Grant Program for homeless Veterans	After FY 2011 (expiration date only for designated funding)
38 USC 2021(e)	PL 107-95 § 5(a)(1)	PL 111-275 § 201	Homeless Veterans reintegration programs	9/30/2011
Co-Payments and Medical Care Cost Recovery				
38 USC 1710(f)(2)(B)	P.L. 111-163, section 517	P.L. 111-163, section 517	Copayments for Hospital Care and Nursing Home Care	9/30/2012
38 USC 1729(a)(2)(E)	P.L. 111-163 §518		Medical care cost recovery authority (Third-party Billing)	10/1/2012
38 USC§ 1703(d)(4)	P.L. 108-422 § 601	P.L. 110-387 § 802	Recovery Audits for certain contracts under 38 USC 1703	9/30/2013

Section of U.S.C-Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Expiration Date
VA/DoD Joint Sharing Funds				
38 USC 8111 (d)		P.L. 111-84, section 1706	Sharing of VA and DoD Health Care Resources Joint Incentive Program	9/30/2015
38 USC	P.L. 111-84 § 1704 (e)		VA-DoD Joint funding authority for Medical Facility Demonstration Fund	9/30/2015
General Operating Expenses				
38 USC 315(b)	P.L. 102-83, § 2 (a)	P.L. 111-275, § 807	Philippines Regional Office	12/31/11
38 USC 5101 note	P.L. 108-183	P.L. 111-275, § 809	Contract medical Disability Exams - (Temporary authority for performance of medical disability examinations by contract physicians)	12/31/2012
38 USC 544(e)	P.L. 103-446 § 510(a)	P.L. 110-389 § 809	Advisory Committee on Minority Veterans	12/31/2014
Enhanced Use-Lease				
38 USC 8161-8169	P.L. 106-117, section 208		VA's Enhanced Use Lease Authority	12/31/2011
Capital Asset Fund				
38 USC 8118(a)(5)	P.L. 111-164		Authority to transfer real property; Department of Veterans Affairs Capital Asset Fund	11/30/2011

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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, 2009 through October 31, 2010.

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: Improvements Needed in Corrective Action Plans to Remediate Financial Reporting Material Weaknesses*** (GAO-10-65) issued November 16, 2009.

RESPONSIBLE OFFICE: Office of Management

RECOMMENDATIONS:
To help focus VA's corrective action plans on more effectively establishing and completing consistent and comprehensive near-term actions, the Secretary of VA should direct the Assistant Secretary for Management to issue policies and procedures for identifying and reporting on financial audit weaknesses to include:

- Detailed guidance (such as a set of tools and templates in place to identify and report on programmatic weaknesses) on required corrective action plan elements (including milestones for completion of interim action steps and validation steps).

- Establishing a VA Secretariat-level agency-wide governance structure for overseeing all Office of Management and Budget (OMB) Circular No. A-123 and financial statement audit material weakness remediation activities that provides for (1) involving key stakeholders in the remediation process (such as the Financial Process Improvement and Audit Readiness (FPIAR), administration Chief Financial Officer's (CFO), and other senior VA officials); (2) clearly defining stakeholder roles and responsibilities; (3) establishing and implementing strategic workforce planning for FPIAR; and (4) regularly assessing and reporting on the status of corrective action plans and identification of any actions needed to address any slippages of remediation activities.

- To help ensure the timely and complete capitalization of property, plant, and equipment, the Secretary of VA should direct the Assistant Secretary for Management to issue procedures on specific actions and identify specific reasonable time frames, such as within 30 days, to implement VA policy to

capitalize property, plant, and equipment (PP&E) projects when they are placed in service.

ACTIONS TAKEN:

Recommendation 1: In FY 2010, the Office of Financial Process Improvement and Audit Readiness (FPIAR) fully integrated its financial audit weakness corrective action processes with VA's Senior Assessment Team (SAT). This process is driven by OMB A-123 Appendix A and managed by the Office of Business Oversight's (OBO) Internal Controls Service (ICS). Standardized Corrective Action Plan (CAP) templates were used to document action plans, including significant milestones and status updates to measure interim progress. The standardized CAPs were maintained in a centralized repository. FPIAR and the individual CAP owner provide status updates at the monthly SAT meeting. CAPs in FY 2010 met all requirements of Circular A-123, Appendix A, internal controls over financial reporting.

ICS has developed a handbook for all stakeholders that provides detailed guidance for corrective action planning, monitoring, reporting and validation procedures for all financial audit and A-123 Appendix A significant deficiencies and material weaknesses. The handbook and its tools and templates provide rigidity and consistency to VA's CAP by requiring development and documentation of detailed milestones, involvement and approval by key stakeholders, and formal reporting to SAT.

Recommendation 2: In 2009, the SAT was established as the coordinating body for corrective action planning, monitoring, reporting and validation of deficiencies identified during financial audits. Led by the Assistant Secretary for Management, the SAT is comprised of senior business managers from each of VA's three administrations and relevant program offices, such as acquisition, finance, general counsel, IT and HR.

The FPIAR office was established in January 2009, to oversee and coordinate agency-wide activities for financial reporting material weaknesses and help improve financial business processes. The FPIAR office uses contractors to augment internal resources to provide necessary support services and expertise to accomplish specific technical goals and objectives identified in the annual audit.

FPIAR has worked with the SAT and CAP owners to clearly define roles and responsibilities. In addition, FPIAR provides assistance to the CAP owners in development of corrective action plans, supporting Administrations and staff offices in remediation efforts, and tracking and reporting status and results. CAP status and results are presented at monthly SAT meetings. Plans not meeting

established milestones are monitored to ensure continued progress towards remediation.

In FY 2010, FPIAR, working closely with the CAP owner and other stakeholders, successfully remediated three of four material weaknesses and five of eleven significant deficiencies.

Recommendation 3: On August 20, 2009, VA issued new financial policy and procedures on capitalization of property, plant, and equipment. The VHA CFO issued an alert to field stations regarding capitalization of real property on March 16, 2010. VHA also provided joint logistics, engineering, acquisition, and finance training in August 2010 regarding capitalization criteria and timeliness. Beginning in FY 2010, the VHA CFO Office of Financial Oversight began monitoring and providing a report to the field stations identifying projects which are candidates for capitalization.

BUDGET IMPLICATIONS: None

2. ***SERVICE DISABLED VETERAN OWNED SMALL BUSINESS PROGRAM: Case Studies Show Fraud and Abuse Allowed Ineligible Firms to Obtain Millions of Dollars in Contracts*** (GAO-10-108) issued November 19, 2009

RESPONSIBLE OFFICE: Office of Small & Disadvantaged Business Utilization

RECOMMENDATIONS:
In an effort to minimize the potential for fraud and abuse in the Service-Disabled Veteran-Owned Small Business (SDVOSB) program and to assure that legitimate service-disabled veterans and their firms reap the benefits of this program, the Administrator of the Small Business Administration (SBA) and the Secretary of the Veterans Affairs (VA) should coordinate with the Office of Federal Procurement Policy (OFPP) to explore the feasibility of (1) expanding the use of the VA VetBiz "verified" database governmentwide for purposes of validating all SDVOSB eligible firms for contracting and, (2) requiring that all contractors who knowingly misrepresent their status as an SDVOSB be debarred for a reasonable period of time.

ACTIONS TAKEN:
OSDBU is on the White House Interagency Task Force subcommittee chaired by the (SBA). The subcommittee is examining issues relevant to Veterans' entrepreneurship. Their work should be completed soon. Note, a subcommittee under the task force is looking at government-wide utilization of VA's VetBiz.gov Vendor Information Pages (VIP) database.

On September 1, 2010, VA established a debarment committee ("the 8127 Debarment & Suspension Committee") to process debarment referrals relating to misrepresentations of eligibility for status as a Veteran-owned small business or as a SDVOSB. Included in these debarment actions are misrepresentations pertaining to the Limitation on Subcontracting provisions of VAAR 852.219-10, VA Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside, and VAAR 852.219-11, VA Notice of Total Veteran-Owned Small Business Set-Aside.

The committee consists of representatives from the Office of Acquisition & Logistics, the Office of Small and Disadvantaged Business Utilization, the Office of General Counsel, and the Veterans Health Administration. The committee will review referrals for debarment (and suspensions) and make formal recommendations to the debarring official pursuant to the procedures in VAAR 809.406-3.

BUDGET IMPLICATIONS:
Funding for a government-wide solution may require a broader appropriations strategy. VIP is currently funded through the VA Supply Revolving Fund.

3. ***INFORMATION TECHNOLOGY: Agencies Need to Improve the Implementation and Use of Earned Value Techniques to Help Manage Major System Acquisitions*** (GAO-10-2) issued November 4, 2009.

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:
In order to address the weaknesses identified in agencies' policies and practices in using EVM, the Secretaries of the Departments of Agriculture, Commerce, Defense, Homeland Security, Justice, Transportation, and Veterans Affairs and the Administrator of the National Aeronautics and Space Administration should modify policies governing EVM to ensure that they address the weaknesses that we identified, taking into consideration the criteria used in this report.

ACTIONS TAKEN:
VA Notice 10-2, dated August 25, 2010, rescinds VA Directive 6061, Earned Value Management System. Each project in the VA Office of Information and Technology is transitioning to an incremental delivery methodology. For incremental software delivery as required by VA's Project Management Accountability System (PMAS), earned value constitutes an inappropriate, cumbersome and lengthy measurement process. VA is adopting industry best practices for management, metrics, and reporting that are inherent to these new, risk-reducing software development methods. PMAS related processes in VA's implementation of ProPath require project management analysis of performance as well as both examining performance and examining performance variances; the results of which are reported monthly to Executive Management through the PMAS Dashboard. VA is already engaged in fully transparent reporting of project status to Office of Management and Budget and the public. VA is also looking for additional approaches to enhance transparency to the public and strengthen stewardship of public funds.

The PMAS Guide version 2.0 was published, approved and released September 17, 2010.

BUDGET IMPLICATIONS: To be determined

4. ***VA HEALTH CARE: Improved Oversight and Compliance Needed for Physician Credentialing and Privileging Process*** (GAO-10-26) issued November 16, 2009.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:
In order to improve oversight of credentialing, privileging, and continuous monitoring processes at VAMCs, the Secretary of Veterans Affairs should direct the Under Secretary for Health to:

- Require Veterans Integrated Service Network (VISN) directors to develop a formal oversight process to systematically review credentialing and privileging files and the information used to support reprivileging of physicians for compliance with VA policies and document results of reviews and corrective actions at least annually. The oversight process should include feedback to VAMC officials about the proper use of legally protected performance information, if necessary. In order to close the feedback loop, the oversight process should describe a method of follow up to measure whether VAMCs corrected identified weaknesses.

- Update VetPro to more effectively display physician credentialing information. Specifically, VA should improve the display of verified information on VetPro's summary tables and simplify and clarify questions related to malpractice and licensure.

- Collect more information about state medical boards' policies on the release of information, and consider amending VA policy to not require written verification for states that do not provide additional information in addition to what is available by phone or on the state boards' Web sites.

ACTIONS TAKEN:
- A multidisciplinary workgroup on credentialing and privileging developed a plan, and the recommendations were accepted in March 2010. A special education session was presented to the Chief Medical Officers and others on April 20, 2010.

- A redesigned VetPro was released on March 5, 2010, and a number of training sessions have been held to focus on the changes in the appearance and function of the redesigned system. To date, feedback indicates that users are satisfied with the changes. Training has included sessions at the National Risk Management Conference, New Orleans LA, April 28, 2010; National Quality, Safety and System Redesign Conference June 22, 2010; Credentialing and

Medical Staff process conference in August 2010; and Medical Staff leadership presentation at the New Executive Training for new Chiefs of Staff on December 9, 2010.

- In December 2009, VA completed a survey of the 70 State medical boards, 52 State nursing boards, and 52 State dental boards seeking information as to whether or not they would respond to written requests for additional information. Only 17% of the medical boards will respond to the VA request for information concerning open or pending information and almost 59% of the medical boards charge for verification of information that is already on their web sites. VA will discontinue the requirement for written verification of licensure. Policy changes are currently in process.

BUDGET IMPLICATIONS: None known

5. ***INFORMATION TECHNOLOGY: Actions Needed to Fully Establish Program Management Capability for VA's Financial and Logistics Initiative*** (GAO-10-40) issued December 1, 2009.

RESPONSIBLE OFFICE: Office of Management

RECOMMENDATIONS:
To help guide and ensure successful completion of FLITE, the Secretary of Veterans Affairs should direct and ensure that the Assistant Secretary for Management and the Assistant Secretary for Information and Technology:

- Improve the reliability of the program cost estimate by ensuring that the estimate includes system operations and maintenance costs and that the estimate is reconciled with the independent cost estimate.

- Improve the reliability of program earned value management reporting by ensuring that contractor earned value management systems comply with industry standards.

- Complete a revised integrated master schedule that includes all key program activities, including reconciliation of the program cost estimate and implementation of earned value management, and identifies all resources and dependencies.

- Ensure that all relevant and applicable federal financial management system requirements are included in FLITE's requirements and establish and maintain requirements traceability.

- Ensure that all comments from independent verification and validation reviews are addressed.

ACTIONS TAKEN:
In early CY 2010, VA undertook an extensive re-evaluation of its financial management challenges, risks and critical priorities. The re-evaluation, which included consideration of available resources, the clean audit opinions on VA's financial statements for 11 years in a row and the relative low risk with maintaining VA's legacy financial management system for the forseeable future, resulted in a decision by the Secretary to end the FLITE Program in favor of pursuing several other lower risk and less costly financial management improvement initiatives. The other financial management initiatives being undertaken will strengthen internal controls and oversight, reduce operating costs, address improper payments and improve data and analysis. These initiatives will also set the stage for lower-risk financial management system replacement in the future.

BUDGET IMPLICATIONS: None

6. ***VA CONSTRUCTION: VA is Working to Improve Initial Project Cost Estimates, but Should Analyze Cost and Schedule Risks*** (GAO-10-189) issued December 14, 2009.

RESPONSIBLE OFFICE: Office of Acquisition, Logistics, and Construction Management

RECOMMENDATIONS:

- To provide a realistic estimate of when a construction project may be completed as well as the risks to the project that could be mitigated, we recommend that the Secretary of Veterans Affairs direct the Office of Construction and Facilities Management (CFM) to require the use of an integrated master schedule for all major construction projects. This schedule should integrate all phases of project design and construction.

- To provide a realistic estimate of when a construction project may be completed as well as the risks to the project that could be mitigated, the Secretary of VA should direct CFM to conduct a schedule risk analysis, when appropriate, based on the project's cost, schedule, complexity, or other factors. Such a risk analysis should include a determination of the largest risks to the project, a plan for mitigating those risks, and an estimate of when the project will be finished if the risks are not mitigated.

- To improve estimates of the cost of a major construction project as well as the risks that may influence the cost and how these risks can be mitigated, the Secretary of VA should direct CFM to conduct a cost risk analysis of major construction projects.

ACTIONS TAKEN:

Recommendation 1: This recommendation is in the implementation phase. VA's construction and facilities management program is included in the Secretary's transformation of VA. This transformation initiative is identified as VAFM. The implementation of this recommendation is a part of VAFM and is scheduled to be completed in FY 2011. In the meantime, at the outset of each new project, the integrated project management team is developing an integrated master schedule that includes the design phases, as well as the construction phase.

Recommendation 2: The implementation of this recommendation is also a part of the VAFM transformational initiative and will be fully implemented in FY 2011. In the meantime, VA's Architect/Engineer (AE) Design Submission Instructions (PG-18-15) have been revised to require that a cost loaded Critical Path Method schedule be submitted by the AE consultants which must address the anticipated overall construction schedule, considerations influencing phasing, and the

duration of each phase. Also the CPM requires a project risk analysis to include anticipated design and construction schedules, major milestones in design, procurement, and construction, technologies, cost recommendations for mitigation of the major risks.

Recommendation 3: Also included in the VAFM transformational initiative, this recommendation will be fully implemented in FY 2011. The information provided by the AE in response to the PG-18-15 revisions described above enables a better assessment of the cost risk in the interim while awaiting full implementation.

BUDGET IMPLICATIONS:
The improvements made through the implementation of the above recommendations will improve the accuracy of the cost estimates and predicted schedules. There will be minimal cost associated with implementation of these recommendations.

7. ***VETERANS DISABILITY BENEFITS: Further Evaluation of Ongoing Initiatives Could Help Identify Effective Approaches for Improving Claims Processing*** (GAO-10-213) issued January 29, 2010.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:
The Secretary of Veterans Affairs should direct the VBA to:

- Collect data on redistributed claims for development, rating, and appellate work to help assess the timeliness and accuracy of resource centers' output and the effectiveness of workload redistribution.

- Establish an evaluation plan for assessing the ECA pilot process and guiding any expansion decisions. Such a plan should include criteria for determining how much improvement should be achieved under the pilot on specific performance measures--such as average VBA and Board processing times--and include methods for how VBA and the Board will consider ECA's impact on non-ECA claims and appeals processing before implementing the process widely.

- Establish a plan to evaluate its claims processing reorganization pilot and guide any expansion decisions. Such a plan should include criteria for determining how much improvement should be achieved in the pilot on specific performance measures--such as decision timeliness and accuracy--before the process is implemented throughout VBA.

ACTIONS TAKEN:
Recommendation 1: In process – VBA's Systematic Technical Accuracy Review staff began collecting accuracy data on redistributed rating work in April 2009. Additionally, VBA uses the VETSNET Operations Reports (VOR) as a primary tool for workload management. VBA is making changes to VOR to allow for improved tracking of brokered (redistributed) claims. VBA has deployed the Pending and Completed Detail Brokered Work Reports to production in VOR. VBA is in process of analyzing existing data to assess the timeliness of redistributed rating, development, and appellate work, and analyze the effectiveness of workload redistribution.

Recommendation 2: Completed – The Board and VBA analyzed data gathered during the ECA pilot and determined the ECA pilot should be allowed to expire in accordance with the pertinent regulations.

Recommendation 3: Completed – Booz Allen Hamilton submitted a final report on the claims processing reorganization pilot in July 2010. Based on the results of the pilot, a decision has been made to expand the application of Lean Six Sigma principles to select regional offices to be determined at a later date. Continued monitoring and oversight of this pilot is a part of the overall transformation initiatives. The current expansion plan calls for a significantly shorter implementation period and fewer employees required to launch the pilot.

BUDGET IMPLICATIONS: None

8. ***VA HEALTH CARE: VA Has Taken Steps to Make Services Available to Women Veterans, but Needs to Revise Key Policies and Improve Oversight Processes*** (GAO-10-287) issued February 22, 2010.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:
To better ensure that women Veterans have access to health care services that meet their unique needs and to strengthen oversight of the services delivered to women Veterans at VA facilities, the Secretary of Veterans Affairs should direct the Under Secretary of Health to:

- Provide complete information on VA's external Web sites on the specialized residential mental health treatment programs VA offers for women Veterans who have experienced military sexual trauma (MST) or other traumas.

- Establish a process to independently validate self-reported information by VA medical facilities' on compliance with privacy policies that pertain to women Veterans.

- Expedite action to ensure that VA's design and construction policies explicitly address the needs of women Veterans in all health care delivery settings in VA medical facilities.

- Clarify VA's policies by describing specifically what constitutes "appropriate and necessary training" for mental health professionals who provide services to Veterans who have experienced MST.

- Update VA's policies to clarify the roles and responsibilities of the full-time WVPM position, in particular with respect to the level of reporting authority and access to senior facility management.

ACTIONS TAKEN:
- VA has conducted a systematic review of VA's national web sites to identify sites with incorrect or inadequate MST-related information. More appropriate MST-related materials and information will be posted to replace any incorrect or inadequate information. These materials will include information about the availability of specialized MST-related care in residential and inpatient settings. Also, VA conducted its "Making Connections" campaign in April 2010 designed to encourage MST Coordinators to make themselves more easily accessible to Veterans. VA is also reviewing the effectiveness of this campaign and continuing to identify areas for improvement.

- Veterans Integrated Services Networks (VISNs) were directed to develop and implement a plan to validate information reported by medical facilities about compliance with women Veterans' privacy and security policies. All VISN plans have been received and reviewed. Also, VISN's are required to submit a quarterly compliance status report one week after the close of each quarter and unannounced document reviews and site visits are being planned.

