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## *Executive Summary*

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### **I. INTRODUCTION**

The 2013 President's Budget and 2014 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 2013 Budget continues support for transforming VA into a 21<sup>st</sup> Century organization that is people-centric, results-driven, and forward looking.

VA's 2013 Budget continues our focus on three key priorities: expanding access to benefits and services; reducing the claims backlog; and eliminating Veteran homelessness. These crosscutting and high impact efforts are designed to address the most visible and urgent issues in VA.

The Department's resource request for 2013 is \$140.3 billion. This includes almost \$64 billion in discretionary resources and nearly \$76.4 billion in mandatory funding. Our discretionary budget request represents an increase of \$2.7 billion, or about 4.5 percent, over the 2012 enacted level.

### **II. Stewardship of Resources**

VA's 2013 Budget will continue to ensure effectiveness, accountability, and efficiency 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; they include the following:

- Established the Project Management Accountability System (PMAS), which is a disciplined approach for managing our IT portfolio. Under PMAS in 2011, VA successfully delivered on 89 percent of established project milestones that deliver functionality for improving the effectiveness and efficiency of service delivery to Veterans. This exceeds the average project delivery rate in the private sector of 32 percent.

- Established management and oversight processes jointly with the Department of Defense to successfully guide the development of an integrated electronic health record.
- Awarded 18 percent of contracts to service-disabled Veteran-owned small businesses, exceeding the government-wide goal of 3 percent and leading all other Federal agencies in contracting with service-disabled Veterans.
- Remediated all three longstanding financial material weaknesses identified in prior financial management audits and reduced significant deficiencies from 16 to 2. Also reduced the amount of interest penalties paid per million dollars disbursed for late payments from \$48 per million in 2008 to only \$18 per million in 2011.
- 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 near to long-term infrastructure and service requirements and utilizes capital and non-capital solutions.
- Reduced improper payments and improved operational efficiencies in our medical fee care program. These changes will result in estimated savings of \$200 million in 2013.
- Established four Consolidated Patient Account Centers to standardize VA's billing and collection activities, consistent with industry best practices, with the remaining three becoming operational in 2012.

### **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.

The 2013 Budget request for VA medical care of \$52.7 billion is an increase of \$165 million over the 2013 advance appropriations enacted level. Within the total 2013 request, the increased funding requested in this Budget will be combined with reinvested funds made available as a result of revisions to previous medical care funding estimates. The revised estimates arise from lower actuarial model and long-term care funding estimates and will be reinvested to meet other

requirements, such as the activation costs of opening new and replacement medical facilities, ensure we fully meet requirements for implementing the Caregivers Act, support our plan to end Veteran homelessness, and enhance other initiatives which directly impact the accessibility and quality of health care, such as the expansion of new models of patient-centered care. Another key building block in developing the 2013 Budget request for medical care is the use of unobligated, or carryover balances, from 2012 to meet the cost of higher patient demand. This projected carryover of \$500 million is factored into VA's request for appropriations in 2013 and is a vital component of our multi-year budget. Any reductions in the amount of 2012 projected carryover funding would require a corresponding increase in new appropriations in 2013.

#### **IV. Strategic Framework**

VA's Strategic Plan includes four strategic goals:

- 1) Improve the quality and accessibility of health care, benefits, and memorial services, while optimizing value.
- 2) Increase Veteran client satisfaction with health, education, training, counseling, financial, and burial benefits and services.
- 3) Raise readiness to provide services and protect people and assets continuously and in time of crisis.
- 4) Improve internal customer satisfaction with management systems and support services to make VA an employer of choice by investing in human capital.

VA has identified three agency priority goals (APGs) which represent the Secretary's highest priorities. Each of the three APGs is focused on improving direct service delivery to Veterans and eligible beneficiaries and requires extensive collaboration across VA organizations. In addition, each APG will result in short term and high impact improvement in VA performance."

#### **Access**

VA continues to improve Veterans' access to VA benefits and services. One means of improving access is to ensure more Veterans are aware of VA programs. To accomplish this, VA is increasing the speed, accuracy, and efficiency of on-line information available to Veterans, Servicemembers, and eligible beneficiaries. Self-service, technology-enabled interactions provide access to information and the ability to execute transactions at the place and time convenient to the Veteran. The 2013 budget for this Veterans Relationship Management (VRM) initiative is \$119.4 million, and will support continued development of the on-line portal as



well as the development of new capabilities to better manage the relationship with our customers. By September 30, 2013, VA's goal is to increase the number of registered eBenefits users to 2.5 million, more than doubling the current number of 1.2 million registered users.

Another means of improving access is through the opening of new or improved facilities closer to where Veterans live. The 2013 medical care budget request includes \$792 million to activate new health care facilities, including resources to support the activation of 4 new hospitals in Orlando, Florida; Las Vegas, Nevada; New Orleans, Louisiana; and Denver, Colorado. In addition, this budget includes an initiative to establish a national cemetery presence in rural areas where the Veteran population is less than 25,000 within a 75-mile service area.

In addition, 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. This program will enable Veterans to stay in college to complete their degrees and enter career employment. The 2013 budget includes \$8.8 million to expand the program to a total of 80,000 Veteran students on 80 campuses.

### **Claims Backlog**

VA is attacking the disability compensation claims process and backlog through a focused and multi-pronged approach. A key element of VA's strategy is to deploy leading-edge, 21<sup>st</sup> 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 process transformation strategy 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. Nationwide deployment of VBMS is on target to begin in 2012.

The disability claims workload from returning war Veterans, as well as from Veterans of earlier periods is increasing each year. Annual claims receipts increased 95 percent from 2001 to 2011 (674,000 to 1,311,000), including 231,000 claims for the new Agent Orange presumptive service-connected conditions. We anticipate receiving nearly 1.25 million claims in 2013. The VBA funding request in the President's Budget is essential to meet this increasing workload and put VA on a path to achieve our ultimate goal of processing all claims in less than 125

days by the end of 2015. This funding will allow us to reduce the percent of claims older than 125 days to 40 percent in 2013.

### **Veteran Homelessness**

Working in conjunction with the Interagency Council on Homelessness (ICH) and the Department of Housing and Urban Development (HUD), VA's long-range goal is to eliminate homelessness among Veterans by 2015. VA's approach is built upon six strategies: outreach/education, treatment, prevention, housing/supportive services, income/employment/benefits, and community partnership. These six strategies encompass a wide continuum of interventions and services.

The 2013 budget includes \$1.4 billion for targeted programs to prevent and reduce homelessness among Veterans. This is an increase of 32.7 percent, or \$333 million over the 2012 enacted level of \$1 billion. This increase includes an additional \$83 million to enhance case management for permanent housing solutions offered through the HUD-VA Supportive Housing (HUD-VASH) program. The 2013 Budget also includes an additional 200 homeless outreach coordinators in the Veterans Benefits Administration. This Budget will support VA's goal of reducing the number of homeless Veterans to 35,000 in 2013.

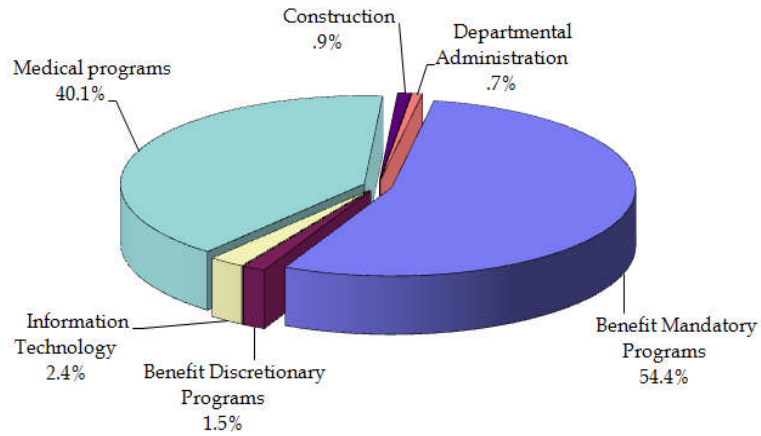
Our 2013 budget also supports a comprehensive approach to eliminating Veteran homelessness by making key investments in mental health programs. The 2013 budget includes \$6.2 billion for mental healthcare programs, an increase of \$312 million, or 5 percent over the 2012 enacted level of \$5.9 billion.

## **V. Overview of the 2013 Funding Level**

- Provides \$140.3 billion for high-quality health care, benefits, and memorial service to our country's veterans. The request includes:
  - \$64.0 billion in discretionary funding, including medical care collections, primarily for medical programs to provide high-quality health care for our veterans, benefits processing, and research for conditions and diseases that affect these veterans.
  - \$76.4 billion for mandatory entitlement programs to provide benefits for our veterans and their beneficiaries.

The chart below illustrates the components of VA's 2013 request.