- VHA continues to assist OAL&C as needed to ensure that VA's design and construction policies address the needs of women Veterans in VA medical facilities. VHA has offered to have a representative work with OAL&C in revising its VA's Space Planning Manual for Ambulatory Care.

- All VA mental health providers who are licensed in their fields and have appropriate clinical privileges are considered VA qualified mental health providers with appropriate and necessary training to be qualified to work with victims of MST. Because MST is an experience, not a specific diagnosis or condition in its own right, expertise in providing evidence-based care targeting a Veteran's specific presenting condition or diagnosis is also essential. VA currently disseminates information about evidence-based practices for a number of conditions associated with MST, including post-traumatic stress disorder (PTSD), anxiety, and depression.

  Also, VA agrees that a working knowledge of the special issues MST survivors may face in recovery can help further tailor care to each Veteran's particular needs. Providers interact with MST survivors in a variety of capacities and roles (e.g., in depth trauma processing; skills training; case management; ongoing medication management; care for physical health conditions), making it inappropriate to set one universal standard for training. Also, because survivors may be seen in a variety of different clinics and may disclose their experiences of MST in an already established relationship, it is beneficial for all healthcare providers to have this sort of basic working knowledge of MST. Providers working with MST survivors in more intensive capacities, such as active trauma processing or exposure therapy, may particularly benefit from additional knowledge to establish advanced skills and knowledge.

  To ensure basic skills and knowledge for all healthcare professionals, VA is developing a training presentation designed to provide an overview of issues relevant to working with any MST survivor. The training would address topics such as how to screen sensitively and respond appropriately to disclosures; basic background on MST (e.g., prevalence, associated conditions, factors specific to the military context); and information about how a history of MST might affect a provider's clinical work. VA will also explore the

possibility of making this a one-time mandatory training for all professionals working with patients in a clinical role.

Providers working with MST survivors in more intense capacities also can use additional resources such as:

- Monthly teleconference training calls on topics ranging from how to screen for MST, the mental health consequences of MST, issues commonly encountered in treatment, an overview of major empirically-supported protocols appropriate for treatment of MST-related difficulties, to findings from MST-related research.
- Annual MST training conference on issues related to clinical care and program development for MST Coordinators nationwide.
- The MST Resource Homepage, a VA intranet web site that houses MST-related resources such as staff educational handouts, Veteran outreach materials, sample treatment protocols and other program development materials, and information about MST-related training opportunities, including the Veterans Health Initiative Independent Study Course on MST.
- Email discussion forums hosted by the MST Resource Homepage where VA providers can engage in conversations about a variety of issues related to MST.

- VA is in the process of revising policy regarding the specific roles and duties of full time WVPMs and lead VISN WVPMs in addition to defining collaborative roles with other facility programs including those involving MST, Homelessness, Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn issues, and minority Veteran issues.

BUDGET IMPLICATIONS: None known.

9. ***VA'S FIDUCIARY PROGRAM: Improved Compliance and Policies Could Better Safeguard Veteran's Benefits*** (GAO-10-241) issued March 29, 2010.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:
To ensure that maximum efforts are made to safeguard beneficiary assets, the Secretary of Veterans Affairs should:

- Ensure that policies regarding file documentation, follow-up with fiduciaries for late financial reports, and bond acquisition are understood and carried out by staff. This might be accomplished by increasing standardized training for staff, clarifying certain policies, and improving management review and oversight.

- Evaluate alternative approaches to effectively and efficiently meet the electronic case management system needs of Fiduciary Program managers and staff. This could include developing or acquiring a replacement system or enhancing the existing system.

- Move forward with developing a plan to systematically evaluate the extent to which the hub pilot project is addressing identified program weaknesses. This could include documenting lessons learned during implementation.

- Improve the policies for periodic on-site reviews of professional fiduciaries by taking additional actions such as: (1) requiring a unique identifier for all fiduciaries to better determine which professional fiduciaries meet the criteria to have on-site reviews; and (2) implementing a nationwide systematic quality review process to examine completed on-site review reports.

ACTIONS TAKEN:
Recommendation 1: Completed – A Fiduciary Manager's Training Conference for 72 attendees was conducted from June 13 through June 18, 2010. The conference provided in-depth training on workload management, misuse of funds, accounting follow-up, field examinations, surety bonds, and a myriad of other fiduciary topics. The provisions of this recommendation have been fully implemented through extensive standardized training and updated guidance. Although further manual updates are in process, we have clarified policies and procedures.

Recommendation 2: Completed – Fast Letter 10-12 provides guidance on changes in fiduciary policies and procedures regarding documentation of expenditures; misuse allegations, investigations, and determinations; collection of

social security numbers and taxpayer identification numbers; and onsite reviews. Nationwide training for all fiduciary managers, field examiners, and legal instruments examiners was deployed in April 2010. Approximately 400 VBA employees are scheduled to receive this training.

Recommendation 3: Completed – VBA has evaluated the alternate approaches to meet the electronic case management system needs of the Fiduciary Program and has taken action by preparing the Request for Information to solicit for the replacement of FBS.

Recommendation 4: C&P Service has completed a full analysis of the Western Area Fiduciary Hub. VBA considers this recommendation fully implemented.

BUDGET IMPLICATIONS:
Recommendation 3 will require a contract for replacement of the current electronic case management system, Fiduciary Beneficiary System (FBS). The limitations of FBS necessitates a completely new system. The details of the requirements and coordination of the contract with C&P Service and the Office of Information and Technology will be developed once the Western Area Fiduciary Hub analysis is approved; therefore, the cost of the FBS replacement is unknown at this time

10. ***INFORMATION SECURITY: Agencies Need to Implement Federal Desktop Core Configuration Requirements*** (GAO-10-202) issued April 12, 2010.

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:
To improve the department's implementation of FDCC, the Secretary of Veterans Affairs should:

- Complete implementation of the agency's FDCC baseline, including establishing firm milestones for completion.

- Acquire and deploy a NIST-validated SCAP tool to monitor compliance with FDCC.

- Develop, document, and implement a policy to monitor FDCC compliance using a NIST-validated SCAP tool.

- Ensure that language is included in contracts to ensure new acquisitions include FDCC settings and products of information technology providers operate effectively using them.

ACTIONS TAKEN:
- The Department has completed implementation of the FDCC baseline, which includes the development, deployment and testing for compliance with 558 security settings. 504 security settings have been deployed to our corporate workstation images and the Department has accepted 54 waivers for settings which adversely impact mission critical systems. The Department will now begin including SCAP scans into routine workstation scanning patterns to verify continued compliance with FDCC.

- The SCAP module was implemented on September 30, 2010, as part of the Visibility to the Desktop (V2D) Initiative. When VA purchased the software solution "Big Fix" (which contains a SCAP module), it was deployed to the 350,000 devices for V2D.

- SCAP is an integral component of phase II of the V2D, of which the process, documentation and configurations are being developed at this time. Once this effort is completed, expected during Q3 of FY11, scanning to ensure continued compliance with FDCC, with Big Fix or another NIST approved tool will commence.

- VA issued Handbook 6500.6, *Contract Security*, published on March 12, 2010 includes security language for contractors to include VA and FDCC settings, when applicable.

BUDGET IMPLICATIONS:
Current SCAP tool is a component of a larger security suite not owned via perpetual license. If the continued subscription to the enterprise suite is not procured, a standalone SCAP tool would be required at an estimated cost of $900,000.

11. ***VETERANS' DISABILITY BENEFITS: Expanded Oversight Would Improve Training for Experienced Claims Processors*** (GAO-10-445) issued April 30, 2010.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:
The Secretary of Veterans Affairs should direct the Undersecretary for Benefits to ensure that:

- Claims processors receive the types of training required by VBA each year, VBA should adopt procedures for routinely monitoring and ensuring compliance with annual training requirements, including more fully using its Learning Management System (LMS) to ensure that claims processors receive required Core Technical Training Requirements (CTTR) and ad hoc training on emerging topics.

- Regional offices record training activities consistently in the LMS so that LMS data are reliable, VBA should develop clear written guidance on the types of activities all regional offices should and should not count toward completion of annual training requirements.

- Training is appropriate for experienced claims processors, VBA should develop and implement a written strategy for systematically assessing the content, mode and timing of training experienced claims processors receive in regional offices and make improvements, when indicated. Such a strategy should include a standardized approach for (1) obtaining and analyzing feedback from experienced claims processors on the appropriateness of non-CTTR training provided by regional offices and (2) obtaining input from all regional office managers and training coordinators on the appropriateness of CTTR course content.

ACTIONS TAKEN:
Recommendation 1: In process – Monitoring compliance with training requirements continues to be a collaborative effort between the Office of Field Operations (OFO), the Office of Employee Development and Training (ED&T), and the appropriate business line that determines the training requirements. Since FY 2010, ED&T provides quarterly LMS summary reports directly to OFO. These reports are issued to VBA regional office leaders providing the percentage of claims processors meeting annual training requirements. Area Directors and Regional Office Directors conduct local analyses and implement follow-up actions as necessary. The Area Director addresses any concerns with the RO Director and Training Manager to ensure proper action is taken. The results are reported to

OFO and ED&T for review. Beginning with the fourth quarter of FY 2010, regional offices submit quarterly reports to OFO and ED&T for review to ensure compliance with annual training requirements.

A new version of LMS is currently scheduled for release during third quarter of FY 2011 and will include improved supervisor functionality, enhanced LMS administrator abilities, and new tools for all users.

Recommendation 2: In process – A Standard Operating Procedure (SOP) to facilitate the understanding, implementation, and recording of the Compensation and Pension Service (C&P) National Training Curriculum has been developed and will be released to Regional Offices in conjunction with the release of the Fast Letter that defines training requirements for FY 2011. This SOP gives more specific information regarding the training requirements and procedures. In addition, the SOP defines training per Title 5 United States Code Chapter 41 and outlines the elements of training that must be met in order for training to be credited.

Recommendation 3: In process - C&P Service has been working with ED&T and OFO to input the survey instrument into the LMS. This will provide supervisors the ability to monitor individual compliance with the completion of the survey. This process is nearing completion and should be rolled out by second quarter FY 2011. Currently, the appropriateness of CTTR courses is discussed at the annual Veterans Service Center Manager (VSCM) Conference and the annual Training Manager Conference. Monthly calls are held with all VSCMs and local Training Managers/Training Coordinators concerning changes in training policy.

BUDGET IMPLICATIONS: None

12. ***DEPARTMENT OF VETERAN AFFAIRS**: Agency Has Exceeded Contracting Goals for Veteran-Owned Small Businesses, but Faces Challenges with Its Verification Program*** (GAO-10-458) issued May 28, 2010.

RESPONSIBLE OFFICE: Office of Small and Disadvantaged Business Utilization

RECOMMENDATIONS:
To facilitate the Department of Veterans Affairs' progress in meeting and complying with the requirements of the 2006 Act, and:

- To ensure compliance with the 2006 Act, as its provisions were amended by the 2008 Act (Pub. L. No. 110-389), the Secretary of Veterans Affairs should develop an effective process to ensure that agreements it enters into with other federal agencies for contracting on its behalf to acquire goods or services include the required language and monitor other agencies' contracting performance under those agreements.

- To help address the requirement in the 2006 Act to maintain a database of verified veteran-owned businesses, the Secretary of Veterans Affairs should develop and implement a plan that ensures a more thorough and effective verification program. Specifically, the plan should address actions and milestone dates for achieving the following: (1) promptly filling vacant positions within OSDBU, including the two leadership positions, and hiring additional staff positions as necessary; (2) improving its verification processes and procedures to ensure greater completeness, accuracy, and consistency in verification reviews, including updating data systems to reduce the amount of manual data entry by staff and revising the verification procedures to include additional guidance for staff on maintaining the appropriate documentation, requesting documentation from business owners or third parties under specific circumstances, and conducting an assessment that addresses each eligibility requirement; and (3) conducting timely site visits at businesses identified as higher risk and taking actions based on site visit findings, including taking prompt action to cancel business' verification status as necessary.

- To better ensure that VA meets the requirement to use veteran preferences authorities with verified businesses only, as required by the 2006 Act, the Secretary of Veterans Affairs should develop a more effective system to ensure that contracting officers do not use veteran preferences authorities to award contracts to businesses that have been denied verification, and provide additional guidance and training to contracting officers as necessary.

- To ensure that VA takes enforcement actions against businesses that have misrepresented themselves, as required by the 2006 Act, the Secretary of Veterans Affairs should develop detailed guidance that would instruct staff under which circumstances to make a referral or a debarment request as a result of the verification program.

ACTIONS TAKEN:

- VA's Office of Acquisition and Logistics issued Information Letter (IL) number 001AL-09-04 on March 23, 2009 titled Managing Interagency Acquisitions. The IL establishes procedures for entering into any agreement with another federal agency. The Office of Federal Procurement Policy Memorandum dated June 6, 2008; "Improving the Management and Use of Interagency Acquisitions" contains additional guidance.

- OSDBU has made progress filling vacant positions. As of January 1, 2011, OSDBU has six vacancies. For the Center for Veterans Enterprise (CVE) to fulfill its unique mission and meet the verification requirements and standards to facilitate a smooth transition to an automated verification system, a number of new positions will need to be created and hired; most of these will be program specialists to support the verification process. CVE initially had only three full-time staff for the verification function. The backlog of applications in process has grown steadily, to over 5,000 as of May 1, 2010. Approximately 3,000 applicants had been verified as of May 1, 2010, but note that a substantial number of companies that indicate that a Veteran has 51 percent ownership may be questionable. OSDBU is shifting workload to allow its CVE staff to focus more directly on the verification and automation issues while new staff are authorized and brought onboard. The current goal is to examine at least 6,000 applications by December 31, 2011. Additionally, we will identify at least 95 percent of the applications received from companies that are not, in fact, owned and controlled by a Veteran or service-disabled Veteran. This will reduce the processing time to less than 60 days from the time the Veteran's status has been verified in VA's Beneficiary Identification and Records Locator System.

ACTION PLAN TASKS AND MILESTONE SCHEDULE

ACTION	TARGET DATE
Award Contract for VIP-5 / Contact Management System	5/30/2010
Complete the Transfer of the EVIC Call Center operations to the Small Business Office	6/1/2010
Award Contract for Level 2 Examinations	6/15/2010
OSDBU/CVE submits actionable contracting requirements to the Office of Acquisition, Logistics and Construction for the following: • Verification Level 2 Examinations • Onsite Examinations • Legal Assistance Services • Temporary clerical staff to handle backlog • Additional requirements to be determined	6/30/2010
Solicitation for Onsite Examinations released	7/1/2010
Other solicitations	TBD
VIP-5 Ready to Launch	3/1/2011
VIP database presentation modified by regulation	1/1/2012

To date [May 2010], CVE retained contractors for the onsite examinations have conducted 102 site visits and provided 89 completed site visit reports. VA has exercised the contract option for 200 additional onsite examinations. The reengineered onsite examinations protocol has been implemented so that the contractors are now conducting site visits in advance of the final decision to approve or deny a business for verification. Site visit reports are reviewed and approved for internal concurrence prior to verification summary determinations. Processing includes not only the actual site visit and CVE's review of the completed Site Visit report, but also preparation of the denial letter or Notice of Proposed Cancellation, and dispatch of the letter. Per 38 CFR Part 74.22, the business owner will have 30 days from the receipt of the letter to respond. Once the business owner's response is received, the Director, CVE will make a decision whether to reverse the denial/cancellation decision. CVE currently plans to conduct 15 site visits per month, starting June 1, 2010.

Action Plan Updates as of January 1, 2011

Staffing:
Several positions are currently vacant. The COSVA has chartered a Task Force to examine realignment of functions and has appointed an Acting Executive Director responsible for day-to-day management of OSDBU resources and personnel. Until the completion of that study, unfilled positions will remain

vacant, pending a determination regarding the optimal placement of these new hires.

Verification:
The Veterans Small Business Verification Act (Public Law 111-275, Sec. 104) enacted on October 13, 2010, requires every company listed in the VIP database to be officially verified for ownership and control by eligible individuals. By December 12, 2010, VA was required to provide notice to self-representing companies that they must file their business documents with VA within 90 days of receiving the notice, or be removed from the database. VA met the initial notice date on December 11, 2010. CVE developed a new Action Plan for the implementation of this new legislation.

The Verification Application Processing Guidelines have been updated with specific guidance on examining specific business documents that are now required to address each eligibility requirement. Additionally, a contractor is preparing a manual and training guidance for examiners.

Two task forces have been formed to assist in the implementation of this law which may generate up to 13,000 new applications for the Veteran-owned small business Verification Program. The first is an OSDBU Task Force that will also oversee the reorganization of the Office. The second is a Strategic Communications Task Force that will help manage transparent communications regarding the implementation of the new law and the VOSB Verification Program in general.

On October 1, 2010, a class deviation to VA Acquisition Regulation (VAAR) 804.1102 took effect. The deviation created a priority processing program, called Fast Track 21, which requires any SDVOSB or VOSB in line for a Public Law 109-461 set-aside award to be verified before award. Applications from these firms receive a verification decision within 21 business days of a Contracting Officer's notice to CVE of the apparently successful offeror.

VA will soon issue its VOSB Verification Program Final Rule that will allow Veterans to have more than one company in the Verification Program. It also permits Veterans to work less than full-time in some cases. CVE anticipates that there will be additional applications associated with this rule.

VA has two IDIQ Contracts in place for approximately 1800 onsite examinations (site visits) each. The reengineered onsite examinations protocol has been implemented so that the contractors are now conducting site visits in advance of the final decision to approve or deny a business for verification.

Expedited site visits are being conducted in support of the VAAR deviation under which an apparent successful offeror must be verified prior to receiving a VA contract. Site visit reports are reviewed and approved for internal concurrence prior to verification summary determinations. Processing includes not only the actual site visit and CVE's review of the completed Site Visit report, but also preparation of the denial letter or Notice of Proposed Cancellation, and dispatch of the letter. Per 38 CFR Part 74.22, the business owner will have 30 days from the receipt of the letter to respond. Once the business owner's response is received, the Director, CVE will make a decision whether to reverse the denial/cancellation decision.

CVE intends to conduct approximately 120 site visits per month.

ACTION PLAN TASKS AND MILESTONE SCHEDULE

ACTION	TARGET DATE	ACTUAL DATE	STATUS
Award Contract for VIP-5 / Contact Management System	5/30/2010	6/1/2010	
Complete the Transfer of the EVIC Call Center operations to the Small Business Office	6/1/2010	6/7/2010	
Award Contract for Level 2 Examinations	6/15/2010	9/27/2010	
OSDBU/CVE submits actionable contracting requirements to the Office of Acquisition, Logistics and Construction for the following: • Verification Level 2 Examinations • Onsite Examinations • Legal Assistance Services • Temporary clerical staff to handle backlog • Additional requirements to be determined	6/30/2010	6/30/2010	
Solicitation for Onsite Examinations released	7/1/2010	Awarded (2) 9/29/2010	
Other solicitations	TBD		
VIP-5 Ready to Launch	3/1/2011	3/11/2011	
VIP database presentation modified by regulation	1/1/2012		

- Several small business programs have similar limitations on subcontracting requirements. These restrictions can lead to performance fraud or "pass throughs" if owners and acquisition personnel do not clearly understand how

performance will be reported and monitored for contract compliance. The Small Business Administration creates training for acquisition personnel on many aspects of small business programs. VA has one of the largest and most decentralized acquisition workforces among the Federal agencies. In addition, VA has one of the largest and most diversified procurement budgets. VA OSDBU will coordinate with the SBA in close collaboration with VA's OALC to deliver a robust training program to VA's acquisition workforce and VA small businesses on effective contract administration actions to comply with limitations on subcontracting.

- Program implemented September 1, 2010

BUDGET IMPLICATIONS:
Funding for a Federal solution may require appropriations designated for this purpose. Currently monetary source for VIP is VA Revolving Fund.

13. ***VA HEALTH CARE: Reporting of Spending and Workload for Mental Health Services Could be Improved*** (GAO-10-570) issued May 28, 2010.

RESPONSIBLE OFFICE: Veterans Health Administration

RECOMMENDATIONS:
To enhance information available for congressional oversight and use by stakeholders on VA's spending and workload for mental health services, the Secretary of Veterans Affairs should include:

- Workload information, including number of encounters and average daily census, by type of service, for mental health services provided in VA settings primarily used for providing mental health services with its presentation of mental health spending in its annual congressional budget justification.

- Spending and workload information, including number of encounters and average daily census, for mental health services that VA pays non-VA providers to deliver in community settings in its annual congressional budget justification, or in a separate, annual, publicly available report soon after the information becomes available.

- Spending and workload information, including number of encounters and average daily census, for mental health services provided in VA settings not primarily used for providing mental health services in its annual congressional budget justification, or in a separate, annual, publicly available report soon after the information becomes available.

- Workload information, including number of visits, for counseling services to address mental health issues provided by Vet Centers in its annual congressional budget justification, or in a separate, annual, publicly available report soon after the information becomes available.

- The Secretary of Veterans Affairs should direct the Under Secretary for Health to identify ways of incorporating spending information for Vet Center counseling services that address mental health issues in VA's annual congressional budget justification or in a separate, annual, publicly available report soon after the information becomes available.

ACTIONS TAKEN:

- VA has included the number of encounters and average daily census by type of service for mental Health services provided in VA settings primarily used for providing mental health services in its FY 2012 budget.

- VA will provide pending and workload information, including number of encounters and average daily census, for mental health services that VA pays non-VA providers to deliver in community settings, publicly in a separate annual report, soon after the information becomes available.

- VA will provide spending and workload information, including number of encounters and average daily census, for mental health services provided in VA settings not primarily used for providing mental health services publicly in a separate annual report soon after the information becomes available.

- The Readjustment Counseling Service currently reports data (number of visits and Veterans seen) in an annual report to the Secretary of Veterans Affairs and Congress. VHA is planning to publish this information on the VA website and other venues so that it is publicly available. However, providing separate reporting about specific mental health problems fails to capture and underreports the full scope of activities in the Vet Center Mission.

Because Vet Centers are Veteran-centric and provide a unique type of readjustment counseling, it is important not to report these activities as if they were traditional mental health care. Vet Center services are distinct and add value to the holistic care Veterans receive. The impetus to identify "mental health" services provided by the Vet Center program will detract from the structure that brings in many combat Veterans and military sexual trauma clients to receive services. These services are provided in community-based locations emphasizing a Veteran-centric culture that goes a long way to overcome any stigma associated with seeking mental health services by combat Veterans and Veterans who have experienced military sexual trauma. Many of these Veterans would otherwise not access VA care. While VA qualified mental health professionals provide counseling services in Vet Centers, the context and manner in which this is done differs from traditional mental health services. The concern is that by requiring that Vet Center services be characterized into a traditional mental health model, as these recommendations suggest, the community based, non-bureaucratic, Veteran-centered value to the Veteran and their families would be significantly diminished. When necessary for the treatment of more complex and co-morbid mental health conditions, Vet Centers will continue to refer Veterans to medical facilities for mental health services.

BUDGET IMPLICATIONS: None known

14. ***INFORMATION TECHNOLOGY: Management Improvements are Essential to VA's Second Effort to Replace its Outpatient Scheduling System*** (GAO-10-579) issued June 28, 2010.

RESPONSIBLE OFFICE: Office of Information and Technology

RECOMMENDATIONS:
To enhance VA's effort to successfully fulfill its forthcoming plans for the outpatient scheduling system replacement project and the HealtheVet program, the Secretary of Veterans Affairs should:

- Direct the Chief Information Officer (CIO) to ensure acquisition plans document how competition will be sought, promoted, and sustained or identify the basis of authority for not using full and open competition.

- Direct the CIO to ensure implementation of a requirements management plan that reflects leading practices for requirements development and management. Specifically, implementation of the plan should include analyzing requirements to ensure they are complete, verifiable, and sufficiently detailed to guide development, and maintaining requirements traceability from high-level operational requirements through detailed low-level requirements to test cases.

- Direct the CIO to adhere to the department's guidance for system testing including (1) performing testing incrementally and (2) resolving defects of average and above severity prior to proceeding to subsequent stages of testing.

- Direct the CIO to ensure effective implementation of earned value management (EVM) by making certain that the: (1) EVM reporting systems for the scheduling project are certified for compliance with American National Standards Institute/Electronic Industries Alliance (ANSI/EIA) Standard 748 and data resulting from the systems are reliable; (2) project status reports based on EVM data are reliable in their portrayal of the project's cumulative and current cost and schedule performance; and (3) officials responsible for managing and overseeing the project use earned value data as an input to their decision-making processes.

- Direct the CIO to identify risks related to the scheduling project moving forward and prepare plans and strategies to mitigate them.

- Direct the CIO to ensure that the policies and procedures VA is establishing to provide meaningful program oversight are effectively executed and that they include (1) robust collection methods for information on project costs, benefits, schedule, risk assessments, performance metrics, and system functionality to support executive decision making; (2) the establishment of reporting mechanisms to provide this information in a timely manner to department IT oversight control boards; and (3) defined criteria and documented policies on actions the department will take when development deficiencies for a project are identified.

ACTIONS TAKEN:

- The Office of Information and Technology (OI&T) has been assigned a Contracting Office (Technical Acquisition Center) specific for information technology requirements. This has resulted in a collaborative relationship between the OI&T program office and contracting officers. This will ensure comprehensive acquisition planning that will provide price competition and good business practices. The Technical Acquisition Center (TAC) has a team dedicated to supporting the Enhance the Veteran Experience and Access to HealthCare Initiative office and will work in unison to develop a comprehensive acquisition plan to support the decision to purchase a Commercial Off-the-Shelf solution to meet the 21st Century Medical Scheduling (21CMS) goals.

- All requirements (functional and technical) are closely managed and tracked using documented, repeatable processes located in ProPath. ProPath is a web-based, comprehensive map mandating standardized, end-to-end, repeatable processes and project documentation for all IT development projects.

- All testing is closely documented using repeatable processes located in ProPath.

- Instead of managing IT projects using traditional Earned Value Management practices, each project in OI&T has transitioned to an incremental delivery model, based on VA's Program Management Accountability System (PMAS). PMAS incorporates industry best practices for management, metrics, and reporting related to software development. Key attributes of PMAS include: building in six-month increments, frequent customer involvement, adherence to milestones with frequent milestone reviews, customer acceptance of functionality, and a practice of allowing only three strikes (missed milestones) before a project is halted or terminated. VA is also engaged in fully transparent reporting of project status to the Office of Management and Budget and the public. PMAS is already demonstrating its

value in improving adherence to scheduled milestones and project delivery dates.

- OI&T developed a comprehensive Analysis of Alternatives (AoA) to examine the benefits and risks associated with meeting the patient scheduling needs of the business community. The AoA includes examination of acquisition, development, deployment, and sustainment risks, and mitigation strategies. A Risk Management Program has been developed which includes risk oversight on all assigned projects, including 21CMS.

- OI&T instituted PMAS as a rigorous management approach to addressing performance shortcomings. PMAS delivers smaller, more frequent releases of new functionality to customers, ensuring customers, project managers and vendors working on a project are aligned, accountable, and have access to necessary resources before work begins. PMAS mandates that specific program resources and documentation be in place before development begins. It further mandates that approved processes be used during the system development life cycle (SDLC). To address shortfalls in project documentation and process controls, VA identified and documented key SDLC processes in ProPath.

BUDGET IMPLICATIONS:
21st Century Medical Scheduling (21CMS) is still in an initial planning state so long term budget implications will be developed as part of the planning phase.

15. ***VETERANS AFFAIRS: Opportunities Exist to Improve Potential Recipients' Awareness of the Temporary Residence Adaptation Grant*** (GAO-10-786) issued July 15, 2010.

RESPONSIBLE OFFICE: Veterans Benefits Administration

RECOMMENDATIONS:

- To help ensure that the Temporary Residence Adaptation (TRA) program serves its intended beneficiaries to the greatest extent possible, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to evaluate the current methods of communicating information about the TRA grant to eligible individuals.

- To help ensure that the TRA program serves its intended beneficiaries to the greatest extent possible, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to take appropriate measures to improve awareness of the program among such individuals.

ACTIONS TAKEN:

Recommendation 1: Completed – VA has completed its evaluation of current methods for internal and external communication, including the use of media and technology to share program information with potential TRA grant recipients.

Recommendation 2: In process – VBA has developed the following action plans for implementation to improve awareness of the TRA program:

CENTRALIZED GUIDANCE AND OVERSIGHT

- A conference call will be scheduled to inform field office management of GAO's findings in the report. Proposed outreach and awareness initiatives will be discussed; an LGY circular will be issued after the call to summarize the report findings and emphasize outreach initiatives – This will be completed in 2nd Qtr FY11.

- A 10-15 minute video on TRA is under development as a training tool for all Specially Adapted Housing (SAH) field staff to ensure understanding of SAH benefits available with the TRA grant. The video was completed in 1st Qtr FY11 and will be released in 2nd Qtr FY11.

- Slides detailing SAH-related items, with an emphasis on TRA options, are being prepared for inclusion in the new Transition Assistance Program and

Disabled Transition Assistance Programs PowerPoint presentation. This will be completed during 2nd Qtr FY11.

- A recurring "TRA use" report has been established using SAHSHA (LGY's grant activity and data repository system) to capture grant data on a monthly basis – completed in 1st Qtr FY11.

- Provide TRA discussion points for scheduled Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn coordinators' monthly conference calls. This will be ongoing during FY11.

ENHANCED COMMUNICATION AND PROGRAM UPGRADES

- A report of all individuals who are eligible for SAH but have not yet applied for their SAH grant is being compiled. Outreach letters are being developed which will contain a summary of SAH benefits and guidelines for use of the TRA optional grant – 2nd Qtr FY11.

- Follow-up letters are under development and will be sent to each Veteran/Servicemember who has applied for SAH benefits, but who has not yet decided to move forward in using the grant. The letters will include information on the TRA benefit – 2nd Qtr FY11.

- A separate 'Fact Sheet' has been developed to highlight the TRA benefit and will be added to LGY/SAH website – 2nd Qtr FY11.

- A separate "What's New" announcement for TRA grants will be added on the opening page of the LGY/SAH website. This was completed in 1st Qtr FY11.

- Program requirements for initial interview questions conducted by field staff to ensure there is specific discussion of TRA options for both the SAH and SHA programs have been added to the PH and AH checklist in SAHSHA. This was completed in 1st Qtr FY11.

- In anticipation of the release of the TRA video, formal contact will be made to Veterans Health Administration to request that all VA medical centers, medical treatment facilities, and veteran health care clinics authorize SAH and TRA announcements on visual media (i.e., TV monitors and similar recurring facility announcement media) – 3rd Qtr FY11.

- Formal requests will be sent to Veteran Service Organization (VSO) Headquarters to expand communication and training opportunities, We will

ask that these requests be disseminated to field offices and representatives to highlight awareness and knowledge the SAH grant program, and specifically the TRA option – 4th Qtr FY11.

MEDIA AND PRINT

- Announcements for marketing SAH on social networking sites such as Facebook and Twitter, including a special highlight of TRA, will be developed during 2nd Qtr FY11.

- An individual TRA benefit handout 'fact sheet' in the form of a three-fold handout is being developed. These will be distributed to all VA medical centers, medical treatment facilities, and veteran health care clinics as well as provided for distribution at all national events – 2nd Qtr FY11.

- All future SAH program survey instruments will contain sufficient questions on TRA – 4th Qtr FY11.

- All VSOs will be requested to incorporate regular ads in monthly service magazines to highlight the SAH program and the TRA option – 4th Qtr FY11.

IMMEDIATE OUTREACH TO VETERANS

- Outreach, as permitted by GAO, has been successful in contacting two Veterans noted within the report, which indicated they might have benefited from use of TRA grant funds had they known about the program. These reviews may result in a possible reimbursement of costs incurred for installation of certain adaptations, up to the maximum benefit allowable. This will be ongoing in FY11.

- A report of all non-grantee individuals who have applied for SAH but have not yet used their SAH grant is being compiled. As noted in Item #2 under the 'ENHANCED COMMUNICATION AND PROGRAM UPGRADES' recommendations, an outreach letter will be sent to all individuals entitled to SAH benefits – 2nd Qtr FY11.

BUDGET IMPLICATIONS: None

16. ***VA DRUG FORMULARY: Drug Review Process is Standardized at the National Level, but Actions are Needed to Ensure Timely Adjudication of Non-Formulary Drug Requests*** (GAO-10-776) issued August 31, 2010.

RESPONSIBLE OFFICE: Veterans Health Administration
Office of Information and Technology

RECOMMENDATIONS:
To provide assurance that requests for nonformulary drugs are adjudicated in a timely fashion, the Secretary of Veterans Affairs should direct the Under Secretary for Health to:

- Establish mechanisms to ensure that reported nonformulary drug request data are accurate and complete.

- Establish mechanisms to ensure that reported nonformulary drug request data are collected at the request-level and analyzed by VA's PBM, VISNs, and medical centers at this level.

- Establish mechanisms to ensure that appeals of denied nonformulary drug requests are tracked.

- The Secretary of Veterans Affairs should direct the Chief Information Officer to clarify plans regarding when functionality related to the nonformulary drug request process will be implemented under PRE.

ACTIONS TAKEN:
- VA will develop and implement mechanisms to improve the collection, reporting and analysis of nonformulary request data. This nonformulary request data collection process is designed for each facility to accurately account for the number of nonformulary requests submitted, number approved, and the number not approved within 96 hours with the reason. The new data collection method will include a measure for request appeals and the number not approved within 96 hours with the reason. VA is beginning implementation during the second quarter of FY 2011.

- Analysis by the Office of Information and Technology concluded the following:

  (a) The current pharmacy application supports a non-formulary request process via printing and completion of a printed form, and

  (b) Automation of this functionality in PRE represents a substantial effort.

These findings have been communicated to the Veterans Health Administration and the Pharmacy Benefits Management office, who have indicated that they do not consider automation of this functionality in PRE to be a high priority. As a result, it is not currently included in increment planning for PRE.

BUDGET IMPLICATIONS: None known

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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 2009, GAO issued an update to its High-Risk Series (GAO-09-271). The GAO-identified High-Risk Areas (HRA) (specific to VA as well as Government wide) shown in the table below .

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)	Page # (in PAR)
No.	Description		
GAO 1	**Improving and Modernizing Federal Disability Programs**	**2016**	**II-211**
GAO 2	**Strategic Human Capital Management: A Government wide High-Risk Area**	**2011**	**II-216**
GAO 3	**Managing Federal Real Property: A Government wide High-Risk Area**	**2011**	**II-219**
GAO 4	**Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures: A Government wide High-Risk Area**	**2011**	**II-221**
GAO 5	**Management of Interagency Contracting: A Government wide High-Risk Area**	**2011**	**II-224**
	Appendix		**II-227**

The Department's responses were published in its FY 2010 Performance and Accountability Report (PAR) published in November 2010. In the PAR, for each High-Risk Area, the Department provided the following:

- ***Estimated resolution timeframe (fiscal year)*** for VA to eliminate each HRA
- ***Responsible Agency Official*** for each HRA
- ***Completed FY 2010 milestones*** in response to the HRA
- ***Performance results/impacts*** of completed milestones
- ***Planned FY 2011 milestones*** along with ***estimated completion quarter***
- ***Anticipated performance results/impacts*** of the planned milestones

The PAR is available on line at: www.va.gov/budget/report.

The GAO High-Risk section of the PAR can be accessed on page II-210 at the following link: http://www.va.gov/budget/docs/report/PartII/FY2010-VAPAR_Part_II.pdf.

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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 its update of the most serious management challenges facing VA. This update was incorporated within the Department's FY 2010 Performance and Accountability Report (PAR) published in November 2010.

The Department reviewed the OIG's report and provided responses specific to each identified challenge. These responses, provided in the PAR include the following for each Major Management Challenge (MMC):

- ***Estimated resolution timeframe (fiscal year)*** *to resolve the challenge*
- ***Responsible Agency Official*** *for each challenge area*
- ***Completed FY 2010 milestones*** *in response to the challenges identified by the OIG*
- ***Performance results/impacts*** *of completed milestones*
- ***Planned FY 2011 milestones*** *along with* ***estimated completion quarter***
- ***Anticipated performance results/impacts*** *of the planned milestones*

The PAR is available on line at: www.va.gov/budget/report.

The MMC section of the PAR can be accessed on page II-139 at the following link: http://www.va.gov/budget/docs/report/PartII/FY2010-VAPAR_Part_II.pdf.

The table below lists the OIG-identified MMCs for FY 2010.

Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page # (in PAR)
No.	**Description**		
OIG 1	**Health Care Delivery**		**II-144**
1A	Quality of Care	2011	II-144
1B	Access to Care	2011	II-147
1C	Effective Treatment of New and Significantly Increased Health Problems Associated with OEF/OIF	2011	II-149
1D	Health Care Business Processes	2011	II-152
1E	Accountability of Pharmaceuticals in VHA Medical Facilities and Consolidated Mail Outpatient Pharmacies (CMOPs)	2011	II-154
OIG 2	**Benefits Processing**		**II-156**
2A	Effectively Managing Disability Benefits Claims Workload	2011	II-157
2B	Improving the Quality of Claims Decisions	2011	II-165
2C	Hiring and Managing Rapid Growth of Claims Processing Staff	2011	II-168
2D	Timely Processing of Post 9/11 GI Bill Benefits Payments	2011	II-170
2E	Improving the Management of VBA's Fiduciary Program	2011	II-172
OIG 3	**Financial Management**		**II-176**
3A	Achieving Financial Management System Functionality	2011	II-176
3B	Effective Financial Management Oversight	2011	II-180
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Expenditures by States

Amounts Included in FY 2012 President's Budget (dollars in thousands)	2010 Actuals	2011 Estimates	2012 Estimates
Alabama			
Compensation and pensions	1,181,450	1,577,912	1,454,612
Readjustment benefits	130,271	159,502	182,009
General operating expenses	36,119	36,739	40,144
Medical and construction programs	811,578	796,340	853,073
Insurance and indemnities	27,471	20,941	20,432
Total	**$2,186,889**	**$2,591,433**	**$2,550,270**
Alaska			
Compensation and pensions	167,394	206,666	190,517
Readjustment benefits	35,065	27,658	31,561
General operating expenses	6,550	5,850	6,392
Medical and construction programs	155,621	208,851	220,504
Insurance and indemnities	3,183	1,947	1,900
Total	**$367,813**	**$450,973**	**$450,874**
Arizona			
Compensation and pensions	1,054,437	1,310,092	1,207,720
Readjustment benefits	229,540	245,869	280,563
General operating expenses	97,537	115,835	126,571
Medical and construction programs	1,000,114	1,027,960	1,101,410
Insurance and indemnities	37,338	29,114	28,407
Total	**$2,418,966**	**$2,728,869**	**$2,744,671**
Arkansas			
Compensation and pensions	761,123	989,522	912,200
Readjustment benefits	60,854	86,101	98,250
General operating expenses	44,347	48,156	52,620
Medical and construction programs	806,756	802,587	859,387
Insurance and indemnities	14,043	11,536	11,255
Total	**$1,687,123**	**$1,937,902**	**$1,933,712**
California			
Compensation and pensions	3,804,601	4,784,603	4,410,730
Readjustment benefits	991,205	908,998	1,037,265
General operating expenses	189,058	203,420	222,274
Medical and construction programs	4,376,840	4,507,017	4,821,300
Insurance and indemnities	170,801	131,293	128,105
Total	**$9,532,505**	**$10,535,332**	**$10,619,675**

Amounts Included in FY 2012 President's Budget

(dollars in thousands)