**2013 Request  
\$140.3 Billion**



***Amount of 2013 Appropriation Request  
(dollars in thousands)***

Benefit Mandatory Programs	\$76,367,866	54.41%
Benefit Discretionary Programs	\$2,164,074	1.54%
Information Technology	\$3,327,444	2.37%
Medical programs	\$56,269,674	40.09%
Construction	\$1,271,000	0.91%
Departmental Administration	\$947,289	0.67%
<b>Total budget authority</b>	<b>\$140,347,347</b>	



## Budget Authority by Account

<i>Budget Authority</i> (dollars in thousands)				
BA/Fund Account	2011	2012	2013	Increase (+)
	Actual	Current Estimate	Request	Decrease (-)
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability Compensation	\$48,244,137	\$46,090,966	\$57,280,483	11,189,517
Burial Mandatory Benefits	151,241	201,197	220,871	19,674
Pensions Mandatory Benefits	4,644,279	4,945,404	4,239,878	-705,526
<b>Subtotal, Compensation and Pension</b>	<b>53,039,657</b>	<b>51,237,567</b>	<b>61,741,232</b>	<b>10,503,665</b>
Education Mandatory Benefits	10,566,769	11,149,642	11,540,850	391,208
Vocational rehabilitation and employment Mandatory Benefits	767,865	958,846	1,066,626	107,780
Vocational rehabilitation loan subsidy (non-add)	27	19	19	0
<b>Subtotal, Readjustment Benefits</b>	<b>11,334,634</b>	<b>12,108,488</b>	<b>12,607,476</b>	<b>498,988</b>
Insurance Mandatory Benefits	77,589	100,252	104,600	4,348
Housing Mandatory Benefits	1,387,359	1,658,708	184,859	-1,473,849
Veterans Employment and Infrastructure Enhancement Transfer Fund			1,000,000	1,000,000
<b>Non-Appropriated Accounts</b>				
Vocational Rehabilitation Upward Reestimate	194	106	0	-106
Native American Veteran Housing	4,508	12,911	0	-12,911
Housing Benefit Program fund Liquidating	-7,329	-7,106	-6,274	832
Trust Funds	1,046,159	1,049,301	999,637	-49,664
General Post Fund	28,024	28,900	29,900	1,000
Proprietary receipts	-531,188	-467,682	-292,851	174,831
Intragovernmental transactions	-1,015	-791	-713	78
<b>Total Benefits Mandatory</b>	<b>66,378,592</b>	<b>65,720,654</b>	<b>76,367,866</b>	<b>10,647,212</b>
Medical Research and Support	579,838	581,000	582,674	1,674
<b>Medical programs:</b>				
Medical services	36,948,248	39,462,235	41,504,000	2,041,765
Medical care collection fund	2,770,663	2,749,362	2,966,000	216,638
<b>Total Medical services with collections</b>	<b>39,718,911</b>	<b>42,211,597</b>	<b>44,470,000</b>	<b>2,258,403</b>
Medical Support and Compliance	5,252,367	5,510,832	5,746,000	235,168
Medical facilities	5,703,116	5,388,838	5,441,000	52,162
DoD-VA Health Care Sharing Incentive Fund	130,000	30,000	30,000	0
Joint DoD/VA Medical Facility Demonstration Fund	104,004	258,323	0	-258,323
<b>Total Medical Care</b>	<b>50,908,398</b>	<b>53,399,590</b>	<b>55,687,000</b>	<b>2,287,410</b>
<b>Total medical programs</b>	<b>51,488,236</b>	<b>53,980,590</b>	<b>56,269,674</b>	<b>2,289,084</b>
<b>National Cemeteries Administration</b>	<b>249,500</b>	<b>250,934</b>	<b>258,284</b>	<b>7,350</b>
<b>Department Administration:</b>				
General administration	396,705	416,737	416,737	0
Credit Reform - General Counsel (non-add)	5,304	5,041	5,304	263
VBA-GOE	2,132,502	2,018,764	2,164,074	145,310
Credit Reform - VBA (non-add)	137,802	137,444	138,902	1,458
<b>Subtotal, GOE</b>	<b>2,529,207</b>	<b>2,435,501</b>	<b>2,580,811</b>	<b>145,310</b>
Office of Inspector General	108,782	112,391	113,000	609
Construction Major	1,073,734	589,604	532,470	-57,134
Construction Minor	466,765	482,386	607,530	125,144
Grants for State Extended Care	84,830	85,000	85,000	0
Grants for State Cemeteries	45,908	46,000	46,000	0
Credit Reform	162,862	156,176	159,268	3,092
Information Technology	2,991,624	3,104,771	3,327,444	222,673
<b>Total Department Administration</b>	<b>7,463,712</b>	<b>7,011,829</b>	<b>7,451,523</b>	<b>439,694</b>
<b>Total Budget Authority</b>	<b>\$125,580,040</b>	<b>\$126,964,007</b>	<b>\$140,347,347</b>	<b>13,383,340</b>
<b>Total Mandatory</b>	<b>\$66,378,592</b>	<b>\$65,720,654</b>	<b>\$76,367,866</b>	<b>10,647,212</b>
<b>Total Discretionary without MCCF</b>	<b>\$56,430,785</b>	<b>\$58,493,991</b>	<b>\$61,013,481</b>	<b>2,519,490</b>
<b>Total Discretionary with MCCF and other receipts</b>	<b>\$59,201,448</b>	<b>\$61,243,353</b>	<b>\$63,979,481</b>	<b>2,736,128</b>

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## Key Performance Measures

Key Measures by Organization	Past Fiscal Year Results				Fiscal Year Targets			Strategic Target
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp.)	
<b>Veterans Health Administration</b>								
Prevention Index V (The 2008 result is PI III. The 2009-2011 results are PI IV. The 2012-2014 targets are PI V.)	88%	89%	91%	92%	93%	93%	94%	95%
Clinical Practice Guidelines Index IV (The 2008 result is CPGI II. The 2009-2011 results are CPGI III. The 2012-2014 targets are CPGI IV.)	84%	91%	92%	91%	92%	92%	93%	94%
Non-institutional, long-term care average daily census (ADC) (Measure being dropped after 2013)	54,053	72,315	85,940	95,092	113,254	120,118	N/ Ap	154,152
Percent of new primary care appointments completed within 14 days of the desired date for the appointment (New) [1] In 2012, VHA will begin measuring the four appointment performance measures using a 14-day standard.	N/ Av	N/ Av	N/ Av	N/ Av	83%	84%	85%	90%
Percent of established primary care appointments completed within 14 days of the desired date for the appointment (New) (See [1] above)	N/ Av	N/ Av	N/ Av	N/ Av	94%	95%	96%	98%
Percent of new specialty care appointments completed within 14 days of the desired date for the appointment (New) (See [1] above)	N/ Av	N/ Av	N/ Av	N/ Av	84%	85%	86%	90%
Percent of established specialty care appointments completed within 14 days of the desired date for the appointment (New) (See [1] above)	N/ Av	N/ Av	N/ Av	N/ Av	95%	96%	97%	98%
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). 2009 was a re-baseline year to determine both annual and strategic targets. The 2009 results are not comparable with prior years and cannot be compared to 2010 due to additional changes to the survey instrument and administration protocol that were implemented in 2010.)								
Inpatient (1) Corrected	79%	63% (Baseline)	(1) 64%	64%	65%	66%	67%	75%
Outpatient	78%	57% (Baseline)	55%	55%	58%	58%	59%	70%
Percent of milestones completed leading to the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patients with mental illness (including PTSD, schizophrenia, and mood disorders)	N/ Av	N/ Av	25%	35%	45%	55%	64%	100%

Key Measures by Organization	Past Fiscal Year Results				Fiscal Year Targets			Strategic Target
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp.)	
<b>Veterans Benefits Administration</b>								
National accuracy rate - compensation entitlement claims (Supports Agency Priority Goal)	86%	84%	84%	84%	87%	90%		98%
Rehabilitation Rate (General)	76%	74%	76%	77%	77%	77%		80%
Percent of pension maintenance claims pending inventory that is more than 90 days old	N/Av	N/Av	N/Av	N/Av	Baseline	TBD		0%
National accuracy rate - pension maintenance claims	93%	95%	96%	97%	97%	97%		98%
Percent of Compensation and Pension pending inventory that is more than 125 days old (Supports Agency Priority Goal)	N/Av	N/Av	36%	60%	60%	40%		0%
Rate of high client satisfaction ratings on Insurance services delivered	95%	96%	95%	95%	95%	95%		95%
Default Resolution Rate	N/Av	71.5%	76.3%	83.0%	81.0%	82.0%		85.0%
Average days to complete original Education claims	19	26	39	24	23	18		10
Average days to complete supplemental Education claims	9	13	16	12	12	10		7
<b>National Cemetery Administration</b>								
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	84.2%	87.4%	88.1%	89.0%	89.6%	89.6%		94.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	95%	95%	95%	98%	98%		100%
Percent of graves in national cemeteries marked within 60 days of interment	93%	95%	94%	93%	95%	95%		95%
Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries	95%	93%	74%	93%	90%	90%		90%
Percent of respondents who rate national cemetery appearance as excellent	98%	98%	98%	98%	99%	99%		100%



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## *Mission*

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### **Our Mission: *What We Are Here to Do***

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

President Lincoln's immortal words - delivered in his Second Inaugural Address more than 140 years ago - describe better than any others the mission of the Department of Veterans Affairs (VA). 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 all 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/](http://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/](http://www.vba.va.gov/bln/21/pension/)

#### **Providing Fiduciary Services**

Fiduciary services are provided to Veterans and beneficiaries, who, because of injury, disease, infirmities of age, or they are minor children, are unable to manage their financial affairs. This program provides for a selected fiduciary, normally a family member or caregiver, to manage the beneficiary's financial affairs to ensure all of his or her debts are paid. Additionally, through the fiduciary program, periodic visits are conducted with beneficiaries to ensure they are being properly cared for.

**Web:** <http://www.vba.va.gov/bln/21/Fiduciary/>

### **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 readjusting 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, an 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](http://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 Specially Adaptive Housing 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**

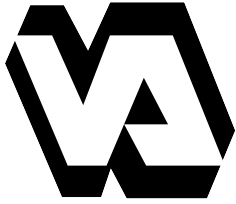
### **Delivering Burial Services to Veterans**

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



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## *Population of American Veterans*

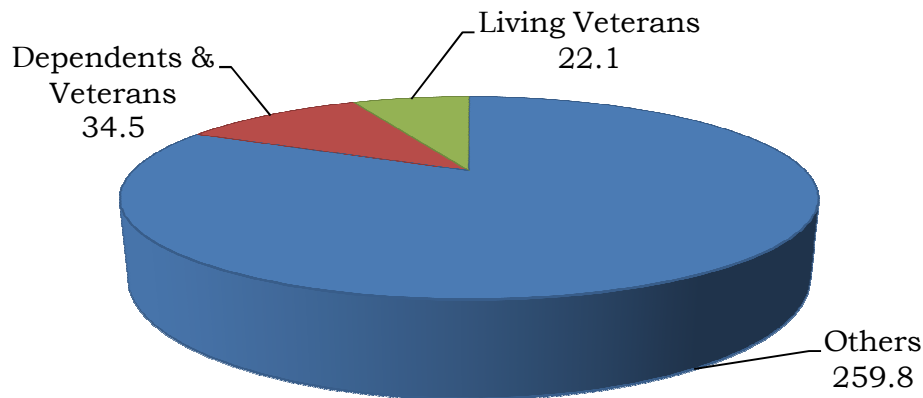
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### **Veterans Population**

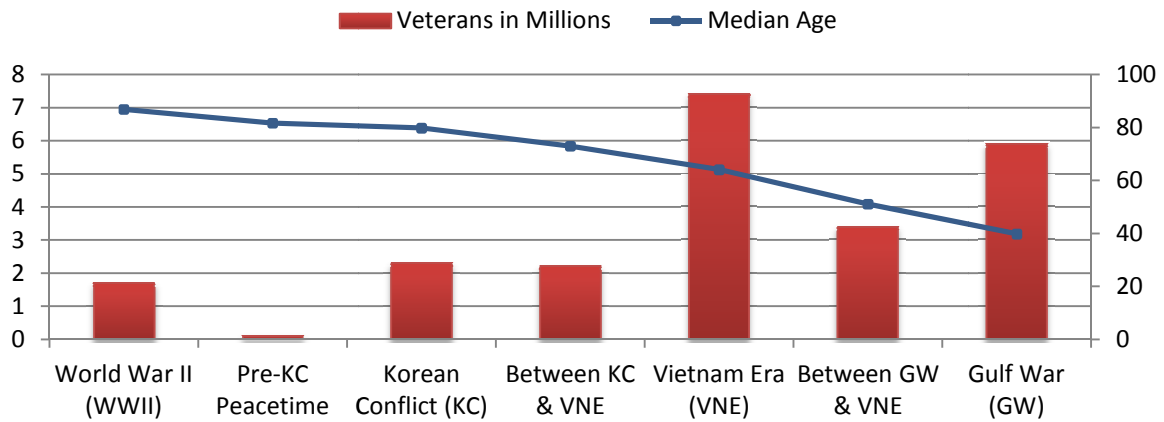
On September 30, 2011, there were an estimated 22.2 million living Veterans, with 22.1 million of them in the United States and Puerto Rico. There were an estimated 34 million dependents (spouses and dependent children) of living Veterans in the U.S. and Puerto Rico. Additionally, there were about 540,000 survivors of deceased Veterans receiving survivor benefits (either Dependency and Indemnity Compensation or death pension payments) in the U.S. and Puerto Rico. Thus, approximately 56.6 million people, or 18 percent of the total estimated resident population of the U.S. and Puerto Rico (316.5 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, 2011.

**Estimated Population (in Millions) of Living Veterans, Dependents of Living Veterans, Survivors of Veterans Receiving VA Survivor Benefits, and Others  
U.S. and Puerto Rico, September 30, 2011**



### Estimated Number and Median Age of Veterans by Period of Service\*, September 30, 2011



9/30/2011	Median Age	Veterans in Millions
World War II (WWII)	86.9	1.7
Pre-KC Peacetime	81.7	0.1
Korean Conflict (KC)	79.8	2.3
Between KC & VNE	73.0	2.2
Vietnam Era (VNE)	64.1	7.4
Between GW & VNE	51.1	3.4
Gulf War (GW)	39.8	5.9

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

Source – VetPop 2007, as of September 30, 2011



# Estimates & Projections of the Veterans Population

Estimates and Projections <sup>(5)</sup> of the Veteran Population of the United States, Puerto Rico, US Island Areas <sup>(6)</sup> , and Foreign Countries												
September 30, 2007 -- September 30, 2020												
Veteran populations projected as of September 30, 2006.												
Period	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	9/30/2016	9/30/2017	9/30/2020
All Veterans <sup>(1)</sup>	23,816,018	23,442,489	23,068,965	22,658,145	22,234,242	21,806,449	21,376,954	20,966,685	20,544,335	20,141,108	18,641,197	
Wartime Veterans <sup>(1)</sup>	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	14,433,334	12,847,863	
Gulf War <sup>(2)(3)</sup>	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	6,884,686	7,597,472	
GW Only	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	6,566,151	7,309,312	
GW, VNE Only	357,772	354,578	350,965	346,951	342,493	337,688	332,530	327,007	321,105	314,813	285,624	
GW, VNE, KC Only	5,397	5,199	4,993	4,779	4,558	4,329	4,094	3,852	3,605	3,354	2,332	
GW, VNE, KC, WWII Only	760	720	679	637	594	549	504	459	413	368	203	
Vietnam Era <sup>(2)</sup>	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	6,587,619	5,791,628	
VNE Only	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	6,127,393	5,420,027	
VNE, KC Only	213,104	203,010	192,617	181,948	171,036	159,926	148,670	137,328	125,972	114,678	71,997	
VNE, KC, WWII Only	92,804	83,961	75,368	67,089	59,185	51,714	44,725	38,258	32,347	27,013	11,445	
Korean Conflict <sup>(2)</sup>	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	1,425,515	841,769	
KC Only	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	1,220,218	730,618	
KC, WWII Only	213,914	192,578	172,029	152,404	133,828	116,413	100,249	85,410	71,946	59,884	25,174	
WWII <sup>(2)</sup>	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	697,806	269,721	
WWII Only	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	610,541	232,899	
Peacetime Veterans <sup>(4)</sup>	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	5,096,696	4,551,566	
Between GW & VNE	3,443,105	3,433,541	3,422,976	3,411,312	3,398,441	3,384,441	3,368,622	3,351,422	3,332,511	3,311,746	3,206,846	
Between KC & VNE	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	1,724,466	1,311,460	
Pre-KC	147,777	136,678	125,897	115,440	105,318	95,551	86,160	77,166	68,596	60,484	33,259	

**Legend:** Details may not add to totals or subtotals due to rounding.

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

<sup>(2)</sup> This sum includes Veterans who served in multiple periods.

<sup>(3)</sup> Prior to Fiscal Year 2010, Post-Gulf War Veterans (10/01/09 - present) were included under Peacetime Veterans.

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

<sup>(5)</sup> 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

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

**Source:** VetPop 2007

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## *2013 Budget Highlights*

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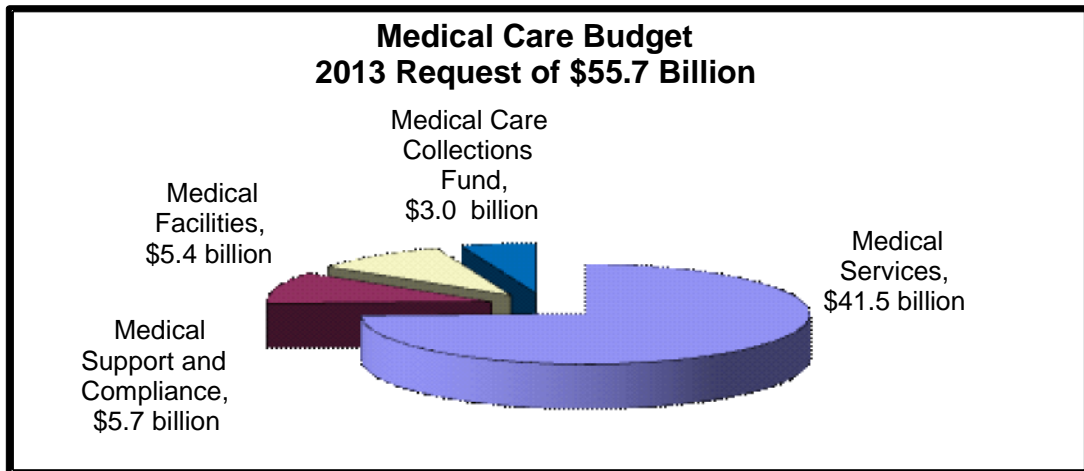