	2010 Actuals	2011 Estimates	2012 Estimates
Colorado			
Compensation and pensions	904,509	1,108,493	1,021,875
Readjustment benefits	219,202	209,321	238,858
General operating expenses	69,751	64,519	70,499
Medical and construction programs	1,805,743	1,613,745	1,729,533
Insurance and indemnities	30,352	24,745	24,144
Total	**$3,029,557**	**$3,020,822**	**$3,084,908**
Connecticut			
Compensation and pensions	278,863	373,119	343,964
Readjustment benefits	85,897	122,762	140,084
General operating expenses	14,254	18,167	19,851
Medical and construction programs	500,037	494,235	529,674
Insurance and indemnities	24,712	19,832	19,350
Total	**$903,763**	**$1,028,115**	**$1,052,923**
Delaware			
Compensation and pensions	128,984	169,209	155,987
Readjustment benefits	22,850	19,955	22,771
General operating expenses	4,609	6,015	6,573
Medical and construction programs	174,312	176,810	189,312
Insurance and indemnities	4,749	4,056	3,958
Total	**$335,504**	**$376,046**	**$378,600**
District of Columbia			
Compensation and pensions	64,135	86,281	79,539
Readjustment benefits	17,653	13,585	15,502
General operating expenses	1,538,317	1,388,493	1,517,188
Medical and construction programs	1,451,487	1,144,048	1,216,263
Insurance and indemnities	3,200	2,307	2,251
Total	**$3,074,792**	**$2,634,714**	**$2,830,743**
Florida			
Compensation and pensions	3,668,460	4,789,366	4,415,121
Readjustment benefits	600,434	666,031	760,013
General operating expenses	150,590	165,548	180,892
Medical and construction programs	3,673,161	3,655,611	3,908,276
Insurance and indemnities	140,464	111,501	108,794
Total	**$8,233,109**	**$9,388,057**	**$9,373,096**
Georgia			
Compensation and pensions	1,722,943	2,257,146	2,080,770
Readjustment benefits	372,060	504,720	575,940
General operating expenses	126,946	120,770	131,964
Medical and construction programs	1,228,167	1,141,563	1,223,343
Insurance and indemnities	49,478	39,412	38,455
Total	**$3,499,594**	**$4,063,612**	**$4,050,473**

Amounts Included in FY 2012 President's Budget

(dollars in thousands)

	2010 Actuals	2011 Estimates	2012 Estimates
Hawaii			
Compensation and pensions	243,813	304,247	280,473
Readjustment benefits	82,546	48,398	55,228
General operating expenses	14,652	15,066	16,463
Medical and construction programs	219,287	175,980	188,550
Insurance and indemnities	13,651	10,589	10,332
Total	**$573,949**	**$554,281**	**$551,045**
Idaho			
Compensation and pensions	275,862	337,477	311,106
Readjustment benefits	37,357	53,412	60,948
General operating expenses	9,019	8,158	8,915
Medical and construction programs	177,225	184,681	197,021
Insurance and indemnities	8,708	6,021	5,874
Total	**$508,171**	**$589,748**	**$583,864**
Illinois			
Compensation and pensions	1,039,465	1,350,348	1,244,831
Readjustment benefits	250,886	291,145	332,228
General operating expenses	87,127	91,255	99,713
Medical and construction programs	1,715,754	1,626,744	1,742,041
Insurance and indemnities	65,341	51,811	50,553
Total	**$3,158,573**	**$3,411,304**	**$3,469,367**
Indiana			
Compensation and pensions	777,648	990,152	912,780
Readjustment benefits	102,092	122,852	140,187
General operating expenses	33,056	34,018	37,172
Medical and construction programs	698,402	670,225	718,085
Insurance and indemnities	26,815	22,213	21,674
Total	**$1,638,013**	**$1,839,460**	**$1,829,898**
Iowa			
Compensation and pensions	378,657	481,372	443,757
Readjustment benefits	48,308	70,549	80,504
General operating expenses	11,165	10,244	11,193
Medical and construction programs	490,142	503,849	540,113
Insurance and indemnities	18,573	15,374	15,001
Total	**$946,845**	**$1,081,387**	**$1,090,568**
Kansas			
Compensation and pensions	393,705	501,520	462,331
Readjustment benefits	66,962	83,340	95,100
General operating expenses	26,950	25,469	27,830
Medical and construction programs	499,522	494,484	530,074
Insurance and indemnities	16,698	14,391	14,041
Total	**$1,003,837**	**$1,119,203**	**$1,129,375**

Amounts Included in FY 2012 President's Budget

(dollars in thousands)

	2010 Actuals	2011 Estimates	2012 Estimates
Kentucky			
Compensation and pensions	886,451	1,136,891	1,048,053
Readjustment benefits	91,568	118,712	135,463
General operating expenses	28,308	30,560	33,392
Medical and construction programs	613,006	613,046	657,099
Insurance and indemnities	21,377	13,702	13,369
Total	**$1,640,710**	**$1,912,911**	**$1,887,377**
Louisiana			
Compensation and pensions	768,087	1,008,583	929,772
Readjustment benefits	86,678	118,606	135,342
General operating expenses	28,846	31,930	34,890
Medical and construction programs	768,400	796,745	851,745
Insurance and indemnities	21,346	16,175	15,783
Total	**$1,673,357**	**$1,972,040**	**$1,967,532**
Maine			
Compensation and pensions	410,056	528,447	487,154
Readjustment benefits	39,812	62,965	71,849
General operating expenses	18,292	17,720	19,362
Medical and construction programs	258,512	272,258	291,568
Insurance and indemnities	9,282	7,600	7,415
Total	**$735,954**	**$888,989**	**$877,349**
Maryland			
Compensation and pensions	754,755	986,472	909,388
Readjustment benefits	205,103	177,112	202,104
General operating expenses	35,109	35,472	38,760
Medical and construction programs	591,707	570,654	611,222
Insurance and indemnities	38,788	31,048	30,294
Total	**$1,625,462**	**$1,800,758**	**$1,791,768**
Massachusetts			
Compensation and pensions	775,842	1,037,042	956,007
Readjustment benefits	115,127	127,043	144,969
General operating expenses	32,021	35,220	38,484
Medical and construction programs	1,000,221	968,092	1,037,607
Insurance and indemnities	42,882	35,967	35,094
Total	**$1,966,093**	**$2,203,364**	**$2,212,161**
Michigan			
Compensation and pensions	1,136,035	1,483,544	1,367,619
Readjustment benefits	138,822	167,950	191,649
General operating expenses	52,016	55,026	60,126
Medical and construction programs	1,201,350	1,184,010	1,268,784
Insurance and indemnities	44,508	35,967	35,094
Total	**$2,572,731**	**$2,926,496**	**$2,923,271**

Amounts Included in FY 2012 President's Budget (dollars in thousands)			
	2010 Actuals	2011 Estimates	2012 Estimates
Minnesota			
Compensation and pensions	818,980	1,004,637	926,134
Readjustment benefits	120,999	148,210	169,124
General operating expenses	81,536	81,964	89,561
Medical and construction programs	885,844	897,109	961,079
Insurance and indemnities	32,051	25,626	25,004
Total	**$1,939,410**	**$2,157,547**	**$2,170,901**
Mississippi			
Compensation and pensions	481,176	675,643	622,848
Readjustment benefits	29,774	70,916	80,923
General operating expenses	26,915	33,078	36,144
Medical and construction programs	692,699	772,497	824,521
Insurance and indemnities	11,390	12,135	11,840
Total	**$1,241,955**	**$1,564,270**	**$1,576,276**
Missouri			
Compensation and pensions	873,867	1,227,039	1,131,157
Readjustment benefits	66,233	157,757	180,018
General operating expenses	99,011	121,683	132,961
Medical and construction programs	1,035,883	1,135,472	1,217,048
Insurance and indemnities	25,479	27,144	26,485
Total	**$2,100,472**	**$2,669,095**	**$2,687,669**
Montana			
Compensation and pensions	221,609	311,173	286,857
Readjustment benefits	15,224	36,260	41,377
General operating expenses	6,795	8,351	9,125
Medical and construction programs	170,026	186,847	200,145
Insurance and indemnities	5,171	5,509	5,375
Total	**$418,824**	**$548,139**	**$542,879**
Nebraska			
Compensation and pensions	362,886	509,546	469,729
Readjustment benefits	30,144	71,800	81,931
General operating expenses	20,649	25,378	27,730
Medical and construction programs	366,843	408,331	436,030
Insurance and indemnities	8,912	9,494	9,264
Total	**$789,435**	**$1,024,549**	**$1,024,684**
Nevada			
Compensation and pensions	398,301	559,274	515,572
Readjustment benefits	34,745	82,757	94,434
General operating expenses	13,089	16,087	17,578
Medical and construction programs	610,730	700,501	742,653
Insurance and indemnities	9,569	10,195	9,947
Total	**$1,066,434**	**$1,368,813**	**$1,380,183**

Amounts Included in FY 2012 President's Budget

(dollars in thousands)

	2010 Actuals	2011 Estimates	2012 Estimates
New Hampshire			
Compensation and pensions	201,497	282,931	260,823
Readjustment benefits	19,823	47,217	53,879
General operating expenses	8,301	10,202	11,147
Medical and construction programs	133,341	146,632	157,042
Insurance and indemnities	6,673	7,109	6,936
Total	**$369,635**	**$494,090**	**$489,828**
New Jersey			
Compensation and pensions	686,977	964,618	889,242
Readjustment benefits	73,035	173,958	198,505
General operating expenses	17,486	21,490	23,481
Medical and construction programs	471,066	516,509	553,576
Insurance and indemnities	39,120	41,677	40,665
Total	**$1,287,683**	**$1,718,252**	**$1,705,469**
New Mexico			
Compensation and pensions	502,826	706,042	650,871
Readjustment benefits	34,671	82,580	94,233
General operating expenses	13,009	15,988	17,470
Medical and construction programs	367,767	403,686	432,540
Insurance and indemnities	9,043	9,634	9,400
Total	**$927,315**	**$1,217,930**	**$1,204,514**
New York			
Compensation and pensions	1,533,722	2,153,573	1,985,291
Readjustment benefits	158,943	378,579	432,000
General operating expenses	119,028	146,284	159,842
Medical and construction programs	2,430,063	2,669,840	2,860,031
Insurance and indemnities	73,809	78,634	76,724
Total	**$4,315,565**	**$5,426,909**	**$5,513,888**
North Carolina			
Compensation and pensions	1,848,477	2,595,536	2,392,718
Readjustment benefits	159,561	380,051	433,679
General operating expenses	70,401	86,522	94,541
Medical and construction programs	1,269,234	1,394,010	1,493,435
Insurance and indemnities	37,669	40,131	39,157
Total	**$3,385,342**	**$4,496,250**	**$4,453,531**
North Dakota			
Compensation and pensions	108,275	152,034	140,154
Readjustment benefits	10,537	25,097	28,638
General operating expenses	5,986	7,357	8,039
Medical and construction programs	164,725	180,414	193,414
Insurance and indemnities	2,902	3,092	3,017
Total	**$292,426**	**$367,994**	**$373,263**

Amounts Included in FY 2012 President's Budget (dollars in thousands)			
	2010 Actuals	2011 Estimates	2012 Estimates
Ohio			
Compensation and pensions	1,318,022	1,850,699	1,706,084
Readjustment benefits	101,475	241,699	275,805
General operating expenses	1,136,910	1,397,242	1,526,749
Medical and construction programs	1,893,994	2,086,400	2,233,578
Insurance and indemnities	46,838	49,899	48,688
Total	**$4,497,239**	**$5,625,940**	**$5,790,903**
Oklahoma			
Compensation and pensions	1,107,527	1,555,133	1,433,613
Readjustment benefits	64,306	153,167	174,780
General operating expenses	79,635	97,870	106,941
Medical and construction programs	577,037	632,764	678,158
Insurance and indemnities	14,799	15,766	15,384
Total	**$1,843,304**	**$2,454,700**	**$2,408,876**
Oregon			
Compensation and pensions	726,563	1,020,202	940,482
Readjustment benefits	47,120	112,233	128,070
General operating expenses	35,432	43,545	47,581
Medical and construction programs	750,258	824,465	883,150
Insurance and indemnities	15,987	17,032	16,618
Total	**$1,575,360**	**$2,017,477**	**$2,015,902**
Pennsylvania			
Compensation and pensions	1,455,267	2,043,410	1,883,737
Readjustment benefits	92,617	220,601	251,729
General operating expenses	146,538	180,093	196,785
Medical and construction programs	1,900,375	2,094,506	2,241,974
Insurance and indemnities	60,445	64,396	62,832
Total	**$3,655,242**	**$4,603,006**	**$4,637,057**
Puerto Rico			
Compensation and pensions	529,359	743,299	685,217
Readjustment benefits	24,830	59,142	67,487
General operating expenses	22,672	27,864	30,447
Medical and construction programs	514,972	575,096	613,619
Insurance and indemnities	2,135	2,274	2,219
Total	**$1,093,969**	**$1,407,676**	**$1,398,989**
Rhode Island			
Compensation and pensions	148,924	209,111	192,771
Readjustment benefits	7,677	18,286	20,866
General operating expenses	8,807	10,824	11,827
Medical and construction programs	220,941	245,695	262,422
Insurance and indemnities	4,555	4,853	4,735
Total	**$390,905**	**$488,769**	**$492,621**

Amounts Included in FY 2012 President's Budget

(dollars in thousands)

	2010 Actuals	2011 Estimates	2012 Estimates
South Carolina			
Compensation and pensions	1,001,816	1,406,699	1,296,778
Readjustment benefits	74,664	177,839	202,934
General operating expenses	40,594	49,889	54,513
Medical and construction programs	589,360	649,185	694,991
Insurance and indemnities	20,484	21,823	21,293
Total	**$1,726,919**	**$2,305,435**	**$2,270,510**
South Dakota			
Compensation and pensions	162,171	227,713	209,919
Readjustment benefits	11,780	28,059	32,019
General operating expenses	8,614	10,586	11,567
Medical and construction programs	319,213	350,041	375,153
Insurance and indemnities	3,957	4,216	4,113
Total	**$505,736**	**$620,615**	**$632,771**
Tennessee			
Compensation and pensions	1,087,299	1,526,729	1,407,429
Readjustment benefits	76,164	181,413	207,012
General operating expenses	54,219	66,634	72,810
Medical and construction programs	1,261,213	1,385,171	1,483,974
Insurance and indemnities	22,440	23,906	23,326
Total	**$2,501,335**	**$3,183,854**	**$3,194,551**
Texas			
Compensation and pensions	4,109,444	5,770,270	5,319,376
Readjustment benefits	354,580	844,559	963,733
General operating expenses	196,820	241,888	264,308
Medical and construction programs	2,926,687	3,207,689	3,435,274
Insurance and indemnities	78,458	83,586	81,557
Total	**$7,665,989**	**$10,147,993**	**$10,064,248**
Utah			
Compensation and pensions	227,216	319,045	294,115
Readjustment benefits	27,813	66,247	75,595
General operating expenses	37,667	46,293	50,583
Medical and construction programs	330,571	362,840	388,779
Insurance and indemnities	7,631	8,129	7,932
Total	**$630,899**	**$802,554**	**$817,005**
Vermont			
Compensation and pensions	90,403	126,939	117,020
Readjustment benefits	20,400	48,590	55,446
General operating expenses	5,029	6,180	6,753
Medical and construction programs	161,631	177,636	190,275
Insurance and indemnities	3,028	3,226	3,148
Total	**$280,491**	**$362,570**	**$372,642**

Amounts Included in FY 2012 President's Budget (dollars in thousands)			
	2010 Actuals	**2011 Estimates**	**2012 Estimates**
Virginia			
Compensation and pensions	1,547,353	2,172,713	2,002,935
Readjustment benefits	185,481	441,790	504,130
General operating expenses	108,889	133,823	146,227
Medical and construction programs	869,680	955,983	1,023,955
Insurance and indemnities	46,525	49,566	48,362
Total	**$2,757,928**	**$3,753,875**	**$3,725,609**
Washington			
Compensation and pensions	1,211,136	1,700,614	1,567,727
Readjustment benefits	108,459	258,333	294,786
General operating expenses	42,681	52,455	57,317
Medical and construction programs	822,226	908,659	971,996
Insurance and indemnities	32,229	34,335	33,502
Total	**$2,216,731**	**$2,954,397**	**$2,925,327**
West Virginia			
Compensation and pensions	466,669	655,273	604,069
Readjustment benefits	66,398	158,151	180,468
General operating expenses	131,999	162,225	177,261
Medical and construction programs	683,599	750,949	804,470
Insurance and indemnities	6,400	6,818	6,653
Total	**$1,355,066**	**$1,733,416**	**$1,772,921**
Wisconsin			
Compensation and pensions	730,468	1,025,685	945,537
Readjustment benefits	57,137	136,092	155,295
General operating expenses	44,070	54,161	59,181
Medical and construction programs	817,998	897,609	961,841
Insurance and indemnities	24,131	25,708	25,083
Total	**$1,673,803**	**$2,139,255**	**$2,146,938**
Wyoming			
Compensation and pensions	90,712	127,374	117,420
Readjustment benefits	7,400	17,625	20,112
General operating expenses	2,774	3,409	3,725
Medical and construction programs	175,407	192,070	205,921
Insurance and indemnities	2,548	2,715	2,649
Total	**$278,841**	**$343,192**	**$349,828**
Guam			
Compensation and pensions	24,831	34,866	32,142
Readjustment benefits	2,121	5,051	5,763
General operating expenses	$0	$0	$0
Medical and construction programs	3,940	4,314	4,625
Insurance and indemnities	120	128	125
Total	**$31,012**	**$44,360**	**$42,656**

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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 from each Department 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. 111-84, The National Defense Authorization Act for Fiscal Year 2010, section 1706, amended section 8111(d)(3) of title 38, United States Code, to extend the program to September 30, 2015. This is a no-year account.

JOINT DEPARTMENT OF DEFENSE-DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITY DEMONSTRATION FUND: Combines the resources of the Department of Defense (DoD) and the Department of Veterans Affairs (VA) to operate the first totally integrated federal health care facility in the country. The Captain James A. Lovell Federal Health Care Center located in North Chicago, Illinois, will care for all eligible VA and DoD beneficiaries. This center is the integration of the North Chicago VA Medical Center and the Navy Health Clinic Great Lakes. Each department will contribute funding to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund established by section 1704 of Public Law 111-84, the "National Defense Authorization Act for Fiscal Year 2010."

The VA's budget request includes funding to be appropriated to the Medical Services, Medical Support and Compliance, Medical Facilities, and Information Technology Systems appropriations and transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund. This is an annual and multi-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 to 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 111-163, the "Caregivers and Veterans Omnibus Health Services Act of 2010," section 518, 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, 2012. Public Law 111-163, the "Caregivers and Veterans Omnibus Health Services Act of 2010," section 517, extended the authority in title 38, section 1710(f)(2)(B), to collect copayments for hospital care and nursing home care through September 30, 2012. 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 to provide therapeutic work for remuneration to 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

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.

Special Funds

FILIPINO VETERANS EQUITY COMPENSATION FUND: Provides one-time payments to eligible persons who served in the Philippines during World War II.

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 (SGLI): 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 Department. Includes the Veterans Benefits Administration and the Staff Offices within the General Administration account. 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: Provides for carrying out the independent oversight responsibilities of the *Inspector General Act of 1978* by conducting audits, investigations, and inspections that promote economy and efficiency and identify and prevent fraud, waste, and criminal activity; and by

informing the Secretary and Congress about problems, deficiencies, and recommended improvements in VA programs and activities.

INFORMATION TECHNOLOGY SYSTEMS ACCOUNT: Provides for the development and operational support of information technology and telecommunications systems of the Department. This account also receives reimbursements from the credit and insurance benefit programs, as well as other revolving funds. This account was established in 2005 under P.L. 109-114 in order to support the Department's reorganization and centralization of information technology activities.

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 VETERANS CEMETERIES: Grants to aid states, federally recognized tribal governments, or U.S. territories in establishing, expanding or improving Veterans' cemeteries controlled by the recipient. A grant can be up to 100 percent of the cost of establishment, expansion or improvement and may fund the initial cost of equipment when the cemetery is established. VA does not provide for acquisition of land. The value of the land cannot be considered as an "allowable cost" under the grant. Grant recipients are solely responsible for acquisition of the necessary land. Grant recipients may apply for additional grants to aid in the operation and maintenance of a cemetery but are otherwise responsible for all costs related to operations and maintenance, 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 deposited in the revolving fund. The Secretary may use up to $100,000 per fiscal year from the revolving fund for activities determined to be in keeping with the VA mission

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. 109-114. Established in 1997 under P.L. 104-204, (P.L.103-356 extended it to October 2003), the Franchise Fund provides VA program offices with common administrative services and is financed on a fee-for-service basis.