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## Medical Programs

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### Overview



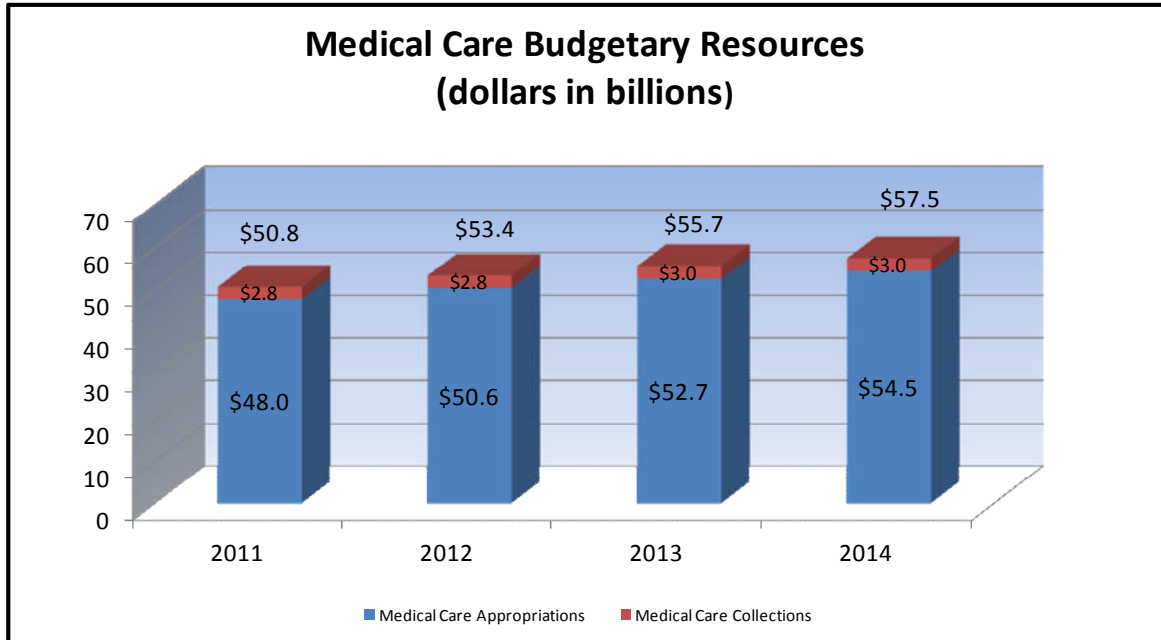
- Provides \$52.7 billion in 2013 in direct appropriations to ensure delivery of the highest quality of health care to our Nation's Veterans. In addition, VA anticipates medical care collections of \$3.0 billion in 2013.
- Increases funding for health care in 2013 by \$2.1 billion, 4.1 percent over the 2012 enacted level.
- The Medical Care 2013 request of \$52.7 billion is an increase of \$165 million over the 2013 advance appropriations enacted level of \$52.5 billion.
- Provides \$57.5 billion in advance appropriations for 2014 for the three medical care appropriations: Medical Services, Medical Support and Compliance, and Medical Facilities. This includes \$54.4 billion in advance appropriations and \$3.1 billion in medical care collections. This request for advance appropriations, an increase of \$1.8 billion, or 3.3 percent, will provide reliable and timely resources to VA medical facilities to support the uninterrupted delivery of health care for Veterans.
- Unobligated balances of \$500 million will be carried forward and applied to requirements in 2013.
- Provides health care to 6.3 million unique patients in 2013 and 6.4 million unique patients in 2014.

- Includes 610,416 Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn (OEF/OIF/OND) Veterans (9.7% of all patients) in 2013.
- Includes 654,480 OEF/OIF/OND Veterans (10.3% of all patients) in 2014.
- Provides \$4.4 billion for direct health care services for homeless Veterans and \$1.4 billion (an increase of \$333 million over the 2012 enacted level) for specific programs to assist homeless Veterans as VA continues to implement its comprehensive plan to end Veteran homelessness by 2015. This plan includes major programs such as:
  - \$235 million for the Grant and Per Diem program to assist community-based organizations with the provision of services for homeless Veterans.
  - \$245 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.
  - \$647 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.
- Expands and improves access to health care with funding for the following programs in 2013:
  - **Mental Health**—\$6.2 billion 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**—\$3.3 billion to meet the needs of 610,416 Veterans with service in OEF/OIF/OND.
  - **Prosthetics**—\$2.6 billion to support the rising demand for prosthetics to improve Veterans' quality of life through new and innovative technology.
  - **Spinal Cord Injuries**—\$583 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.
  - **Expand Patient-Centered Care**—\$553 million for VA's continued investment in new models of care and expanded access for Veterans which supports a patient-centered, accessible, coordinated and

technologically sophisticated health care system. This plan includes two major programs:

- \$433 million for New Models of Care which is a transformational initiative that supports patient-centered health care. The objectives of the program include improved access to primary and secondary care, increased satisfaction and reduced emergency care visits.
  - \$120 million for Expanded Access for Veterans which involves the Patient Aligned Care Team (PACT). The team is the cornerstone of the effort to prioritize continuity, coordination and comprehensiveness of health care.
- **Women Veterans**—\$403 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.
  - **Traumatic Brain Injuries**—\$220 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.
  - **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.
  - **Readjustment Counseling**—\$222 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.

## Summary of the Health Care Budget 2013 Funding and 2014 Advance Appropriations Request



Note: Table includes funding transferred to Joint VA/DoD Medical Care Special Programs in 2011 and 2012.

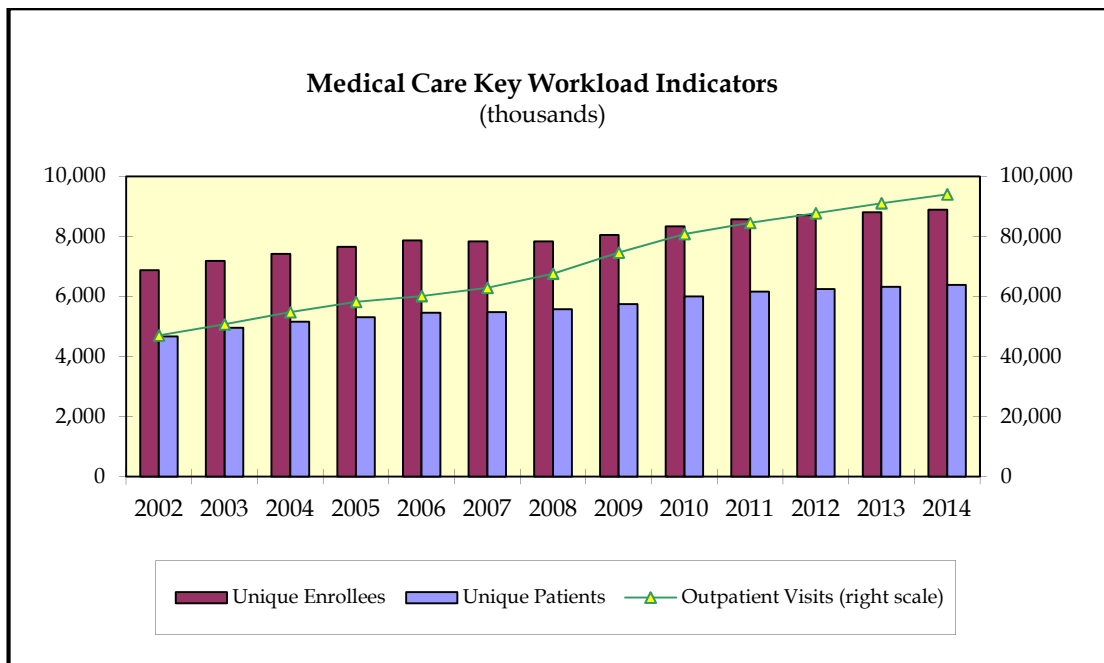
	2011	2012	2013	2014
<b>Full-Time Equivalents</b>	254,841	259,329	263,052	265,372

- In 2013, VA requests \$55.7 billion (including collections) for health care services, long-term care, other health care programs, initiatives, legislative proposals, and operational improvements and requests \$57.5 billion (including collections) in 2014 for advance appropriations.
- **Health Care Services** 2013 funding of \$45.7 billion and 2014 advance appropriations request of \$47.7 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. **2013: \$35.5 billion; 2014: \$36.9 billion.**
  - Dental care for our Veterans. **2013: \$762 million; 2014: \$815 million.**

- Mental health services funding to improve access to mental health services across the country. **2013: \$6.2 billion; 2014: \$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. **2013: \$2.6 billion; 2014: \$2.9 billion.**
- **Long-Term Care** 2013 funding of \$7.2 billion and 2014 advance appropriations of \$7.8 billion.
  - Non-institutional care funding of \$1.7 billion includes increases for programs like home-based primary care (an increase of \$93 million) and telehome health (an increase of \$9 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. **2013: \$1.7 billion; 2014: \$2.0 billion.**
  - VA community living centers care funding of \$3.7 billion for over 9,900 average daily census (ADC). **2013: \$3.7 billion; 2014: \$3.9 billion.**
  - Community nursing home care funding of \$767 million for almost 6,900 ADC. **2013: \$767 million; 2014: \$855 million.**
  - State home nursing care funding of \$947 million for over 20,000 ADC. **2013: \$947 million; 2014: \$1.0 billion.**
- **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. **2013: \$1.6 billion; 2014: \$1.7 billion.**
- **Initiatives** funding in 2013 is designed to expand health care services, including:
  - **Homeless Initiative** funding of \$1.4 billion, an increase of 33 percent over 2012, will provide for specific programs to assist homeless Veterans as VA continues to implement its comprehensive plan to eliminate Veterans homelessness by 2015.
  - **Caregivers Initiative** funding of \$278 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: 2013: -\$27 million; 2014: -\$27 million. Revenues: 2013: \$125 million; 2014: \$129 million.**

- 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. **2013: \$-1.3 billion; 2014: \$-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 2013 of over 70,000, or 1.1 percent, unique patients over the 2012 estimate.
  - Priority 1-6 patients - In 2013, there are 4.4 million patients, an increase over 2012 of 1.5 percent, or 64,083 new patients. We devote 88 percent of our health care resources to meet the needs of these Veterans.
  - Priority 7-8 patients - In 2013, there are 1.3 million patients, a decrease from 2012 of 0.2 percent, or 3,132 new patients.
- Increases outpatient visits from 87.8 million in 2012 to 91.1 million in 2013, an increase of 3.3 million, or 3.8 percent.

- Increases inpatients treated from 919,487 in 2012 to 936,201 in 2013, an increase of 16,714, or 1.8 percent.

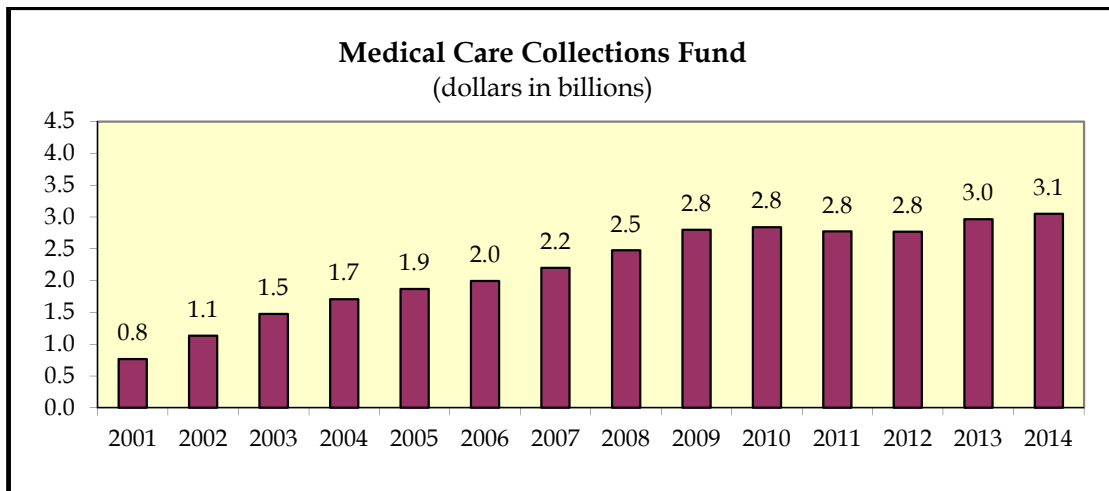
## **Resources Support Secretary's Health Care Priorities**

- Provide easier access to benefits and services and end homelessness among our Veterans as we transform VA into a 21<sup>st</sup> Century organization.
- Achieve the following priority goal through activities undertaken by the Veterans Health Administration:
  - House 24,400 additional homeless Veterans and reduce the number of homeless Veterans to 35,000 by September 2013. Working in conjunction with the Interagency Council on Homelessness (ICH), HUD and VA will also assist homeless Veterans in obtaining employment, accessing VA services, and securing permanent supportive housing. The long-range goal is to eliminate homelessness among Veterans by 2015.
- Continue to improve the quality and safety of health care:
  - Sustain 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. VA plans to achieve a 92 percent performance level in 2013.
  - Improve our performance on the prevention index aimed at primary prevention and early detection with immunizations and screenings. VA plans to achieve a 93 percent performance level in 2013.
- Improve timely and appropriate access to the delivery of primary and specialty care that is critical to providing high-quality health care to Veterans:
  - Improve 14-day standards for appointment measures as follows:
    - Achieve 84 percent in 2013 of new primary care appointments completed within 14 days of the desired date.
    - Achieve 95 percent in 2013 of established primary care appointments completed within 14 days of the desired date.
    - Achieve 85 percent in 2013 of new specialty care appointments completed within 14 days of the desired date.



- Achieve 96 percent in 2013 of established specialty care appointments completed within 14 days of the desired date.
- Continue the mental health care goals as follows:
  - Provide 74 percent in 2013 and 84 percent in 2014 of mental health patients with a mental health treatment coordinator identified in the electronic health record.
  - Ensure 68 percent in 2013 and 75 percent in 2014 of patients are seen by a mental health treatment coordinator within seven days of discharge in a face-to-face, telehealth or telephone encounter.

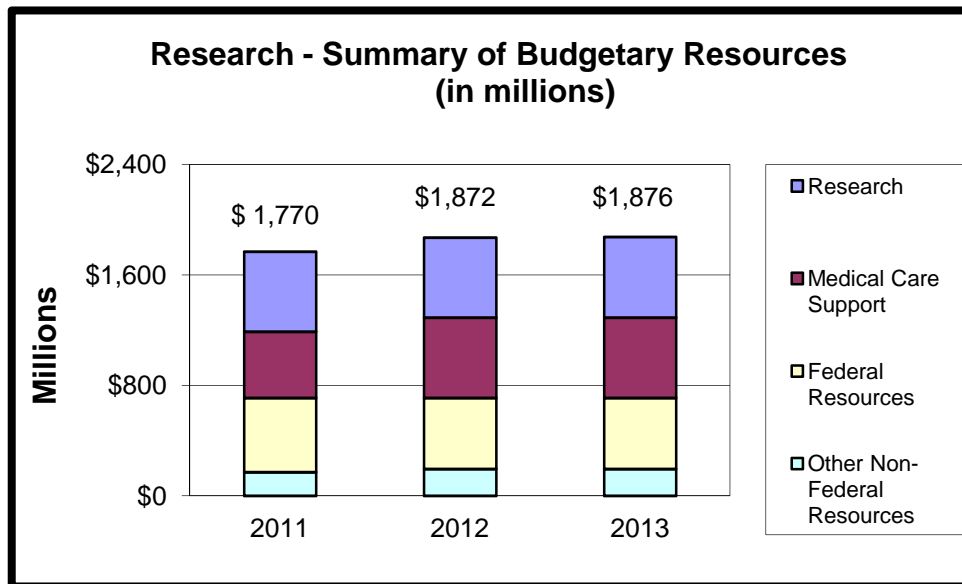
## Medical Care Collections Fund (MCCF)



- 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.
- VA estimates collections of \$3.0 billion, representing 7 percent of the available resources in 2013 and an increase of \$199 million, or a 7.2 percent increase, over the 2012 estimate.
  - Of the \$199 million increase in collections for 2013, \$63 million in pharmacy co-payments; \$11 million in first party co-payments; and \$125 million for increased collections resulting from new legislative proposals.

- For the 2014 advance appropriations, VA estimates collections of \$3.1 billion, representing 7 percent of the available resources in 2014 and an increase of \$85 million, or a 2.9 percent increase, over the 2013 estimate.
  - Of the \$85 million increase in collections for 2014, \$66 million is in pharmacy co-payments and \$14 million is from additional third-party insurance collections.

## Medical and Prosthetic Research



	2011	2012	2013
<b>Full-Time Equivalents</b>	3,526	3,526	3,526

- VA is anticipating \$1.9 billion in total resources for Medical and Prosthetic Research in 2013.
- The direct Medical and Prosthetic Research appropriation request is \$583 million.
- Other Federal and Other Non-Federal resources are estimated to be \$710 million in 2013.
- Total projects for Research are anticipated to be 2,209.

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.

<b>Selected Research and Development Program Funding</b> (dollars in thousands)			
Description	2011 Actual	2012 Estimate	2013 Estimate
<b>OEF/OIF/OND</b>			
Pain.....	\$11,961	\$11,961	\$13,961
Post Deployment Mental Health .....	\$41,143	\$41,143	\$46,043
Sensory Loss.....	\$23,731	\$23,731	\$23,166
Spinal Chord injury.....	\$30,204	\$30,204	\$29,486
Traumatic Brain Injury and Other Neurotrauma.....	\$21,464	\$24,464	\$28,564
Prosthetics.....	\$17,393	\$17,393	\$17,393
Women's Health.....	\$10,654	\$11,935	\$11,935
Gulf War Veterans Illness.....	\$4,980	\$4,980	\$4,862

- 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 2013**

The 2013 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**

- Preventing Veteran homelessness and returning homeless Veterans to self-sufficiency, improved mental and physical health, and independent, stable living is a primary goal of VA. The plan to eliminate homelessness among Veterans is a top priority for VA, and research in this area will focus 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**

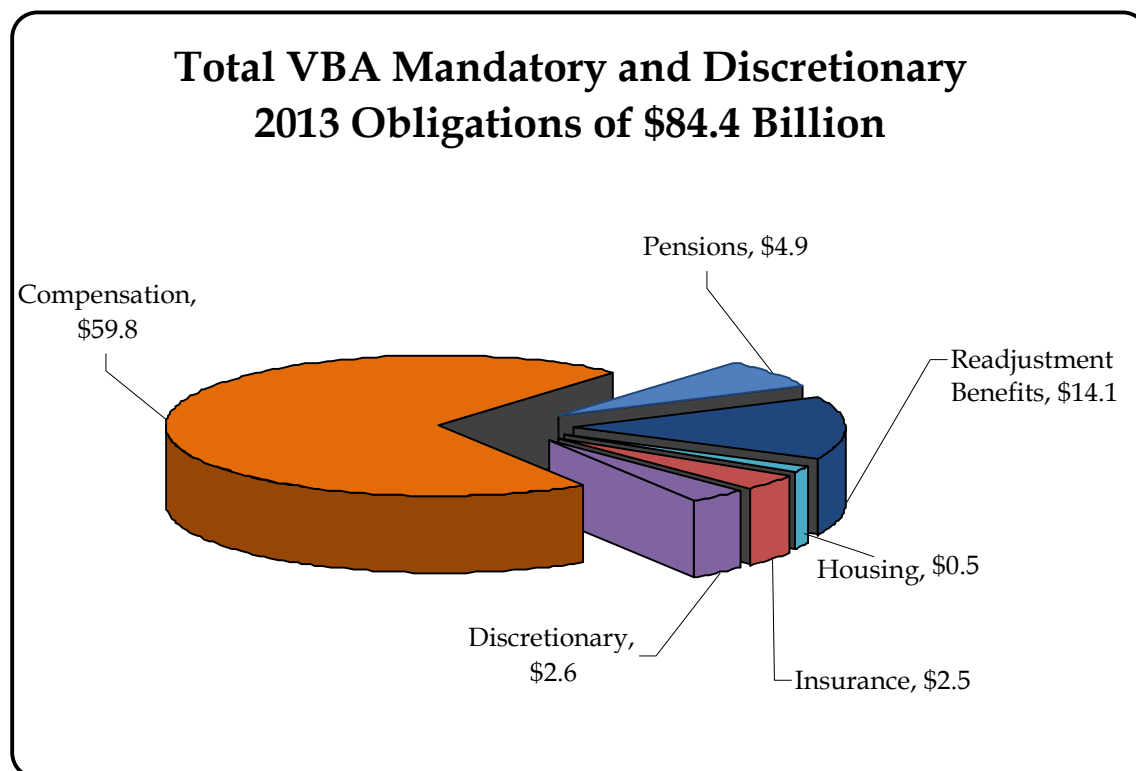
- Mental Health,
- Priorities for combat Veterans (e.g., rehabilitation engineering, prosthetics/orthotics, Gulf War Veterans’ illnesses, traumatic brain injury, and spinal cord injury),
- Women Veterans, and
- Special Initiative – Researching Pain, for which an additional \$2 million in 2013 funds has been requested.