2010-2012 Budget Tables

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Department of Veterans Affairs
Discretionary Programs Funding and Average Employment for 2010 - 2012
(dollars in thousands)

	2010- Actuals (PY)			2011- Current Estimate (CY)			2012- Request (BY)		
Discretionary Programs	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Medical Programs- VHA									
Medical Services	$34,740,500	$34,159,616	178,913	$37,121,000	$36,330,825	184,145	$40,050,985	$39,163,191	184,610
Medical Support & Compliance (formerly Administration)	$4,882,000	$4,711,724	42,434	$5,307,000	$5,188,016	44,006	$5,424,000	$5,329,601	44,065
Medical Facilities	4,859,000	5,057,072	23,790	5,740,000	5,810,106	24,144	5,376,000	5,456,012	24,144
Collections	2,847,565	2,421,010	0	2,882,000	2,866,504	0	3,078,000	2,989,800	0
Total Medical care	**47,329,065**	**46,349,422**	**245,137**	**51,050,000**	**50,195,451**	**252,295**	**53,928,985**	**52,938,604**	**252,819**
VA/DoD Sharing Incentive Fund	55,000	46,920	127	30,000	52,250	127	0	29,750	127
Medical research	581,000	520,904	3,352	581,000	569,362	3,345	508,774	520,765	3,220
Subtotal, VHA	**47,965,065**	**46,917,246**	**248,616**	**51,661,000**	**50,817,063**	**255,767**	**54,437,759**	**53,489,119**	**256,166**
National Cemetery Administration- NCA									
Burial Administration	**250,000**	**250,431**	**1,670**	**250,000**	**256,711**	**1,686**	**250,934**	**249,101**	**1,696**
Information Technology									
Information Technology	**3,307,000**	**2,525,805**	**6,853**	**3,307,000**	**3,674,199**	**7,518**	**3,161,376**	**3,352,353**	**7,527**
Construction									
Major									
Veterans Health Administration	1,076,800	873,209		1,076,800	839,091		545,404	896,539	
Veterans Benefits Administration	0	0		0	0		0	4	
National Cemetary Administration	112,200	84,644		112,200	94,637		38,200	99,658	
Staff Offices	5,000	33,089		5,000	7,994		6,000	6,166	
Subtotal Major Construction	***1,194,000***	***990,942***	***0***	***1,194,000***	***941,722***	***0***	***589,604***	***1,002,367***	***0***
Minor									
Veterans Health Administration	602,000	450,390		602,000	678,605		461,868	663,900	
Veterans Benefits Administration	18,400	26,521		18,400	23,879		23,645	20,388	
National Cemetary Administration	55,200	44,883		55,200	61,735		41,628	53,556	
Staff Offices	27,400	13,632		27,400	26,272		22,950	25,879	
Subtotal Minor Construction	***703,000***	***535,426***	***8***	***703,000***	***790,491***	***4***	***550,091***	***763,723***	***4***
Grants For State Extended Care Facilities	100,000	108,716		100,000	207,405		85,000	182,129	
Grants For State Cemeteries	46,000	36,406		46,000	32,425		46,000	32,556	
Total Construction	**2,043,000**	**1,671,490**	**8**	**2,043,000**	**1,972,043**	**4**	**1,270,695**	**1,980,775**	**4**
Departmental Administration									
Veteran Benefits Administration									
Filipino Veterans Equity Compensation Fund		113,131			69,431	0	0	0	0
Transfer from Major Construction (non-add)	*67,000*								
Subtotal Filipino ECF		**113,131**		**0**	**69,431**	**0**	**0**	**0**	**0**
Veteran Benefits Administration- GOE									
Compensation Administration (includes Burial)	1,266,950	1,198,888	13,858	1,654,067	1,733,894	14,573	1,532,422	1,625,882	14,697
Pensions Administration	105,833	99,915	1,251	131,845	124,623	1,286	131,848	128,696	1,286
Subtotal, Compensation and Pension	**1,372,783**	**1,298,803**	**15,109**	**1,785,912**	**1,858,517**	**15,859**	**1,664,270**	**1,754,578**	**15,983**
Education Administration	132,983	124,449	1,961	174,166	163,047	1,812	150,560	150,930	1,595
Vocational Rehabilitation and Employment	182,907	170,923	1,301	188,045	182,834	1,349	203,237	196,223	1,435
Insurance Administration	534	504	359	653	494	378	697	548	373
Subtotal GOE, VBA without Credit Reform	**1,689,207**	**1,594,679**	**18,730**	**2,148,776**	**2,204,892**	**19,398**	**2,018,764**	**2,102,279**	**19,386**

Department of Veterans Affairs
Discretionary Programs Funding and Average Employment for 2010 - 2012
(dollars in thousands)

	2010- Actuals (PY)			2011- Current Estimate (CY)			2012- Request (BY)		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Discretionary Programs									
General Administration		302,350			388,241			429,901	
Office of the Secretary	9,270		83	9,270		89	10,104		89
Board of Veterans Appeals	73,273		549	73,273		549	78,006		544
General Counsel	80,778		744	80,778		738	84,073		732
AS for Management	43,956		267	43,956		301	46,222		316
AS for Human Resources & Administration	68,590		549	68,590		769	74,343		810
AS for Policy, and Planning	26,015		67	26,015		103	28,647		125
AS for Operations, Security & Preparedness	16,746		76	16,746		95	19,873		107
AS for Public and Intergovernmental Affairs	22,079		69	22,079		90	23,981		93
AS for Congressional and Legislative Affairs	6,065		36	6,065		46	6,585		52
Office of Acquisitions, Logistics, & Construction	50,728		313	50,728		359	76,391		447
White House Commission	0		0						
Subotal General Administration	**397,500**	**302,350**	**2,753**	**397,500**	**388,241**	**3,139**	**448,225**	**429,901**	**3,315**
Pershing Hall revolving fund	0	0	0	0	0	0	0	0	0
Office of Inspector General									
Total Office of Inspector General	109,000	96,650	553	109,000	106,074	625	109,391	106,486	612
Credit Reform Administrative									
Credit Reform Administrative- VBA									
Native American loan administrative	*644*	*644*	*7*	*644*	*644*	*7*	*1,096*	*1,096*	*7*
Vocational rehabilitation loan program - admin	328	328	3	328	328	3	343	343	3
Veterans housing benefit program fund program	*124,313*	*119,959*	*865*	*137,162*	*137,162*	*925*	*136,005*	*136,005*	*925*
Subtotal VBA	*125,285*	*120,931*	*875*	*138,134*	*138,134*	*935*	*137,444*	*137,444*	*935*
Credit Reform Administrative- General Counsel									
Native American loan administrative	20	20		20	20		20	20	
Veterans housing benefit program fund program	5,284	5,244		5,284	5,284		5,021	5,021	
Subtotal General Counsel	*5,304*	*5,264*	*0*	*5,304*	*5,304*	*0*	*5,041*	*5,041*	*0*
Credit Reform Administrative- OIT									
Veterans Housing	35,485	18,892	0	22,636	22,636		13,672	13,672	
Subtotal OIT	35,485	18,892	0	22,636	22,636	0	13,672	13,672	0
Credit Reform Subsidy									
Vocational rehabilitation loan program - subsidy	29	29	0	29	29	0	19	19	0
Subtotal, Credit Reform Subsidy	**29**	**29**	**0**	**29**	**29**	**0**	**19**	**19**	**0**
Subtotal, Credit Reform Administrative	**166,074**	**145,087**	**875**	**166,074**	**166,074**	**935**	**156,157**	**156,157**	**935**
Departmental Administration									
Supply Fund	0	-30,874	699	0	0	880	0	0	1,000
Franchise Fund	0	-28,243	822	0	0	1,269	0	0	1,484
Subtotal Departmental Administration	**0**	**-59,117**	**1,521**	**0**	**0**	**2,149**	**0**	**0**	**2,484**
Total, Other Discretionary	**8,597,810**	**7,208,359**	**36,442**	**9,032,379**	**9,459,306**	**38,926**	**7,924,335**	**8,927,586**	**39,306**
Total, Discretionary Program w/o Collections	**53,079,310**	**51,136,771**	**281,579**	**57,200,379**	**56,788,253**	**291,221**	**58,775,320**	**58,876,390**	**292,125**
Total, Discretionary Program with Collections	**55,926,875**	**53,557,781**	**281,579**	**60,082,379**	**59,654,757**	**291,221**	**61,853,320**	**61,866,190**	**292,125**

Department of Veterans Affairs
Discretionary Programs Funding and Average Employment for 2010 - 2012
(dollars in thousands)

	2010- Actuals (PY)			2011- Current Estimate (CY)			2012- Request (BY)		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Mandatory Programs									
Benefit Programs									
Compensation and Pensions									
Disability Compensation Benefits	56,519,997	43,376,912		49,159,368	66,446,515		52,583,027	48,267,615	
Compensation ARRA									
Proposed legislation - COLA Increase of .9% in 2012							328,592	328,592	
Transfer to/from Readjustment Benefits (RB)	127,077								
Subtotal Compensation	***56,647,074***	***43,376,912***		***49,159,368***	***66,446,515***		***52,911,619***	***48,596,207***	
Pensions Benefits	4,041,041	4,359,237		4,644,279	4,982,590		4,945,282	4,541,950	
Pension ARRA									
Transfer to/from Readjustment Benefits (RB)	323,537								
Subtotal Pension	***4,364,578***	***4,359,237***		***4,644,279***	***4,982,590***		***4,945,282***	***4,541,950***	
Burial Benefits	212,257	165,290		174,538	174,538		210,418	210,418	
Transfer to Readjustment Benefits (RB)	-46,967								
Proposed legislation		0			0			0	
National cemetery gift fund									
Subtotal Burial	***165,290***	***165,290***	***0***	***174,538***	***174,538***	***0***	***210,418***	***210,418***	***0***
Emergency Appropriations for Economic Recovery Act									
Total Compensation and Pensions & ARRA	**61,176,942**	**47,901,439**	**0**	**53,978,185**	**71,603,643**	**0**	**58,067,319**	**53,348,575**	**0**
Readjustment Benefits									
Education Benefits	**8,463,512**	**7,556,544**		**9,589,575**	**9,947,364**		**10,161,844**	**10,069,919**	
Transfer to/from Compensation Benefits	**-403,647**	**0**							
Transfer to Veterans Insurance Benefits (VII)	**-7,000**								
Subtotal Education	***8,052,865***	***7,556,544***	***0***	***9,589,575***	***9,947,364***	***0***	***10,161,844***	***10,069,919***	***0***
Vocational Rehabilitation & Employment	**768,857**	**760,168**		**806,531**	**819,563**		**849,242**	**841,019**	
Total Readjustment Benefits	**8,821,722**	**8,316,712**	**0**	**10,396,106**	**10,766,927**	**0**	**11,011,086**	**10,910,937**	**0**
Housing Program									
Housing Program Upward Reestimate	802,610	802,610		1,383,639	1,383,639		318,612	318,612	
Housing Program Orignal Loan Subsidy	5,486	5,486		19,794	19,794				
Native American Veteran housing Loan Program	1,454	1,454		4,508	4,508		0	0	
Vocational Rehabilitation Upward Reestimate	179	179		195	195		0	0	
Veterans housing benefit program fund liquidating	-6,813	-9,892		-7,106	-4,742		-6,267	-6,267	
Subtotal Housing	***802,916***	***799,837***		***1,401,030***	***1,403,394***		***312,345***	***312,345***	
Insurance Benefits	49,288	44,927		77,589	83,145		100,252	100,252	
Transfer from Readjustment Benefits	7,000	7,000							
Subtotal Insurance	***56,288***	***51,927***		***77,589***	***83,145***		***100,252***	***100,252***	

Department of Veterans Affairs
Discretionary Programs Funding and Average Employment for 2010 - 2012
(dollars in thousands)

	2010- Actuals (PY)			2011- Current Estimate (CY)			2012- Request (BY)		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Mandatory Programs									
Benefit Programs									
Trust Funds									
Post-Vietnam era veterans education account	6	1,498		6	1,428		6	1,196	
Service-disabled veterans insurance fund	0	5,974		0	4,001		0	-80	
Veterans reopened insurance fund	0	23,110		0	28,965		0	28,840	
Servicemembers' group life insurance fund	0	11,208		0	-29		0	-19	
National service life insurance	1,078,083	1,147,080		1,094,116	1,171,155		1,042,920	1,128,040	
U.S. Government life insurance	4,294	5,537		3,992	5,669		3,552	5,082	
Veterans special life insurance fund	0	4,434		0	32,834		0	46,250	
Subtotal Trust Funds	***1,082,383***	***1,198,841***		***1,098,114***	***1,244,023***		***1,046,478***	***1,209,309***	
Medical Programs									
Canteen service revolving fund	0	6,120	3,246	0	-2,500	3,260	0	3,000	3,285
General post fund	26,950	26,466	0	27,800	27,300	0	28,800	28,300	0
Subtotal Veterans Health Administration	**26,950**	**32,586**	**3,246**	**27,800**	**24,800**	**3,260**	**28,800**	**31,300**	**3,285**
Benefits Programs Proprietary receipts									
GI Bill	-183,055	-183,055	0	-164,750	-164,750	0	-146,444	-146,444	0
National service life insurance fund	-107,844	-107,844	0	-95,470	-95,470	0	-84,080	-84,040	0
Post-Vietnam era veterans education account	-6	-6	0	-6	-6	0	-6	-6	0
Downward Reestimates:									
Third party offset of first party debt									
Pharmacy Co-Pays									
Acquired Direct Loan	0	0		-2,424	-2,424		0	0	
Vendee Direct	-2,875	-2,875	0	-8,340	-8,340	0	0	0	0
Transitional housing- Direct Loans	-249	-249	0	-316	-316		0	0	
Veterans housing benefit fund guaranteed loan	-243,349	-243,349	0	-17,187	-17,187	0	0	0	0
Veterans housing benefit fund loan sales securities	-22,403	-22,403	0	-824	-824	0	0	0	0
Native American veterans program account	-1,868	-1,868	0	-3,200	-3,200	0	0	0	0
Vocational rehabilitation loan program	-196	-196		-44	-44		0	0	
Negative Subsidy:									
Acquired Direct	-568	-568		-131	-131		0	0	
Vendee Direct	-11,258	-11,258	0	-23,736	-23,736	0	-23,611	-23,611	0
Veterans housing benefit fund guaranteed loans	-106,706	-110,853		-212,063	-212,063		0	0	
U.S. Government life insurance	179	179		-130	-130		-90	-90	
Native American veterans program account	-5,197	-5,197	0	-2,410	-2,410	0	1,162	1,162	0
Subtotal, Proprietary receipts	**-685,395**	**-689,542**	**0**	**-531,031**	**-531,031**	**0**	**-253,069**	**-253,029**	**0**
Intragovernmental transactions									
National service life insurance fund	-381	-381	0	-320	-320	0	-270	-270	0
Post-Vietnam era veterans education account	-888	-888	0	-713	-713	0	-677	-677	0
Subtotal, Intragovernmental transactions	**-1,269**	**-1,269**	**0**	**-1,033**	**-1,033**	**0**	**-947**	**-947**	**0**
Total, Mandatory Programs	**71,280,537**	**57,610,531**	**3,246**	**66,446,760**	**84,593,868**	**3,260**	**70,312,264**	**65,658,742**	**3,285**
Total Net, Department Veterans Affairs	**124,359,847**	**108,747,301**	**284,825**	**123,647,139**	**141,382,121**	**294,481**	**129,087,584**	**124,535,132**	**295,410**
Total Gross, Department Veterans Affairs	**127,207,412**	**111,168,311**	**284,825**	**126,529,139**	**144,248,625**	**294,481**	**132,165,584**	**127,524,932**	**295,410**

Appropriation-Reconciliation
(dollars in thousands)

Appropriation/Fund Account	2010	2011	2012
Federal funds:			
Benefit programs:			
Disability Compensation Mandatory Benefits	$56,519,997	$49,159,368	$52,583,027
Transfer to/from Readjustment Benefits (RB)	127,077		
Proposed Supplemental	0		328,592
Proposed Legislation Concurrent Receipt (non-add)			46,993
Total Disability Compensation	56,647,074	49,159,368	52,911,619
Burial Mandatory Benefits	212,257	174,538	210,418
Transfer to/from Readjustment Benefits (RB)	-46,967		
Pensions Mandatory Benefits	4,041,041	4,644,279	4,945,282
Transfer from Readjustment Benefits (RB)	323,537		
Subtotal, Compensation and Pension	**61,176,942**	**53,978,185**	**58,067,319**
Education Mandatory Benefits	8,463,512	9,589,575	10,161,844
Transfer to/from Compensation	-403,647		
Transfter to Veterans Insurance Benefits (VII)	-7,000		
Vocational rehabilitation and employment Mandatory Benefits	768,857	806,531	849,242
Subtotal, Readjustment Benefits	**8,821,722**	**10,396,106**	**11,011,086**
Insurance Mandatory Benefits	49,288	77,589	100,252
Transfer to/from Readjustment Benefits (RB)	7,000	0	0
Housing Mandatory Benefits	808,096	1,403,433	318,612
Total Benefits Mandatory	**70,863,048**	**65,855,313**	**69,497,269**
Medical Research and Support	581,000	581,000	508,774
Total Medical Research and Support	**581,000**	**581,000**	**508,774**
Medical programs:			
Medical Services	34,707,500	37,136,000	39,649,985
Transfer from Medical Support and Compliance	48,000		
FY 2012 Contingency Fund			953,000
FY 2012 Pay Raise Rescission			-552,000
Transfer to VA/DoD Health Care Sharing Incentive Fund	-15,000	-15,000	
Medical Care Collections Fund	2,847,565	2,882,000	3,078,000
Total Medical Services with Collections	**37,588,065**	**40,003,000**	**43,128,985**
Medical Support and Compliance	4,930,000	5,307,000	5,535,000
Transfer to Medical Services	-48,000		
FY 2012 Pay Raise Rescission			-111,000
Total Medical Support and Compliance	**4,882,000**	**5,307,000**	**5,424,000**
Medical Facilities	4,859,000	5,740,000	5,426,000
FY 2012 Pay Raise Rescission			-50,000
Transfer from Medical Services			
Total Medical Facilities	**4,859,000**	**5,740,000**	**5,376,000**
VA/DoD Health Care Sharing Incentive Fund	55,000	30,000	0
Total Medical Care	**47,384,065**	**51,080,000**	**53,928,985**
Total Medical Programs	**47,965,065**	**51,661,000**	**54,437,759**

Appropriation-Reconciliation *(dollars in thousands)*			
Appropriation/Fund Account	2010	2011	2012
Federal funds:			
National Cemetery Administration	250,000	250,000	250,934
Department Administration:			
General administration	397,500	397,500	448,225
VBA-GOE	1,689,207	2,148,776	2,018,764
Subtotal, GOE	**2,086,707**	**2,546,276**	**2,466,989**
Office of Inspector General	109,000	109,000	109,391
Construction Major	1,194,000	1,194,000	589,604
Construction Minor	703,000	703,000	550,091
Grants for State Extended Care	100,000	100,000	85,000
Grants for State Cemeteries	46,000	46,000	46,000
Credit Reform	166,103	166,103	156,176
Information Technology	3,307,000	3,307,000	3,161,376
Total Departmental Administration	**7,711,810**	**8,171,379**	**7,164,627**
Total appropriations	**$126,789,923**	**$125,937,692**	**$131,350,589**
Total Mandatory	**$70,863,048**	**$65,855,313**	**$69,497,269**
Total Discretionary without MCCF	**$53,079,310**	**$57,200,379**	**$58,775,320**
Total Discretionary with MCCF and other receipts	**$55,926,875**	**$60,082,379**	**$61,853,320**

Budget Authority (Net) *(dollars in thousands)*			
Appropriation/Fund Account	2010	2011	2012
Federal funds:			
Benefit programs:			
Disability compensation benefits	$56,647,074	$49,159,368	$52,911,619
Pensions benefits	4,364,578	4,644,279	4,945,282
Education Benefits	8,052,865	9,589,575	10,161,844
Vocational rehabilitation and employment benefits	768,857	806,531	849,242
Insurance benefits	56,288	77,589	100,252
Housing program account mandatory	808,096	1,403,433	318,612
Native American	1,454	4,508	0
Vocational Rehabilitation Upward Reestimates	179	195	0
Burial benefits	165,290	174,538	210,418
Total benefit programs	**70,864,681**	**65,860,016**	**69,497,269**
Medical programs:			
Medical services	34,740,500	37,121,000	40,050,985
Medical care collections fund	2,847,565	2,882,000	3,078,000
Total medical care	37,588,065	40,003,000	43,128,985
Medical Support and Compliance	4,882,000	5,307,000	5,424,000
Medical facilities	4,859,000	5,740,000	5,376,000
VA/DoD Health Sharing Incentive Fund	55,000	30,000	0
Medical and prosthetic research	581,000	581,000	508,774
Total medical programs	**47,965,065**	**51,661,000**	**54,437,759**
National Cemeteries Administration	**250,000**	**250,000**	**250,934**
Departmental Administration:			
General administration	397,500	397,500	448,225
Filipino Veterans Equity Compensation Fund	0	0	0
Office of Inspector General	109,000	109,000	109,391
VBA-GOE	1,689,207	2,148,776	2,018,764
Construction Major	1,194,000	1,194,000	589,604
Construction Minor	703,000	703,000	550,091
Grants for State Extended Care	100,000	100,000	85,000
Grants for State Cemeteries	46,000	46,000	46,000
Credit Reform	166,103	166,103	156,176
Information Technology	3,307,000	3,307,000	3,161,376
Total Departmental administration	**7,711,810**	**8,171,379**	**7,164,627**
Total appropriations, adjusted	**126,791,556**	**125,942,395**	**131,350,589**