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## *Veterans Benefits Administration*

### Overview



### Summary of 2013 Budget Request

VBA continues to transform into a Veteran-centric, results-driven, and forward-looking organization. This transformation reflects the demands of emerging information technologies, changing demographic realities, and a renewed commitment to today's Veterans. VBA's Transformation Plan is organized into a synchronized and multi-pronged approach that addresses business processes, people, and technology.

VA's priority goals include eliminating the disability claims backlog, improving quality, and expanding Veterans' access to VA health care, benefits, and memorial services. VBA's Transformation Plan includes people, process, and technology initiatives that transform benefits delivery through rules-based tools, streamlined claims processes, enhanced training and support for our workforce, and paperless workload management and claims processing systems. The initiatives will help VBA deliver more timely and accurate benefits and services, and impact the culture of VA by demonstrating our advocacy for Veterans and their families and survivors. VBA will continue to track metrics (e.g., number of claims pending over 125 days, quality of rating decisions, etc.) to show the impact of the Transformation Plan initiatives, both at local and national levels.

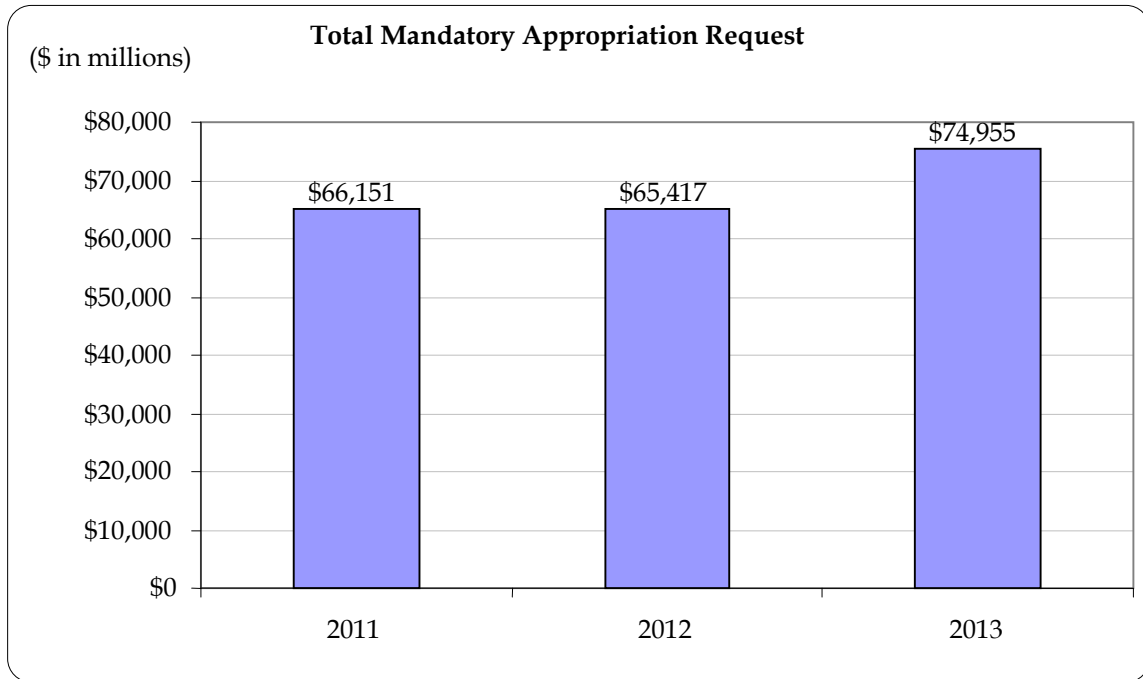
The number of disability compensation and pension claims received is expected to increase from 1,200,000 in 2012 to 1,250,000 in 2013. Claims receipts were 1,311,091 in 2011 and include 230,778 claims from the addition of new presumptive disabilities related to exposure to Agent Orange (ischemic heart disease, Parkinson's disease, and hairy and other B-cell leukemias). After adjusting for claims based on the new Agent Orange presumptive conditions received in 2011, there is projected to be an increase of nearly 16 percent in claims receipts between 2011 and 2013.

Of the \$84.4 billion in total obligations, 97 percent is for mandatory Veterans Benefits payments:

- 70.9 percent of the total represents costs associated with Compensation
- 5.8 percent is for the Pension programs
- 16.7 percent of the total supports Readjustment Benefits, which include both the Education Program and the Vocational Rehabilitation and Employment (VR&E) Program
- 3.0 percent represents the Insurance Program
- 0.6 percent is for the Housing Program

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

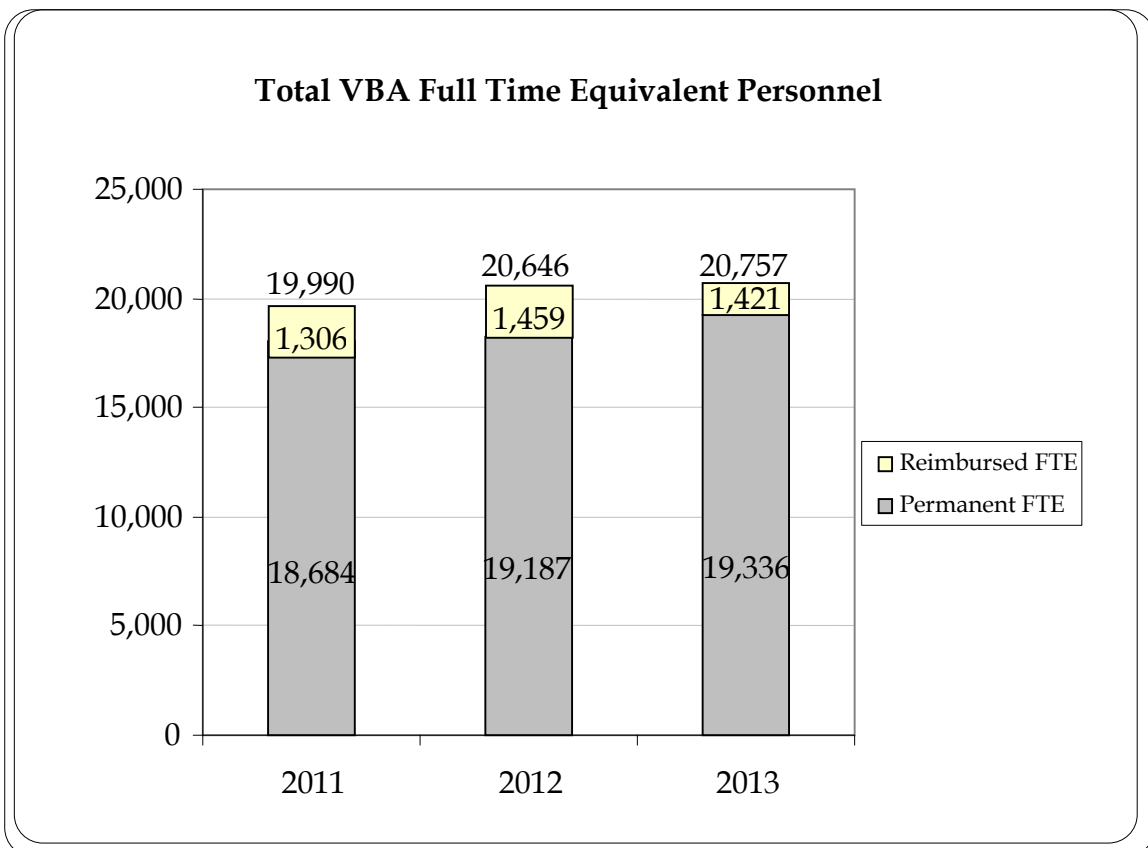
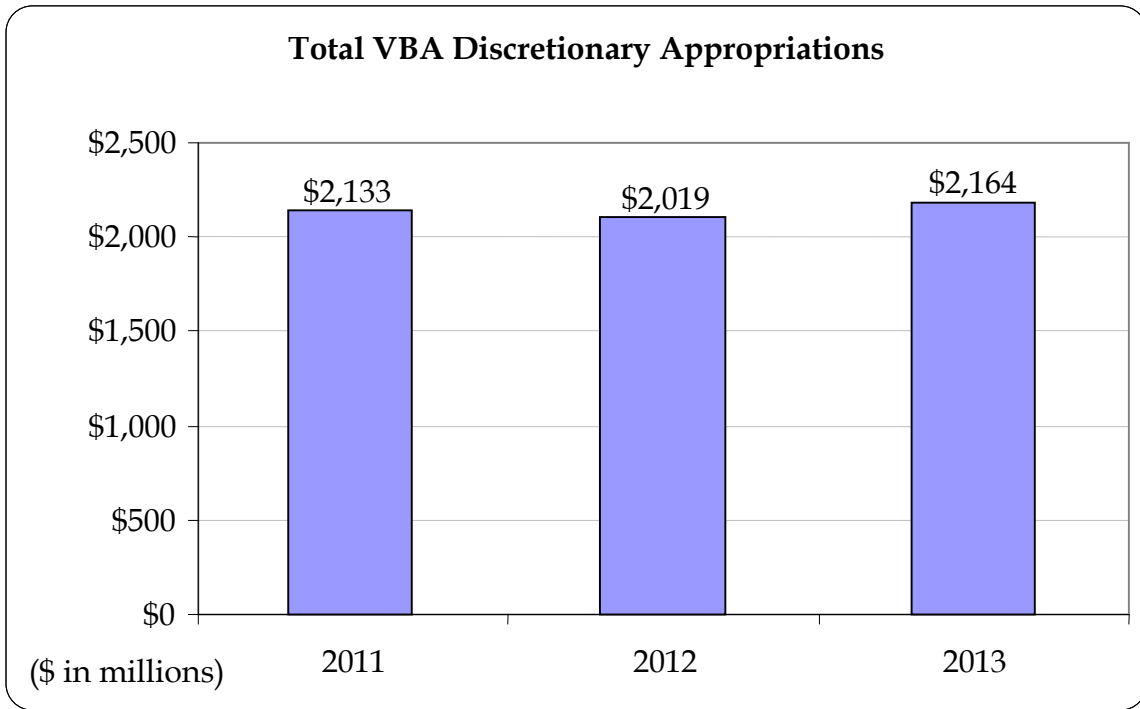
## Highlights of VBA Mandatory Benefits Budget Request