Budget Authority (Net) *(dollars in thousands)*			
Appropriation/Fund Account	2010	2011	2012
Proprietary receipts from the public:			
GI Bill receipts	-183,055	-164,750	-146,444
National service life insurance fund	-107,844	-95,470	-84,080
Post-Vietnam era veterans education account	-6	-6	-6
Downward reestimates:			
Acquired Direct	0	-2,424	0
Vendee Direct	-2,875	-8,340	0
Transitional Housing	-249	-316	0
Veterans housing benefit fund guaranteed loan account	-243,349	-17,187	0
Veterans housing benefit fund loan sale securities	-22,403	-824	0
Native American veterans program account	-1,868	-3,200	0
Vocational rehabilitation loan program	-196	-44	0
Negative subsidy:			
Acquired Direct Loan	-568	-131	
Vendee Direct	-11,258	-23,736	-23,611
Veterans housing benefit fund guaranteed loan account	-106,706	-212,063	0
U.S. Government life insurance	179	-130	-90
Native American veterans program account	-5,197	-2,410	1,162
Medical care collections fund	-2,847,565	-2,882,000	-3,078,000
Total proprietary receipts from the public	**-3,532,960**	**-3,413,031**	**-3,331,069**
Total federal funds	**123,258,596**	**122,529,364**	**128,019,520**
Trust funds:			
Post-Vietnam era veterans education account	6	6	6
General post fund	26,950	27,800	28,800
Pershing Hall revolving fund	0	0	0
National service life insurance	1,078,083	1,094,116	1,042,920
U.S. Government life insurance	4,294	3,992	3,552
Total trust funds (gross)	**1,109,333**	**1,125,914**	**1,075,278**
Veterans housing benefit program fund liquidating accour	**-6,813**	**-7,106**	**-6,267**
Intragovernmental transactions			
Post-Vietnam era veterans education account	-888	-713	-270
National service life insurance	-381	-320	-677
Total Intergovernmental transactions	**-1,269**	**-1,033**	**-947**
Total Department of Veterans Affairs	**$124,359,847**	**$123,647,139**	**$129,087,584**

Outlays (Net)
(dollars in thousands)

Appropriation/Fund Account	2010	2011	2012
Federal funds:			
Benefit programs:			
Disability compensation benefits	$43,376,912	$66,446,515	$48,596,207
Proposed legislation - Concurrent Receipt			
Pensions benefits	4,359,237	4,982,590	4,541,950
Burial Benefits	165,290	174,538	210,418
Education Benefits	7,556,544	9,947,364	10,069,919
Vocational rehabilitation and employment benefits	760,168	819,563	841,019
Insurance benefits	51,927	83,145	100,252
Veterans housing benefit program fund liquidating account	-9,892	-4,742	-6,267
Housing program account benefits	808,096	1,403,433	318,612
Native American Veteran housing Loan Program	1,454	4,508	0
Vocational Rehabilitation Upward Reestimate	179	195	0
Credit Reform	145,116	166,103	156,176
Service-disabled veterans insurance fund	5,974	4,001	-80
Veterans reopened insurance fund	23,110	28,965	28,840
Servicemembers' group life insurance fund	11,208	-29	-19
Total benefit programs	**57,255,322**	**84,056,149**	**64,857,026**
Medical programs:			
Medical services	34,159,616	36,330,825	39,163,191
Medical care collections fund	2,421,010	2,866,504	2,989,800
Total medical services	36,580,626	39,197,329	42,152,991
Medical Support and Compliance	4,711,724	5,188,016	5,329,601
Medical facilities	5,057,072	5,810,106	5,456,012
VA/DoD Healthcare Sharing Incentive Fund	46,920	52,250	29,750
Medical and prosthetic research	520,904	569,362	520,765
Canteen service revolving fund	6,120	-2,500	3,000
Total medical programs	**46,923,366**	**50,814,563**	**53,492,119**
Departmental Administration			
General Administration	302,350	388,241	429,901
VBA GOE	1,594,679	2,204,892	2,102,279
Filipino Veterans Equity Compensation Fund	113,131	69,431	0
National Cemetery Administration	250,431	256,711	249,101
Construction-Major	990,942	941,722	1,002,367
Construction-Minor	535,426	790,491	763,723
Grants for State Extended Care Facilities	108,716	207,405	182,129
Grants for State Cemeteries	36,406	32,425	32,556
Information Technology	2,525,805	3,674,199	3,352,353
Office of Inspector General	96,650	106,074	106,486
Franchise fund	-28,243	0	0
Supply fund	-30,874	0	0
General Operating Expenses-SSA		0	0
Pershing hall revolving fund		0	0
Total GOE & Miscellaneous	**6,495,419**	**8,671,591**	**8,220,895**
Total appropriations & funds	**110,674,107**	**143,542,303**	**126,570,040**

Outlays (Net)
(dollars in thousands)

Appropriation/Fund Account	2010	2011	2012
Proprietary receipts from the public:			
GI Bill	-183,055	-164,750	-146,444
Downward reestimates			
Direct Loans	0	-2,424	0
Vendee Direct	-2,875	-8,340	0
Transitional Housing - Direct Loans	-249	-316	0
Veterans housing benefit fund guaranteed loan	-243,349	-17,187	0
Veterans housing benefit fund loan sale securities	-22,403	-824	0
Native American veterans program account	-1,868	-3,200	0
Vocational rehabilitation loan program	-196	-44	0
Negative subsidy:			
Acquired Direct	-568	-131	0
Vendee Direct	-11,258	-23,736	-23,611
Veterans housing benefit fund guaranteed loan	-110,853	-212,063	0
Native American veteran housing loan program account	-5,197	-2,410	1,162
Medical care collections fund	-2,421,010	-2,866,504	-2,989,800
Total proprietary receipts from the public	**-3,002,881**	**-3,301,929**	**-3,158,693**
Total federal funds	**107,671,226**	**140,240,374**	**123,411,347**
Trust funds:			
General post fund	26,466	27,300	28,300
Post-Vietnam era veterans education account	1,498	1,428	1,196
National service life insurance	1,147,080	1,171,155	1,128,040
U.S. Government life insurance	5,537	5,669	5,082
Veterans special life insurance	4,434	32,834	46,250
National cemetery gift fund	0	0	0
Total trust funds (gross)	**1,185,015**	**1,238,386**	**1,208,868**
Proprietary receipts from the public	**-107,671**	**-95,606**	**-84,136**
Post-Vietnam era veterans education account	-6	-6	-6
U.S. Government life insurance	179	-130	-90
National service life insurance	-107,844	-95,470	-84,040
Total trust funds (net)	**1,077,344**	**1,142,780**	**1,124,732**
Intragovernmental transactions	**-1,269**	**-1,033**	**-947**
Post-Vietnam era veterans education account	-888	-713	-677
U.S. Government life insurance	0	0	0
National service life insurance	-381	-320	-270
Total Department of Veterans Affairs	**$108,747,301**	**$141,382,121**	**$124,535,132**

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

Function and Program	2010	2011	2012
701: Income security for veterans:			
Disability compensation benefits	$56,647,074	$49,159,368	$52,911,619
Pensions benefits	4,364,578	4,644,279	4,945,282
Burial benefits	165,290	174,538	210,418
National cemetery gift fund	0	0	0
Insurance benefits	56,288	77,589	100,252
Service-disabled veterans insurance fund	0	0	0
Veterans reopened insurance fund	0	0	0
National service life insurance	1,078,083	1,094,116	1,042,920
US Government life insurance	4,294	3,992	3,552
Veterans special life insurance fund	0	0	0
Servicemember's group life insurance fund	0	0	0
US Government life insurance	179	-130	-90
Subtotal, income security for veterans	**62,315,786**	**55,153,752**	**59,213,953**
702: Veterans education, training and rehabilitation:			
Education benefits	8,052,865	9,589,575	10,161,844
Vocational rehabilitation and employment benefits	768,857	806,531	849,242
Post-Vietnam era veterans education account	6	6	6
Post-Vietnam era veterans education receipts	-888	-713	-270
National service life insurance receipts	-381	-320	-677
Downward reestimates:			
Vocational Rehabilitation loan program	-196	-44	0
GI Bill receipts	-183,055	-164,750	-146,444
National service life insurance fund	-107,844	-95,470	-84,080
Post-Vietnam era veterans education account	-6	-6	-6
Subtotal, veterans education, training and rehabilitation	**8,529,358**	**10,134,809**	**10,779,615**
703: Hospital & Medical Care for veterans:			
Medical services	34,740,500	37,121,000	40,050,985
Medical care collections fund	2,847,565	2,882,000	3,078,000
Total medical services	37,588,065	40,003,000	43,128,985
Medical Support and Compliance	4,882,000	5,307,000	5,424,000
Medical facilities	4,859,000	5,740,000	5,376,000
VA/DoD Health Sharing Incentive Fund	55,000	30,000	0
Medical and prosthetic research	581,000	581,000	508,774
Medical care collections fund, receipts	-2,847,565	-2,882,000	-3,078,000
Downward reestimates:			
Subtotal, hospital and medical care for veterans	**45,117,500**	**48,779,000**	**51,359,759**

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

Function and Program	2010	2011	2012
704: Veterans housing:			
Veterans housing benefit program fund liquidating account	-6,813	-7,106	-6,267
Veterans housing benefit program fund program account	809,550	1,407,941	318,612
Vocational Rehabilitation Upward Reestimates	179	195	0
Downward reestimates:			
Veterans housing benefit guaranteed loan	-243,349	-17,187	0
Veterans housing benefit fund loan sale securities	-22,403	-824	0
Veterans housing benefit direct loan	0	0	0
Native American veterans program account	-1,868	-3,200	0
Acquired Direct	0	-2,424	0
Vendee Direct	-2,875	-8,340	0
Transitional Housing-Direct Loans	-249	-316	0
Negative subsidy:			
Acquired Direct Loan	-568	-131	0
Vendee Direct	-11,258	-23,736	-23,611
Veterans housing benefit fund guaranteed loan account	-106,706	-212,063	0
Native American veterans program account	-5,197	-2,410	1,162
Subtotal, veterans housing	**408,443**	**1,130,399**	**289,896**
705: Other veterans benefits and services:			
National Cemeteries Administration	250,000	250,000	250,934
General post fund	26,950	27,800	28,800
General administration	397,500	397,500	448,225
Office of Inspector General	109,000	109,000	109,391
VBA-GOE	1,689,207	2,148,776	2,018,764
Filipino Veterans Compensation Fund	0	0	0
Construction Major	1,194,000	1,194,000	589,604
Construction Minor	703,000	703,000	550,091
Grants for State Extended Care	100,000	100,000	85,000
Grants for State Cemeteries	46,000	46,000	46,000
Credit Reform	166,103	166,103	156,176
Information Technology	3,307,000	3,307,000	3,161,376
Subtotal, other veterans benefits and services	**7,988,760**	**8,449,179**	**7,444,361**
Total, function 700 distribution of Budget			
Total Department of Veterans Affairs	**$124,359,847**	**$123,647,139**	**$129,087,584**

Functional Distribution of Outlays
(dollars in thousands)

Function and Program	2010	2011	2012
701: Income security for veterans:			
Disability compensation benefits	$43,376,912	$66,446,515	$48,596,207
Proposed legislation - Concurrent Receipt	0	0	0
Pensions benefits	4,359,237	4,982,590	4,541,950
Burial benefits	165,290	174,538	210,418
Insurance benefits	51,927	83,145	100,252
Service-disabled veterans insurance	5,974	4,001	-80
Veterans reopened insurance fund	23,110	28,965	28,840
Servicemembers' group life insurance fund	11,208	-29	-19
National service life insurance	1,147,080	1,171,155	1,128,040
U.S. Government life insurance	5,537	5,669	5,082
Veterans special life insurance	4,434	32,834	46,250
NSLI & USGLI receipts	-108,046	-95,920	-84,400
Subtotal, income security for veterans	**49,042,662**	**72,833,463**	**54,572,540**
702: Veterans education, training, and rehabilitation:			
Education benefits	7,556,544	9,947,364	10,069,919
Vocational rehabilitation and employment benefits	760,168	819,563	841,019
Vocational rehabilitation Upward Reestimate	179	195	0
Credit Reform	145,116	166,103	156,176
Post-Vietnam era veterans education	1,498	1,428	1,196
Post-Vietnam era veterans education receipts	-894	-719	-683
Downward reestimates:			
Vocational rehabilitation loan program	-196	-44	0
GI Bill receipts	-183,055	-164,750	-146,444
Subtotal, veterans education, training and rehabilitation	**8,279,360**	**10,769,140**	**10,921,182**
703: Hospital and medical care for veterans:			
Medical services	36,580,626	39,197,329	42,152,991
Medical Support and Compliance	4,711,724	5,188,016	5,329,601
Medical facilities	5,057,072	5,810,106	5,456,012
VA/DoD Health Sharing Incentive Fund	46,920	52,250	29,750
Medical and prosthetic research	520,904	569,362	520,765
Medical care collections fund, receipts	-2,421,010	-2,866,504	-2,989,800
Downward reestimates:			
Subtotal, hospital and medical care for veterans	**44,496,236**	**47,950,559**	**50,499,319**

Functional Distribution of Outlays
(dollars in thousands)

Function and Program	2010	2011	2012
704: Veterans Housing			
Veterans housing benefit program fund liquidating account	-9,892	-4,742	-6,267
Housing program account benefits	808,096	1,403,433	318,612
Native American Veteran housing Loan Program	1,454	4,508	0
Downward reestimates:			
Vendee Direct	-2,875	-8,340	0
Transitional Housing - Direct Loans	-249	-316	0
Veterans housing benefit guaranteed loan	-243,349	-17,187	0
Veterans housing benefit loan securities	-22,403	-824	0
Veterans housing benefit direct loan	0	-2,424	0
Native American veterans program account	-1,868	-3,200	0
Negative subsidy:			
Acquired Direct	-568	-131	0
Vendee Direct	-11,258	-23,736	-23,611
Veterans housing benefit fund guaranteed loan	-110,853	-212,063	0
Native American veteran housing loan program account	-5,197	-2,410	1,162
Subtotal, veterans housing	**401,038**	**1,132,568**	**289,896**
705: Other veterans benefits and services:			
VBA-GOE	1,594,679	2,204,892	2,102,279
Filipino Veterans Equity Compensation Fund	113,131	69,431	0
National Cemetery Administration	250,431	256,711	249,101
Canteen service revolving fund	6,120	-2,500	3,000
Supply fund	-30,874	0	0
General post fund	26,466	27,300	28,300
General Administration	302,350	388,241	429,901
Construction-Major	990,942	941,722	1,002,367
Construction- Minor	535,426	790,491	763,723
Grants for State Extended Care	108,716	207,405	182,129
Grants for State Cemeteries	36,406	32,425	32,556
Information Technology	2,525,805	3,674,199	3,352,353
National cemetery gift fund	0	0	0
Office of Inspector General	96,650	106,074	106,486
Franchise fund	-28,243	0	0
General Operating Expenses-SSA	0	0	0
Pershing hall revolving fund	0	0	0
Subtotal, other veterans benefits and services	**6,528,005**	**8,696,391**	**8,252,195**
Total, function 700 Distribution of Budget Outlays for the Department of Veterans Affairs	**$108,747,301**	**$141,382,121**	**$124,535,132**
Deduction for offsetting receipts (Function 902)			
Total Department of Veterans Affairs	**$108,747,301**	**$141,382,121**	**$124,535,132**

Obligations
(dollars in thousands)

Appropriation/Fund Account	2010	2011	2012
Federal funds:			
Benefit programs:			
Disability compensation benefits	$43,539,941	$62,982,479	$52,911,619
Proposed legislation	0	0	3,556
Pensions benefits	4,364,578	4,644,279	4,945,282
Proposed legislation	0	0	19,844
Burial benefits	165,290	174,538	210,418
Education benefits	8,217,081	10,306,643	10,632,185
Post-Vietnam era veterans' education account	1,496	1,406	1,302
Vocational rehabilitation and employment benefits	768,857	806,531	849,242
Vocational rehabilitation loan program account	536	579	362
Insurance benefits	58,924	81,125	105,442
Housing program account benefits	952,191	1,568,516	473,310
Native American Direct Loan Program Account	2,118	5,172	1,116
Service-disabled veterans insurance fund	112,261	138,636	154,072
Veterans reopened insurance fund	46,726	47,440	44,680
Servicemembers' group life insurance fund	1,120,585	1,109,010	836,910
Filipino Veterans Equity Compensation Fund	113,131	69,431	0
Compensation & Pensions, Recovery Act	700,000	0	0
Total benefits programs	**60,163,715**	**81,935,785**	**71,189,340**
Medical programs:			
Medical care	48,215,970	51,724,974	54,871,985
Medical prosthetics and research	563,328	656,747	583,774
Medical center research organizations	237,263	252,000	267,000
VA/DoD Health Care Sharing Incentive Fund	78,823	75,000	45,000
Canteen service revolving fund	370,853	433,400	474,400
Total medical programs	**49,466,237**	**53,142,121**	**56,242,159**
National Cemetery Administration:	**279,053**	**250,300**	**251,234**
Departmental administration:			
VBA- GOE	2,135,754	2,526,768	2,400,561
General administration	785,664	890,565	955,535
Pershing Hall revolving fund	175	193	193
Franchise fund	380,790	489,599	536,930
Office of Inspector General	112,025	113,851	113,787
Supply fund	1,244,599	2,434,360	2,661,707
Information Technology	3,352,414	3,960,978	3,451,959
Construction, Major & Minor	1,525,602	2,625,095	2,149,858
Grants for State Extended Care	242,294	124,039	86,608
Grants for State Cemeteries	47,738	50,038	46,000
Total Departmental administration	**9,827,055**	**13,215,486**	**12,403,138**
Total federal funds	**119,736,060**	**148,543,692**	**140,085,871**
Trust funds:			
General post fund	26,867	27,000	27,000
National service life insurance	1,296,727	1,290,852	1,220,880
U.S. Government life insurance	4,474	4,122	3,642
Veterans special life insurance	210,192	215,580	216,230
National cemetery gift fund	166	250	250
Total trust funds	**1,538,426**	**1,537,804**	**1,468,002**
Total Department of Veterans Affairs	**$121,274,486**	**$150,081,496**	**$141,553,873**
Non-Budget			
Veterans housing benefit program direct loan financing account	386,024	1,225,565	1,367,682
Veterans housing benefits program loan sale securities financing accoun	272,477	998,559	1,053,918
Veterans housing benefit program guaranteed loan financing account	3,405,657	2,419,655	2,204,035
Native American and transitional housing direct loan financing account	26,385	29,707	11,740
Vocational rehabilitation loan financing account	2,548	1,891	3,019
Total Non-Budget	**$4,093,091**	**$4,675,377**	**$4,640,394**

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Ten Year Tables

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Ten Year Outlays	6J - 1
Ten Year Total Average Employment	6K – 1

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Budget Authority
2001 - 2010 Actuals
(dollar in thousands)

Appropriation/Fund Account	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)
Federal funds:										
Benefit programs										
Compensation and pensions	$23,355,690	$26,044,288	$28,949,000	$29,842,126	$32,361,923	$33,897,787	$38,622,360	$41,238,855	$43,505,909	$61,176,942
Readjustment benefits	1,981,000	2,135,000	2,264,808	2,529,734	2,801,997	3,309,234	2,812,006	3,300,289	4,132,944	8,820,722
Veterans insurance and indemnities	24,393	26,200	27,957	32,017	44,380	45,907	49,850	41,250	48,072	56,288
Veterans housing benefit program fund program account	497,515	918,890	1,464,750	356,581	2,042,210	198,009	204,479	969,168	486,232	974,811
Veterans housing benefit program fund liquidating account, permanent	0	0	-60,000	-40,000	-45,000	-49,485	-42,000	-20,242	-7,930	-6,813
Native American veteran housing loan program account	531	544	886	1,265	567	580	584	628	646	664
Guaranteed transitional housing loans for homeless veterans	0	0	0	0	0	0	0	0	0	0
Education loan fund program account	221	65	70	197	0	0	0	0	0	0
Vocational rehabilitation loans program account	478	346	329	350	356	355	358	355	381	357
Total benefits programs	**25,859,828**	**29,125,333**	**32,647,800**	**32,722,270**	**37,206,433**	**37,402,387**	**41,647,637**	**45,530,303**	**48,166,254**	**71,022,971**
Medical programs:										
Medical care	20,949,897	22,592,233	25,369,020							
Medical services				20,449,427	22,584,161	24,139,378	27,517,363	30,445,908	33,512,421	37,588,065
Medical support and compliance				4,095,078	4,437,300	3,430,542	3,674,815	3,956,617	4,405,500	4,882,000
Medical facilities				3,188,817	3,329,749	3,357,869	4,548,165	4,233,182	6,029,000	4,859,000
Total Medical care programs	20,949,897	22,592,233	25,369,020	27,733,322	30,351,210	30,927,789	35,740,343	38,635,707	43,946,921	47,329,065
Medical and prosthetic research	350,228	367,707	392,400	405,593	402,348	412,000	446,480	480,000	510,000	581,000
Medical administration and miscellaneous operating expenses	61,780	66,681	74,230	0	0	0	0	0	0	0
DoD/VA health care sharing Incentive fund				30,000	30,000	30,000	70,000	90,000	34,000	55,000
Medical care cost recovery fund, permanent	0	0	0	0	0	0	0	0	0	0
Total medical programs	**21,361,905**	**23,026,621**	**25,835,650**	**28,168,915**	**30,783,558**	**31,369,789**	**36,256,823**	**39,205,707**	**44,490,921**	**47,965,065**

Budget Authority
2001 - 2010 Actuals
(dollar in thousands)

Appropriation/Fund Account	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)
Construction programs:										
Construction, major projects	65,895	183,180	99,526	671,578	481,498	1,560,519	399,000	1,531,477	923,382	1,194,000
Advance appropriation	0	0	0	0	0	0	0	0	0	0
Construction, minor projects	165,974	210,900	224,531	250,656	245,476	233,137	524,937	630,535	741,534	703,000
Grants for the construction of State extended care facilities	99,780	100,000	99,350	101,498	104,322	85,000	85,000	165,000	325,000	100,000
Grants for the construction of State veterans cemeteries	24,945	25,000	31,792	31,811	31,744	32,000	32,000	39,500	42,000	46,000
Parking revolving fund	6,486	4,000	0	0	0	0	0	0	0	0
Total construction programs	**363,080**	**523,080**	**455,199**	**1,055,543**	**863,040**	**1,910,656**	**1,040,937**	**2,366,512**	**2,031,916**	**2,043,000**
Information Technology					1,283,517	1,231,420	1,247,846	2,358,122	2,798,182	3,307,000
National cemetery administration	109,137	121,078	132,284	143,352	147,784	149,798	160,231	193,858	280,000	250,000
General operating expenses and misc.:										
General operating expenses	1,100,469	1,197,914	1,353,196	1,275,201	1,433,700	1,373,240	1,586,372	1,751,758	1,954,167	2,086,707
Filipino veterans equity compensation fund							0	0	198,000	
Office of Inspector General	46,256	52,269	57,623	61,634	69,153	69,074	70,641	80,500	88,818	109,000
Total GOE and miscellaneous	**1,146,725**	**1,250,183**	**1,410,819**	**1,336,835**	**1,502,853**	**1,442,314**	**1,657,013**	**1,832,258**	**2,240,985**	**2,195,707**
Total appropriations (adjusted)	**48,731,538**	**53,925,217**	**60,349,468**	**63,283,563**	**70,355,884**	**72,125,146**	**80,602,410**	**88,934,780**	**96,930,076**	**123,226,743**
DEDUCT: Proprietary receipts from the public	-2,476,478	-3,206,663	-1,485,924	-1,697,725	-1,868,383	-1,994,172	-2,226,653	-2,477,000	-2,766,908	-2,847,565
Total federal funds	**46,255,060**	**50,718,554**	**58,863,544**	**61,585,838**	**68,487,501**	**70,130,974**	**78,375,757**	**86,457,780**	**94,163,168**	**120,379,178**
Trust funds:										
Post-Vietnam era veterans education account	3,552	2,298	1,266	1,024	619	333	230	820	49	6
General post fund	35,295	35,334	30,576	31,066	30,926	31,851	30,754	39,718	36,365	26,950
Pershing Hall revolving fund	-250	-250	-250	0	0	0	0	0	0	0
National service life insurance	1,239,233	1,219,747	1,192,335	1,238,240	1,210,888	1,185,856	1,138,518	1,144,755	1,117,152	1,078,083
U.S. Government life insurance	10,579	9,682	8,506	7,877	7,323	6,322	4,000	5,295	4,688	4,294
Service-disabled veterans insurance fund	7,609	4,219	0	0	1	0	0	0	0	0
Veterans reopened insurance fund	13,216	14,781	0	0	-1	0	0	0	0	0
Veterans special life insurance fund	-26,520	-28,696	0	0	0	0	0	0	0	0
Servicemembers' group life insurance fund	-596	-64	957	0	-21	-20	0	0	0	0
National cemetery gift fund	98	183	78	78	0	396	0	0	0	0
Total trust funds (gross)	**1,282,216**	**1,257,234**	**1,233,468**	**1,278,285**	**1,249,735**	**1,224,738**	**1,173,502**	**1,190,588**	**1,158,254**	**1,109,333**
DEDUCT: Proprietary receipts from the public	-203,558	-185,392	-1,282,639	-2,677,090	-1,474,804	-1,710,188	-1,393,310	-1,691,506	-1,372,124	-684,058
Total trust funds (net)	**1,078,658**	**1,071,842**	**-49,171**	**-1,398,805**	**-225,069**	**-485,450**	**-219,808**	**-500,918**	**-213,870**	**425,275**
DEDUCT: Intragovernmental transactions	-2,463	-2,693	-1,665	-1,279	-1,670	-886	-725	-1,191	-1,303	-1,269
Total Department of Veterans Affairs	**$47,440,392**	**$51,908,781**	**$58,944,992**	**$60,329,106**	**$69,692,063**	**$71,025,856**	**$79,563,302**	**$88,507,651**	**$97,026,177**	**$124,360,184**

Budget Outlays
2001 - 2010 Actuals
(dollar in thousands)

Appropriation/Fund Account	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)
Federal Funds:										
Benefit programs:										
Compensation & pensions	$21,419,720	$25,678,949	$28,020,904	$29,783,850	$34,693,641	$34,680,630	$34,599,803	$40,241,426	$44,734,687	$47,901,439
Readjustment benefits	1,608,226	1,987,727	2,364,257	2,684,382	2,936,589	2,949,314	2,999,468	3,209,553	3,875,395	8,316,712
Veterans insurance and indemnities	24,484	25,661	27,958	31,638	44,649	45,956	49,873	41,332	47,659	44,927
Reinstated entitlement program for survivors	-2,130	733	3,478	0	0	0	0	0	0	0
Veterans housing benefit program fund liquidating account	-3,966	-126,537	-61,218	-92,958	-76,577	-71,812	-28,340	-24,632	-11,868	-9,892
Veterans housing benefit program fund program account	497,515	918,886	1,450,699	370,964	2,033,378	213,086	208,472	969,168	467,660	974,811
Native American veteran housing loan program account	647	935	886	1,278	555	566	571	628	617	664
Service-disabled veterans insurance fund	7,933	3,237	5,548	3,002	-6,281	-5,713	-8,085	3,407	8,004	5,974
Veterans reopened insurance fund	11,707	12,543	15,065	17,896	19,840	20,956	22,973	23,121	24,649	23,110
Education loan fund liquidating account	-49	-27	-43	109						
Education loan modification				-129						
Education loan fund program account	221	64	70	69						
Vocational rehabilitation loans program account	478	332	329	337	347	348	350	355	375	357
Servicemembers' group life insurance fund	-330	-331	-3,466	5,239	-21	-19	-25	-17	-11,247	11,208
Total benefits programs	**23,564,456**	**28,502,172**	**31,824,467**	**32,805,677**	**39,646,120**	**37,833,312**	**37,845,060**	**44,464,341**	**49,135,931**	**57,269,310**
Medical programs:										
Medical care	20,926,823	22,624,343	24,755,762							
Medical services				21,877,112	21,861,500	23,855,420	26,083,319	30,038,203	33,969,490	36,580,626
Medical support and compliance				3,418,844	4,171,364	3,695,558	3,640,454	3,634,998	4,224,639	4,711,724
Medical facilities				2,472,619	3,015,958	3,341,474	3,544,804	4,241,189	4,639,594	5,057,072
Total Medical care programs	20,926,823	22,624,343	24,755,762	27,768,575	29,048,822	30,892,452	33,268,577	37,914,390	42,833,723	46,349,422
Medical and prosthetic research	339,056	359,523	363,988	389,091	389,759	406,094	403,841	436,626	507,911	520,904
Medical administration and miscellaneous operating expenses	64,473	64,723	68,370	0	0	0	0	0	0	0
DoD/VA health care sharing Incentive fund	0	0	0	0	811	6,861	35,663	41,567	42,538	46,920
Medical care cost recovery fund	0	0	0	0	0	0	0	0	0	0
Health professional scholarship program	0	0	0	0	0	0	0	0	0	0
Medical facilities revolving fund	713	327	167	212						
Veterans extended care revolving fund	0	0	-3,076	-1,673						
Special therapeutic and rehabilitation activities fund	-1,317	-1,762	-1,116	-796						
Canteen service revolving fund	5,948	5,050	-4,814	3,447	-5,813	2,622	-3,355	3,762	16,313	6,120
Total medical programs	**21,335,696**	**23,052,204**	**25,179,281**	**28,158,856**	**29,433,579**	**31,308,029**	**33,704,726**	**38,396,345**	**43,400,485**	**46,923,366**

Budget Outlays
2001 - 2010 Actuals
(dollar in thousands)

Appropriation/Fund Account	2001 (Net)	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)
Construction programs:										
Construction, major projects	178,846	176,434	124,886	118,396	146,228	237,185	437,136	528,791	658,137	990,942
Construction, minor projects	156,774	156,632	173,260	199,766	217,353	259,427	267,315	412,682	507,720	535,426
Parking revolving fund	4,814	504	795	3,404						
Grants to the Republic of the Philippines	0	0	0	0	0	0	0	0	0	0
Grants for the construction of State extended care facilities	60,482	83,123	86,286	77,369	96,780	122,106	108,793	115,634	128,794	108,716
Grants for the construction of State veterans cemeteries	20,347	28,537	25,286	39,168	22,510	37,354	25,585	31,092	29,848	36,406
Nursing home revolving fund	158	0	0	0	0	0	0	0	0	0
Total construction programs	**421,421**	**445,230**	**410,513**	**438,103**	**482,871**	**656,072**	**838,829**	**1,088,199**	**1,324,499**	**1,671,490**
Information Technology					731,605	622,136	1,111,376	1,988,974	2,395,337	2,525,805
National cemetery administration	103,351	119,874	125,218	135,593	150,028	148,734	156,263	167,002	209,275	250,431
General operating expenses and misc.:										
General operating expenses	1,071,700	1,145,365	1,220,932	1,252,361	1,293,600	1,544,925	1,476,092	1,628,150	1,839,593	1,897,029
Filipino veterans equity compensation fund	0	0	0	0	0	0	0	0	82,438	113,131
Franchise fund	-7,060	-21,037	-17,300	-5,532	0	0	10,000	33,784	13,101	-28,243
Office of Inspector General	47,236	52,179	53,228	57,819	65,952	72,815	71,696	71,583	88,445	96,650
Supply fund	-48,909	-193,259	-313,041	-146,211	0	261,043	29,000	2,564	-27,367	-30,874
Pershing hall revolving fund	-446	0	-264	-109	-45	-45	-45	-136	0	0
Total GOE and miscellaneous	**1,062,521**	**983,248**	**943,555**	**1,158,328**	**1,359,507**	**1,878,738**	**1,586,743**	**1,735,945**	**1,996,210**	**2,047,693**
Total appropriations (adjusted)	**46,384,094**	**52,982,854**	**58,357,816**	**62,560,964**	**70,922,077**	**71,676,151**	**73,975,358**	**85,684,830**	**95,857,125**	**107,911,859**
DEDUCT: Proprietary receipts from the public	-2,476,478	-3,206,663	-1,485,924	-1,697,725	-1,868,383	-1,994,172	-2,226,653	-2,477,000	-2,766,908	-2,421,010
Total federal funds	**43,907,616**	**49,776,191**	**56,871,892**	**60,863,239**	**69,053,694**	**69,681,979**	**71,748,705**	**83,207,830**	**93,090,217**	**105,490,849**
Trust funds:										
Post-Vietnam era veterans education account	14,402	9,006	4,658	3,560	2,897	2,375	2,200	2,030	1,909	1,498
General post fund	31,910	30,921	30,367	27,487	30,508	30,324	29,670	27,082	37,589	26,466
National service life insurance	1,221,445	1,175,521	1,178,204	1,231,445	1,206,851	1,199,743	1,168,739	1,163,064	1,188,023	1,147,080
U.S. Government life insurance	10,866	9,904	9,525	9,316	8,525	7,661	7,003	6,190	6,290	5,537
Veterans special life insurance	-46,643	-51,856	-43,404	-37,141	-40,256	-31,852	-25,224	-14,164	-1,582	4,434
National cemetery gift fund	92	99	144	51	0	79				
Total trust funds (gross)	**1,232,072**	**1,173,595**	**1,179,494**	**1,234,718**	**1,208,525**	**1,208,330**	**1,182,388**	**1,184,202**	**1,232,229**	**1,185,014**
DEDUCT: Proprietary receipts from the public	-203,558	-185,392	-1,282,639	-2,677,090	-1,474,804	-1,710,188	-1,393,310	-1,691,506	-1,366,596	-689,584
Total trust funds (net)	**1,028,514**	**988,203**	**-103,145**	**-1,442,372**	**-266,279**	**-501,858**	**-210,922**	**-507,304**	**-134,367**	**495,430**
DEDUCT: Intragovernmental transactions	-2,463	-2,693	-1,665	-1,279	-1,670	-886	-725	-1,191	-1,303	-1,269
Total Department of Veterans Affairs	**$45,037,018**	**$50,881,575**	**$56,892,300**	**$59,555,181**	**$69,667,378**	**$69,950,105**	**$72,804,697**	**$84,855,311**	**$95,559,159**	**$108,761,246**

Total Average Employment
2001 - 2010 Actuals

Appropriation/Fund Account	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Medical programs										
Medical care	182,946	183,712	186,553	*	*	*	*	*	*	*
Medical services				131,140	135,283	135,186	140,491	158,263	172,338	178,913
Medical Support and Compliance				34,218	35,652	36,244	37,405	35,847	39,851	42,434
Medical facilities				28,914	26,715	26,470	26,678	22,291	23,430	23,790
Total medical care programs	182,946	183,712	186,553	194,272	197,650	197,900	204,574	216,401	235,619	245,137
Medical and prosthetic research	3,019	3,096	3,217	3,234	3,206	3,193	3,175	3,142	3,226	3,352
VA/DoD Sharing Incentive Fund							88	126	126	127
Medical administration and miscellaneous operating expenses	528	534	551	*	*	*	*	*	*	*
Canteen service revolving fund	2,933	2,899	2,837	2,890	2,952	2,965	2,953	3,008	3,170	3,246
Total medical programs	**189,426**	**190,241**	**193,158**	**200,395**	**203,808**	**204,058**	**210,790**	**222,677**	**242,141**	**251,862**
Construction programs										
Construction, major projects	21	6	6	0	6	0	0	0	0	0
Construction, minor projects	43	53	50	36	50	19	17	19	12	8
Total construction programs	**64**	**59**	**56**	**36**	**56**	**19**	**17**	**19**	**12**	**8**
General operating expenses										
Veterans Benefits Administration	12,152	13,073	13,206	12,795	12,576	12,810	13,504	14,965	17,123	19,605
General administration	2,555	2,598	2,385	2,431	2,499	2,589	2,901	2,420	2,591	2,753
Total general operating expenses	**14,707**	**15,671**	**15,591**	**15,226**	**15,075**	**15,399**	**16,405**	**17,385**	**19,714**	**22,358**
Information Technology								6,348	6,710	6,853
National Cemetery Administration	1,385	1,454	1,476	1,492	1,523	1,527	1,541	1,512	1,622	1,670
Office of Inspector General	370	393	399	434	454	435	470	448	509	553
Franchise Fund	636	670	662	706	832	688	726	702	769	822
Supply Fund	361	382	410	421	451	469	426	407	504	699
Total Department of Veterans Affairs	**206,949**	**208,870**	**211,752**	**218,710**	**222,199**	**222,595**	**230,375**	**249,498**	**271,981**	**284,825**

* 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.**

Estimates of Combat Theatre Obligations from the National Survey of Veterans
(dollars in millions)