- Total 2013 benefit appropriation request is \$75.0 billion, an increase of \$9.5 billion, or 14.6 percent from the 2012 level. While Veteran and survivor compensation caseload and obligations continue the historical trend of increasing steadily, the 2012 appropriation request was reduced by the unobligated balance from 2011 due to Agent Orange retroactive payments being significantly less than anticipated.
- An estimated 4.0 million Veterans and survivors will receive Compensation, and over 519 thousand will receive Pension benefits in 2013.
- Almost 1.1 million Veterans, reservists, and dependents are expected to receive Readjustment Benefits in 2013, including over 1.0 million receiving education benefits and almost 92 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 2013, with a face value of \$1.4 billion.
- An estimated 228 thousand Servicemembers and Veterans will receive VA-guaranteed housing loans in 2013, with a face value of \$50 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 2013 request includes:

- \$2,164 million in appropriations, for a total of \$2,598 million in obligations for administrative expenses, and 20,757 FTE in 2013. The budget request represents a 7.2 percent increase over the 2012 enacted appropriation level
- An FTE increase of 111 over 2012 or 767 over 2011, to support processing disability claims and VA's *Supportive Services for Veterans' Families* homeless program
- Continued funding for the Veterans Benefits Management System and the Veterans Relationship Management initiative

## **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 with high quality, and reduce the pending claims inventory. There are three key and interdependent major initiatives, each providing a unique service:

### **Veterans Benefits Management System**

The Veterans Benefits Management System (VBMS) is a business transformation initiative designed to assist VA in improving quality and eliminating the claims backlog. The centerpiece of VBMS is a paperless system, which will be complemented by improved business processes and workflows.

It's anticipated, VBMS will dramatically reduce the amount of paper in the current disability claims process, and will employ rules-based claims development and decision recommendations where possible. Additionally, by using a services-oriented architecture and commercial off-the-shelf products, VA will be positioned to take advantage of future advances in technology developed in the marketplace to respond to the changing needs of Veterans over time.

### **Veterans Relationship Management**

Veterans Relationship Management (VRM) is a broad, multi-year initiative to empower Veterans through enhanced self-service capabilities and improve their secure access to timely health care and benefits information and assistance.

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.

To date, VRM has delivered several self-service capabilities via eBenefits and completed telephony features, such as call transfer capability, national queue and call-routing to the best-skilled agent, and call recording to develop a "best quality calls" library and identify training needs. In addition, VRM has implemented the ability to assign the VA identifier to active duty military personnel at VA facilities. This minimizes inaccuracies in identifying a Veteran and decreases the number of duplicate records. VRM has also completed foundational elements for CRM tools for a pilot at the St. Louis Call Center, the knowledge management system, and business process improvement work, as well as continuous improvement of the interactive voice response system.

### **Virtual Lifetime Electronic Record (VLER)**

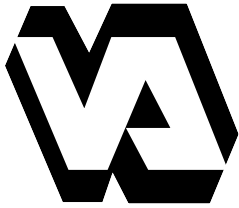
The VLER initiative is an interagency federal initiative that will ultimately contain administrative and medical information from the day an individual enters military service, throughout his/her military career and after separation from the military (including information from private-sector providers who care for Veterans and their beneficiaries). VLER streamlines VA's use of data and information.

### **Meeting Veterans' Needs**

- Continue implementation of the Transformation Plan using an integrated approach that incorporates people, process, and technology initiatives to achieve the Agency Priority Goals of eliminating the disability claims backlog and achieving 98 percent accuracy by 2015.
- Process an estimated 1.4 million disability claims in 2013 while ensuring no more than 40 percent of the compensation and pension claims in the pending inventory are more than 125 days old. In 2013, the percent of claims more than 125 days old will be reduced from 60 percent in 2012 to 40% expected in 2013.
- Meet the demands of the significant increase in education workload resulting from the Post-9/11 GI Bill and the subsequent modifications to the Post-9/11 GI Bill in the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377) and the Vow to Hire Heroes Act of 2011 (P.L. 112-56). VA intends to fulfill our commitment to supporting Veterans in their educational pursuits by improving education original claims processing timeliness by 22 percent in 2013 as compared to 2012.
- Meet the demands of the estimated 10 percent increase in vocational rehabilitation and employment participants in 2013 compared to 2012, while maintaining the rehabilitation rate at 77 percent.

- Continue to provide world-class insurance service by providing a projected \$2.5 billion to Servicemembers, Veterans, and their beneficiaries in the form of insurance death benefits, policy loans, and traumatic injury protection payments; and maintain the high client-satisfaction ratings for services delivered at 95 percent in 2013.

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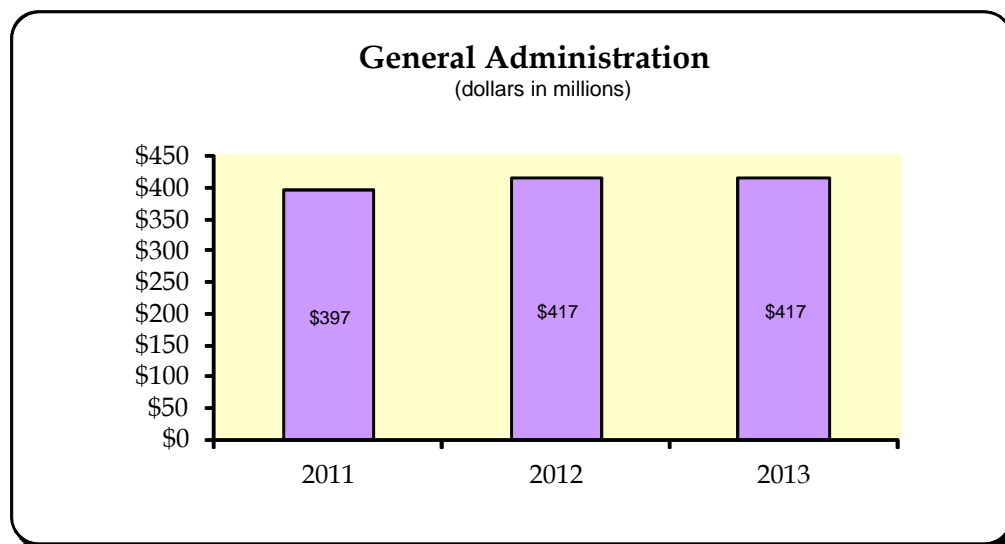
## General Administration

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### Overview

- The Military Construction and Veterans Affairs and Related Agencies Appropriations Act of 2012 split the General Operating Expenses account into two separate accounts: General Operating Expenses, Veterans Benefits Administration (VBA) and General Administration. An overview of VBA is provided in a separate chapter of this volume.
- 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 General Administration Budget Request



## Highlights of the 2013 General Administration Request

In 2013, VA is requesting \$417 million and 3,380 FTE for the General Administration account, the same funding enacted in 2012. These funds will sustain the management oversight and accountability process implemented during the last 3 years.

The table at the end of this section summarizes the resource level by staff office for the General Administration account. Highlights include:

- In 2013, \$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 21<sup>st</sup> 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 527 FTE are requested for the Board of Veterans' Appeals (BVA) in 2013 to address an increasing number of appeals and growing backlog. The request will also allow BVA to contract for hearing transcription services and access electronic research materials essential for accurate decision writing.
- In 2013, \$83.1 million and 729 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 \$45.6 million and 307 FTE are requested for the Office of Management in 2013. The 2013 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.

- In 2013, \$70.3 million in budget authority and 889 FTE are requested for the Office of Human Resources and Administration. When combined with \$381 million in reimbursements, these funds will continue to support the VA's Human Capital Investment Plan initiatives. 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 \$26 million and 117 FTE are requested for the Office of Policy and Planning (OP&P) in 2013. The 2013 budget will support the Corporate Analysis and Evaluation Service to allow VA to better anticipate demands for its services, 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 \$18.5 million and 102 FTE are requested for the Office Operations, Security, and Preparedness in 2013 for a variety of mission critical activities including the continued refinement and development of the department's continuity programs through crisis management exercises, evaluation and training. The budget also supports: a program office for the Personnel Security and Suitability Program; improvements to 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 2013, \$23 million and 94 FTE are requested for the Office of Public and Intergovernmental Affairs. The budget request will provide for continued outreach, enhancing VA's partnership with Tribal Governments, and sustaining 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 for subsistence payments to Veterans and service members participating in the program.
- A total of \$6.3 million and 45 FTE are requested for the Office of Congressional and Legislative Affairs in 2013. This funding will allow VA to continue to address an increasing workload and to become more



proactive in advancing congressional communications and legislative outreach.

- A total of \$55.6 million and 481 FTE are requested for the Office of Acquisition, Logistics, and Construction in 2013. This funding supports activities to improve contracting and acquisitions and VA's Facilities Transformation initiatives 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 .