Appropriations	2010 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	$38,094	48%	$18,285
Dependency and Indemnity Compensation	$5,198	N/A	
Pensions			
Veterans	$3,187	51%	$1,625
Survivors	$1,158	N/A	
Inpatient Facilities	$18,768	37%	$6,944
Outpatient Care	$22,583	35%	$7,904
Miscellaneous Medical Service	$1,567	N/A	
Readjustment Counseling	$174	N/A	
Veterans Insurance and Indemnities	$59	44%	$26
Specially Adapted Housing	$68	N/A	
Burial Benefits	$165	49%	$81
Educational Assistance	$7,645	37%	$2,829
Vocational Rehabilitation	$769	52%	$400
Survivors' and Dependents' Educational Assistance	$507	N/A	
Home Loan Guaranty	$965	42%	$405
Automobiles and Adaptive Equipment	$65	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)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	2013 (Adv. Approp. Request)	Strategic Target
Veterans Health Administration								
Medical Care Programs								
Performance Measures								
Percent of VA Hospitals whose unplanned readmissions rates are less than or equal to other hospitals in their community	N/Av	N/Av	N/Av	N/Av	80%	85%	90%	100%
Number of Health Care Associated Complications	N/Av	N/Av	N/Av	N/Av	18	17	16	<12
Prevention Index IV (The 2007-2008 results are PI III. The 2009-2010 results and 2011- 2013 targets are PI IV.)	88%	88%	89%	91%	93%	93%	93%	94%
Clinical Practice Guidelines Index III (The 2007-2008 results are CPGI II. The 2009-2010 results and 2011-2013 targets are CPGI III.)	83%	84%	91%	92%	92%	92%	92%	93%
Non-institutional, long-term care average daily census (ADC)	41,022	54,053	72,315	85,940	109,256	113,926	118,522	154,152
Percent of primary care appointments completed within 14 days of the desired date	N/Av	N/Av	N/Av	93%	93%	94%	94%	95%
Percent of specialty care appointments completed within 14 days of the desired date	N/Av	N/Av	N/Av	93%	93%	94%	95%	96%
Percent of new patient appointments completed within 14 days of the desired date	N/Av	N/Av	N/Av	84%	85%	86%	87%	88%
Percent of patients rating VA health care as 9 or 10 (on a scale from 0 to 10) (VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Health Care Plans and Systems (CAHPS). FY 2009 was a re-baseline year to determine both annual and strategic targets. The FY 2009 results are not comparable with prior years and cannot be compared to FY 2010 due to additional changes to the survey instrument and administration protocol that were implemented in FY 2010.)								
Inpatient	78%	79%	63% (Baseline)	64%	65%	66%	67%	75%
Outpatient	78%	78%	57% (Baseline)	55%	57%	58%	59%	70%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Target
	2007	2008	2009	2010	2011 (Final)	2012 (Request)	2013 (Adv. Approp. Request)	
Veterans Health Administration								
Medical Care Programs								
Performance Measures								
Percent of Veterans who successfully obtain resident status as a result of vouchers distributed through the U.S. Department of Housing and Urban Development and Veterans Affairs Supportive Housing (HUD-VASH) program (Supports Priority Goal)	N/Av	N/Av	N/Av	88%	80%	90%	90%	90%
Number of Homeless Veterans on any given night (Supports Priority Goal) (Survey was conducted in FY 2010; results will be available in Q2 FY 2011.)	154,000	131,000	107,000	TBD	80,000	59,000	35,000	0
Percent of Eligible Patient Evaluations Documented within 14 days of New MH Patient Index Encounter (Supports Priority Goal)	N/Av	N/Av	96%	96%	96%	96%	N/Ap	96%
Percent of eligible patients screened at required intervals for PTSD (Supports Priority Goal)	80%	84%	96%	98%	97%	97%	N/Ap	97%
Percent of eligible patients screened at required intervals for alcohol misuse (Supports Priority Goal)	N/Av	N/Av	N/Av	97%	97%	97%	N/Ap	98%
Percent of eligible patients screened at required intervals for depression (Supports Priority Goal)	N/Av	N/Av	N/Av	97%	96%	97%	N/Ap	98%
Percent of OEF/OIF Veterans with a primary diagnosis of PTSD who receive a minimum of 8 psychotherapy sessions within a 14-week period (Supports Priority Goal)	N/Av	N/Av	N/Av	11%	15%	38%	52%	60%
Percent of eligible OEF/OIF PTSD patients evaluated at required intervals for level of symptoms (Supports Priority Goal)	N/Av	N/Av	N/Av	5%	10%	20%	40%	80%
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	74%	76%	79%	74%	75%	76%	77%	91%
Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans	N/Av	N/Av	N/Av	13%	15%	12%	11%	10%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Target
	2007	2008	2009	2010	2011 (Final)	2012 (Request)	2013 (Adv. Approp. Request)	
Veterans Health Administration								
Medical Care Programs								
Performance Measures								
Percent of VHA clinical healthcare professionals who have had VA training prior to employment	N/Av	N/Av	27% (Baseline)	29%	20%	TBD	TBD	30%
Obligations per unique patient user (VHA) (FY 2007 results are expressed in constant dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI for all Urban Consumers (CPI-U) was used for the FY 2008-2010 results, and will be used to finalize FY 2011-2013 targets.)	$5,740	$5,891	$6,317	$6,551	$6,757	$6,854	$6,725	TBD
Gross Days Revenue Outstanding (GDRO) for 3rd party collections (VHA)	59	56	55	45	48	40	38	37
Total amount expended for health care rendered to VA beneficeries at a DOD facility ($ Millions) (New)	N/Av	N/Av	N/Av	N/Av	$79M	$83M	$87M	$92M
Amount billed for heatlh care services provided to DoD beneficiaries at VA facilities ($	N/Av	N/Av	N/Av	N/Av	$108M	$113M	$119M	$125M
Dollar value of 1st party and 3rd party collections (VHA):								
1st Party ($ in millions)	$915	$922	$892	$870	$863	$816	$820	$956
3rd Party ($ in millions)	$1,261	$1,497	$1,843	$1,904	$1,954	$2,109	$2,315	$2,475
Percent of NonVA claims paid in 30 days (New)	N/Av	N/Av	N/Av	N/Av	Baseline	95%	97%	98%
Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient Surveys of the Health Experiences of Patients (SHEP) (After measure validation is completed in 2010, 2011 will be a re-baseline year.)	N/Av	N/Av	N/Av	71%	68% (Baseline)	70%	71%	75%
Medical Research								
Performance Measures								
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (One milestone to be achieved over 1 year) (Measure being dropped after FY 2011)	67%	80%	80%	80%	100%	N/Ap	N/Ap	100%
Percent of milestones completed towards development of one new objective method to diagnose mild TBI	N/Av	N/Av	N/Av	N/Av	33%	55%	66%	100%
Percent increase in number of enrolled Veterans participating in telehealth (This focus is on Office of Telehealth Services Care Coordination Hone Telehealth, General Telehealth and Store and Forward Telehealth services only)	N/Av	N/Av	N/Av	N/Av	30%	45%	60%	75%
Progress toward researching, developing, and implementing innovations in clinical practice that ensures improved access to health care for Veterans, especially in rural areas	N/Av	N/Av	N/Av	N/Av	42%	68%	94%	100%
Percent of milestones completed leading to 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)	N/Av	N/Av	N/Av	25%	35%	50%	60%	100%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	Strategic Target
Veterans Benefits Administration							
Compensation							
Performance Measures							
National accuracy rate - compensation entitlement claims (1) through July	88%	86%	84%	(1) 84%	90%	92%	98%
Compensation maintenance claims - average days to complete	N/Av	N/Av	N/Av	99	89	79	60
Compensation entitlement claims - average days to complete (1) Corrected	N/Av	N/Av	N/Av	(1)169	158	148%	90
Percentage of Compensation Maintenance claims pending inventory that is more than 90 days old (New)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	0%
Burial claims processed - average days to complete (Compensation)	91	84	78	76	70	60	21
Percentage of burial claims pending inventory that is more than 60 days old (New)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	0
National accuracy rate (Compensation maintenance claims) (1) through July	92%	95%	95%	(1) 96%	96%	97%	98%
National accuracy rate - burial claims processed (Compensation) (1) through July	95%	96%	93%	(1)96%	98%	98%	98%
Overall satisfaction rate (Compensation) (1) No survey was completed for 2008. (2) Baseline work will provide FY 2010 results, but these will not be available unitl the end of FY 2011. (3) Once baseline results are available, a 2011 target will be established and a 2011 survey will be conducted in early FY 2012.	N/Av	(1)N/Av	N/Av	(2)Baseline	(3)TBD	TBD	TBD
Pension							
Performance Measures							
National accuracy rate - pension maintenance claims (1) through July	91%	93%	95%	(1) 96%	95%	95%	98%
Percent of pension maintenance claims pending inventory that is more than 90 days old	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	0%
National accuracy rate - pension entitlement claims (1) through July	91%	87%	95%	(1) 96%	96%	96%	98%
Overall satisfaction rate (Pension) (1) No survey was completed for 2008. (2) Baseline work will provide FY 2010 results, but these will not be available unitl the end of FY 2011. (3) Once baseline results are available, a 2011 target will be established and a 2011 survey will be conducted in early FY 2012.	N/Av	(1)N/Av	N/Av	(2)Baseline	(3)TBD	TBD	TBD

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	Strategic Target
Veterans Benefits Administration							
Education							
Performance Measures							
Average days to complete original Education claims (Supports Priority Goal)	32	19	26	39	23	23	10
Average days to complete supplemental Education claims (Supports Priority Goal)	13	9	13	16	12	9	7
Percent of claims processed through the automated claims processing system	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
Percent of Montgomery GI Bill participants who successfully completed an education or training program	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
Montgomery GI Bill usage rate for Veterans who have passed their 10-year eligibility period (1) 2010 data will be available in 2011. (2) Measure being dropped after FY 2011.	70%	70%	70%	(1)TBD	71	(2)N/Av	80%
Percent of Eligible Applicants who use the Post-9/11 GI Bill (New)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
Education Claims Completed Per FTE	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
Payment accuracy rate (Supports Priority Goal)	95%	96%	96%	95%	95%	96%	97%
Telephone Activities - Abandoned call rate	14%	5%	11%	17%	10%	7%	5%
Percent of beneficiaries very satisfied or somewhat satisfied with the way VA handled their education claim (1) No survey was completed for 2008. (2) Baseline work will provide FY 2010 results, but these will not be available unitl the end of FY 2011. (3) Once baseline results are available, a 2011 target will be established and a 2011 survey will be conducted in early FY 2012.	N/Av	(1)N/Av	N/Av	(2)Baseline	(3)Baseline	TBD	TBD
Percent of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (1) No survey was completed for 2008. (2) Baseline work will provide FY 2010 results, but these will not be available unitl the end of FY 2011. (3) Once baseline results are available, a 2011 target will be established and a 2011 survey will be conducted in early FY 2012.	N/Av	(1)N/Av	N/Av	(2)Baseline	(3)Baseline	TBD	TBD

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	Strategic Target
Veterans Benefits Administration							
Vocational Rehabilitation and Employment							
Performance Measures							
Rehabilitation Rate (General)	73%	76%	74%	76%	77%	77%	80%
Serious Employment Handicap (SEH) Rehabilitation Rate	73%	76%	74%	75%	77%	77%	80%
Employment Rehabilitation Rate	N/Av	N/Av	Baseline	73%	75%	77%	80%
Independent Living Rehabilitation Rate	N/Av	N/Av	Baseline	93%	92%	92%	95%
Speed of Entitlement Decisions in average days (1) Corrected	54	48	(1) 51	49	45	45	40
Accuracy Rate of Decisions (Services)	77%	82%	80%	81%	85%	85%	96%
Accuracy rate of Vocational Rehabilitation Program Completion Decisions	93%	96%	96%	97%	97%	97%	99%
Average cost of professional counseling services for participants (using constant 2009 dollars) (Measure description was changed to better specify the staff cohort that is being included in the cost calculation.)	N/Av	N/Av	$810	$829	$862	$844	N/Ap
Veterans' satisfaction with the Vocational Rehabilitation and Employment Program (1) No customer satisfaction survey was (2) Baseline work will provide FY 2010 results, but these will not be available unitl the end of FY 2011. (3) Once baseline results are available, a 2011 target will be established and a 2011 survey will be conducted in early FY 2012.	(1)N/Av	90%	(1)N/Av	(2)Baseline	(3)TBD	TBD	TBD
Housing							
Performance Measures							
Default Resolution Rate (1) Corrected	N/Av	N/Av	(1) 71.5%	76.3%	73.0%	74.0%	75.0%
Program Review Accuracy Rate (New)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
Rate of homeownership for Veterans compared to that of the general population	N/Av	115.2%	117.2%	117.2%	118.0%	118.5%	119.0%
Default Resolution Efficiency Ratio (1) Corrected	N/Av	N/Av	(1) 32.0:1	55.7:1	36.0:1	37.0:1	38.0:1
Success Rate of Automated Certificate of Eligibility (ACE) System	N/Av	N/Av	N/Av	Baseline	62%	TBD	75.0%
Lender Satisfaction with VA Loan Guaranty Program (FY 2010 estimate)	92.0%	N/Av	95.0%	94.5%	94.5%	96.5%	97.0%
Veterans' Satisfaction Level with the VA Loan Guaranty Program (1) No survey was completed for 2008. (2) Baseline work will provide FY 2010 results, but these will not be available unitl the end of FY 2011. (3) Once baseline results are available, a 2011 target will be established and a 2011 survey will be conducted in early FY 2012.	91.7%	(1)N/Av	92.3%	(2)Baseline	(3)TBD	TBD	TBD

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	Strategic Target
Veterans Benefits Administration							
Insurance							
Performance Measures							
Rate of high client satisfaction ratings on services delivered (Insurance)	96%	95%	96%	95%	95%	95%	95%
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	1,724	1,756	1,755	1,714	1,750	1,750	1,750
Conversion rate of disabled SGLI members to VGLI (Insurance)	40%	45%	32%	37%	39%	40%	50%
National Cemetery Administration							
Burial Program							
Performance Measures							
Percent of graves in national cemeteries marked within 60 days of interment	94%	93%	95%	94%	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 (Supports Priority Goal)	38%	95%	93%	74%	90%	90%	90%
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	83.4%	84.2%	87.4%	88.1%	89.0%	89.8%	94.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	95%	95%	97%	98%	100%
Percent of respondents who rate national cemetery appearance as excellent	97%	98%	98%	98%	99%	99%	100%
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need (1) Corrected	98%	98%	(1) 98%	98%	99%	99%	100%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	83%	86%	90%	89%	89%	90%	95%
Percent of headstones and markers that are delivered undamaged and correctly inscribed	96%	96%	96%	96%	98%	98%	98%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	75%	84%	82%	85%	90%	90%	95%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	69%	65%	64%	67%	73%	78%	90%
Percent of national cemetery buildings and structures that are assessed as "acceptable" according to annual Facility Condition Assessments	N/Av	N/Av	84%	84%	87%	88%	90%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours (Supports Priority Goal)	72%	72%	73%	77%	80%	84%	93%
Percent of Presidential Memorial Certificate applications that are processed within 20 days of receipt (Supports Priority Goal)	N/Av	N/Av	N/Av	17%	70%	80%	90%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically via fax or Internet (Supports Priority Goal)	N/Av	46%	52%	56%	60%	65%	75%
Percent of requests from funeral directors for interment at national cemeteries that are received electronically (Internet) (Supports Priority Goal)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	50%
Percent of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent	N/Av	N/Av	N/Av	94%	94%	95%	100%
Percent of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent	N/Av	N/Av	N/Av	96%	96%	97%	100%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	Strategic Target
Board of Veterans' Appeals							
Performance Measures							
Appeals resolution time (From NOD to Final Decision) (Average Number of Days) (Joint BVA-VBA Compensation and Pension measure)	660	645	709	656	695	690	400
BVA Cycle Time (Excludes Representative Time) (Average Number of Days)	136	155	100	99	140	140	104
Appeals decided per Veteran Law Judge	721	754	813	818	752	752	800
Percent of Total Hearings that are Conducted via Video Conference (New)	N/Ap	N/Ap	N/Ap	N/Ap	35%	35%	35%
Departmental Management							
Performance Measures							
Percent of total procurement dollars awarded to service-disabled Veteran-owned small businesses (OSDBU) (1) Corrected	7.09%	12.09%	16.96%	(1) 20%	10%	10.0%	10%
Percent of total procurement dollars awarded to Veteran-owned small businesses (OSDBU) (1) Corrected	10.13%	15.27%	19.30%	(1)23%	12%	12%	12%
Number of Homeless Veterans on any given night (Supports Priority Goal) (Joint VHA-OPIA measure) (Survey was conducted in FY 2010; results will be available in Q2 FY 2011.)	154,000	131,000	107,000	TBD	80,000	59,000	0
Percent of federally recognized Native American tribes contacted by VA for outreach purposes (OPIA)	1%	1%	1%	80%	80%	TBD	100%
Percent of milestones achieved towards deployment and implementation of a paperless disability claims processing system (Supports Priority Goal) (OI&T)	N/Av	N/Av	N/Av	N/Av	100%	100%	100%
Percent of milestones achieved in deploying and implementing the Client Relations Management System (CRMS) (Supports Priority Goal) (OI&T)	N/Av	N/Av	N/Av	N/Av	30%	70%	100%
Percent of annual milestones achieved towards deployment and implementation of an automated GI Bill benefits delivery system (Supports Priority Goal) (OI&T)	N/Av	N/Av	N/Av	N/Av	60%	100%	100%
Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER) (Supports Priority Goal) (OI&T)	N/Av	N/Av	N/Av	N/Av	Baseline	60%	100%
Percent of available Veteran electronic records which can be accessed through Virtual Lifetime Electronic Record (VLER) capabilities (Supports Priority Goal) (OI&T)	N/Av	N/Av	N/Av	N/Av	Baseline	2%	100%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	Strategic Target
Departmental Management							
Performance Measures							
Percent of VA IT systems that automatically reuse all redundant client information in other systems (OI&T)	N/Av	N/Av	N/Av	0%	16%	25%	100%
Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA)	27%	57%	75%	12%	85%	85%	90%
Percentage of testimony submitted to Congress within the required timeframe (OCLA)	75%	58%	80%	62%	85%	90%	90%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	40%	59%	76%	63%	85%	90%	95%
Percent of executive correspondence actions completed on time (OCLA) (New)	N/Av	N/Av	N/Av	N/Av	85%	90%	90%
Alternative Dispute Resolution (ADR) participation rate in the informal stage of the Equal Employment Opportunity (EEO) complaint process (HR&A)	28%	46%	48%	52%	53%	54%	55%
Percentage of VA employees who are Veterans (HR&A)	31%	30%	30%	31%	31%	31%	33%
Workers' Compensation Lost Time Case Rate (LTCR) (New) (HR&A)	1.87	1.81	1.82	1.71	1.64	1.64	1.64
Average processing time for VA regulations (number of months) (OGC) (1) Corrected							
-Requiring advance notice and public comment (2-stage)	N/Av	21.7	19.4	(1) 19.6	19.6	19.6	19.6
-Without advance notice and public comment (1-stage)	N/Av	7.4	7.8	(1) 7.5	7.5	19.6	7.5
Number of material weaknesses (OM)	4	3	4	1	1	1	0
Percent Condition Index (owned buildings) (OAEM) (1) Corrected (Standard government-wide measure required by the Federal Real Property Council) The Office of Asset Enterprise Management (OAEM) develops VA policy that governs the Department's Capital Asset Management. Policy execution is done by VA's business lines (Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration), and annual performance results are reported by OAEM.	74%	66%	74%	(1)71%	76%	78%	87%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (1) Corrected (See ** above)	112%	113%	113%	(1)12%	108%	102%	100%
Ratio of non-mission dependent assets to total assets (OAEM) (1) Corrected (See ** above)	12%	12%	(1)12%	(1)9%	11%	10%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (1) Corrected (See ** above)	$5.80	$6.47	$6.95	(1)$7.64	$7.38	$7.23	$6.41
Percent of CY electricity consumption generated with renewable energy sources (OAEM) The Office of Asset Enterprise Management (OAEM) develops VA policy that governs the Department's Capital Asset Management. Policy execution is done by VA's business lines (Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration), and annual performance results are reported by OAEM.	3%	4%	3%	N/Av	5%	5%	15% by 2013
Cumulative percent decrease in greenhouse gas emissions (OAEM) (See ** above)	N/Av	N/Av	N/Av	N/Av	3	6%	30% by 2020
Percent of Annual Major Construction Operating Plan Executed (OALC)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	90%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results 2007	2008	2009	2010	Fiscal Year Targets 2011 (Final)	2012 (Request)	Strategic Target
Office of Inspector General							
Performance Measures							
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions	2,303	1,884	2,250	1,929	2,300	2,300	2,750
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action	217	212	235	263	240	240	300
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations	$820	$500	$2,931	$1,914	$1,000	$1,000	$1,500
Return on investment (monetary benefits divided by cost of operations in dollars) *Beginning in 2009, the cost of operations for the Office of Healthcare Inspections, whose oversight mission results in saving lives rather than dollars, is not included in the return on investment calculation (see the OIG's September 2010 *Semiannual Report to Congress,* page 4)	11 to 1	6 to 1	38 to 1	20 to 1	11 to 1	11 to 1	15 to 1
Percentage of:							
Prosecutions successfully completed	95%	94%	94%	97%	94%	94%	95%
Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA	86%	88%	94%	86%	90%	90%	95%
Recommended recoveries achieved from post award contract reviews (New)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	98%
Customer satisfaction survey scores (based on a scale of 1 - 5, where 5 is							
Investigations	4.9	4.6	4.9	4.9	4.5	4.5	5.0
Audits and Evaluations	3.7	4.0	4.0	4.0	4.0	4.0	5.0
Healthcare Inspections	4.4	4.7	4.7	4.6	4.6	4.3	5.0
Contract Review	N/Av	N/Av	4.6	4.7	4.2	4.2	5.0

Selected VA Facilities by Type

(as of December 2010)

Type of Facility	Number
Domiciliary Rehabilitation Treatment Programs – As of September 30, 2010	101
Geriatric Research, Education, and Clinical Centers as of December 2010	20
Health Administration Management Center	1
Independent Outpatient Clinics	6
Insurance Center	1
Memorial Service Networks	5
Mobile Clinics	9
Nursing Home Units	133
Orthotic/Prosthetic Laboratories	67
Prosthetic and Sensory Aids Restoration Clinics	5
Regional Loan Centers	9
Regional Office – Outpatient Clinic	1
Regional Offices	57
Regional Pension Maintenance Centers	3
Regional Education Processing Offices	4
VA Hospitals	152
VA National Cemeteries	131
VA Outpatient Clinics – As of September 30, 2010	791
Vet Centers – As of September 30, 2010	300
Mobile Vet Centers – As of September 30, 2010	50
Veterans Benefits Administration Area Offices	4
Veterans Integrated Service Networks (VISNS)	21

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