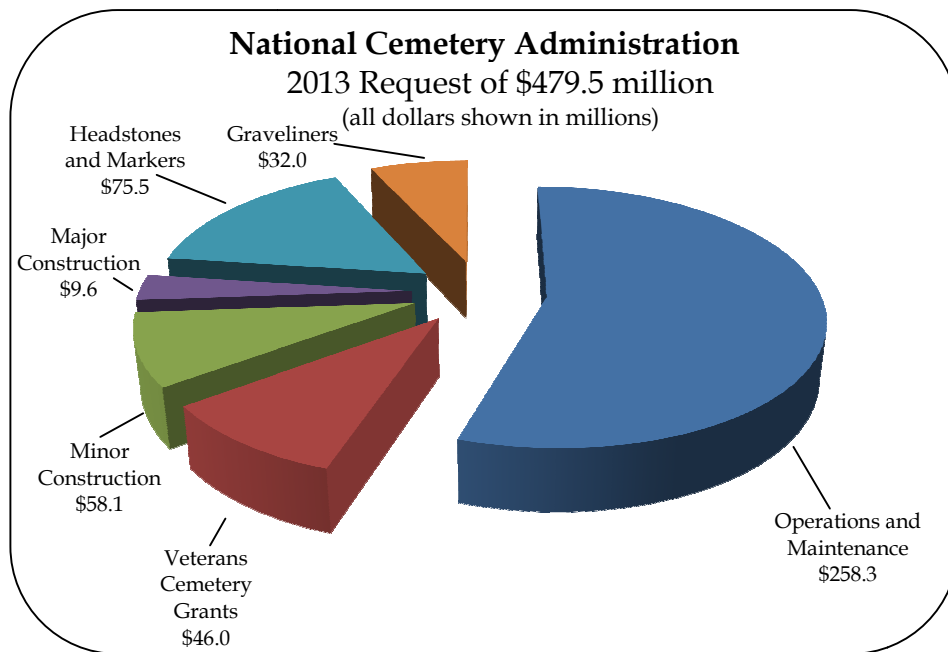
General Administration (\$ in thousands)	2011 Actual		2012 Current Est.		2013 Request	
	Enacted BA	FTE	BA	FTE	BA	FTE
	Office of the Secretary	9,270	86	10,085	89	10,085
Board of Veterans' Appeals	73,273	535	78,006	532	78,006	527
Office of General Counsel	80,778	754	83,099	738	83,099	729
Office of Management	43,161	277	45,598	303	45,598	307
Office of Human Resources & Administration	68,590	645	70,379	849	70,379	889
Office of Policy & Planning	26,015	90	26,015	117	26,015	117
Office of Operations, Security & Preparedness	16,746	86	18,510	102	18,510	102
Office of Public and Intergovernmental Affairs	22,079	79	23,286	94	23,037	94
Office of Congressional & Legislative Affairs	6,065	42	6,053	45	6,302	45
Office of Acquisition, Logistics and Construction	50,728	348	55,706	436	55,706	481
<b>Total Budget Authority</b>	<b>\$396,705</b>	<b>2,941</b>	<b>\$416,737</b>	<b>3,305</b>	<b>\$416,737</b>	<b>3,380</b>

Note: FTE levels include staffing supported by reimbursements.



## National Cemetery Administration

### Overview



### Highlights of the 2013 Request

#### Discretionary

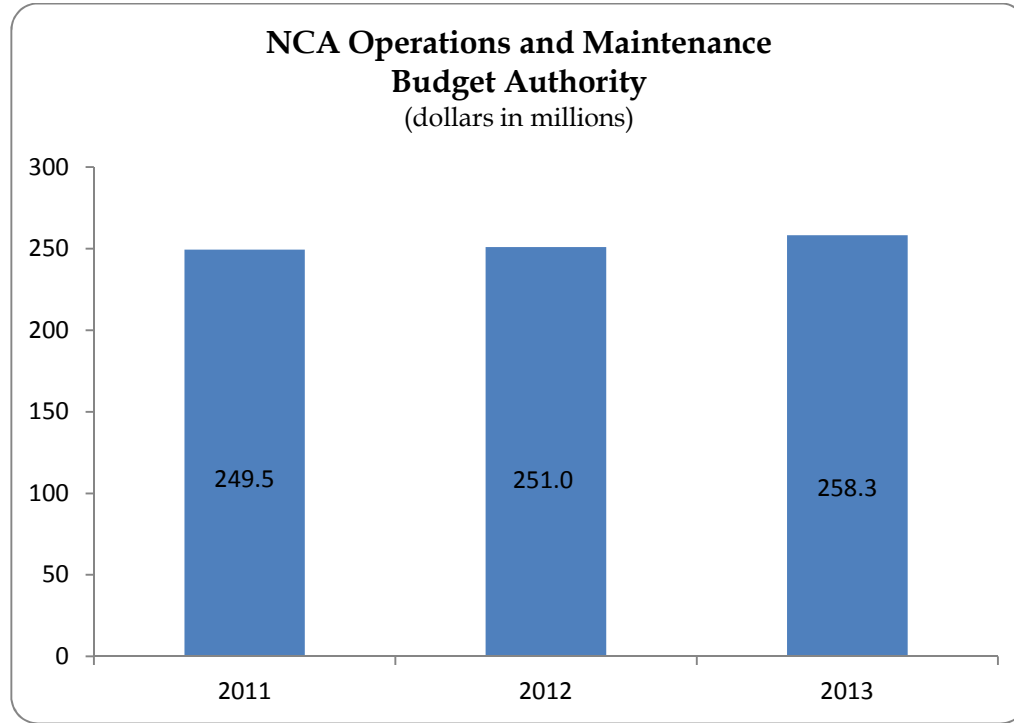
- 53.9% of the total National Cemetery Administration's (NCA) budget is for the operation and maintenance of VA's national cemeteries.
- 14.1% of the NCA budget is for the construction and renovation of VA's national cemeteries and facilities.
- 9.6% of the total resources under NCA are available for grants to states and tribal governments for Veterans cemeteries.

#### Mandatory

- 6.7% is available for Graveliners and Outer Burial Receptacles (OBRs).
- 15.8% of the total NCA budget is for Headstones and Markers.

## Summary of the NCA Operations and Maintenance Budget Request <sup>1/</sup>

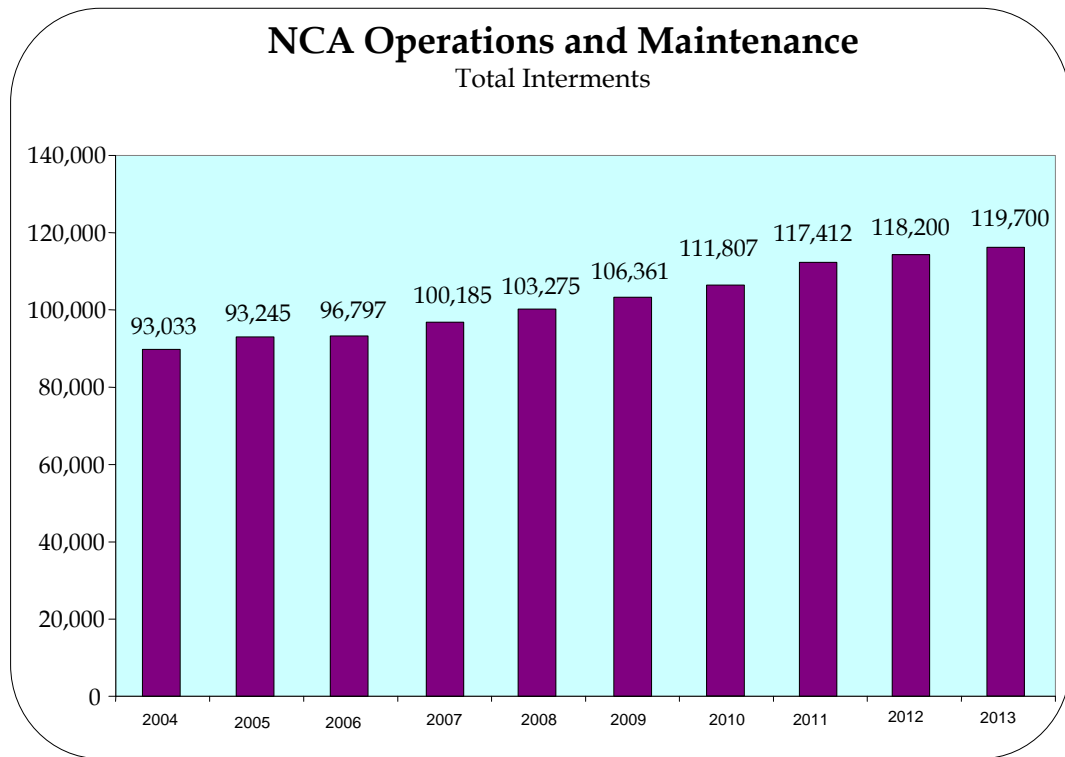
The National Cemetery Administration requests \$258.3 million in budget authority and 1,700 FTE for operations and maintenance in 2013.



	2011	2012	2013
<b>Full-Time Equivalents</b>	1,676	1,696	1,700

The 2013 NCA Operations and Maintenance request includes:

- \$1.5 million and 4 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.
- \$2.0 million to continue support of non-recurring maintenance activities.



### Cemetery Workload

- NCA continues to experience growth in cemetery workload.
- In 2013, NCA projects that interments will increase by 1% over 2012.
- Cemetery maintenance workload will also continue to increase in 2013 over 2012. NCA projects that the number of gravesites maintained will increase by 82,000 (2.5%) and the number of developed acres maintained will increase by 138 (1.6%).

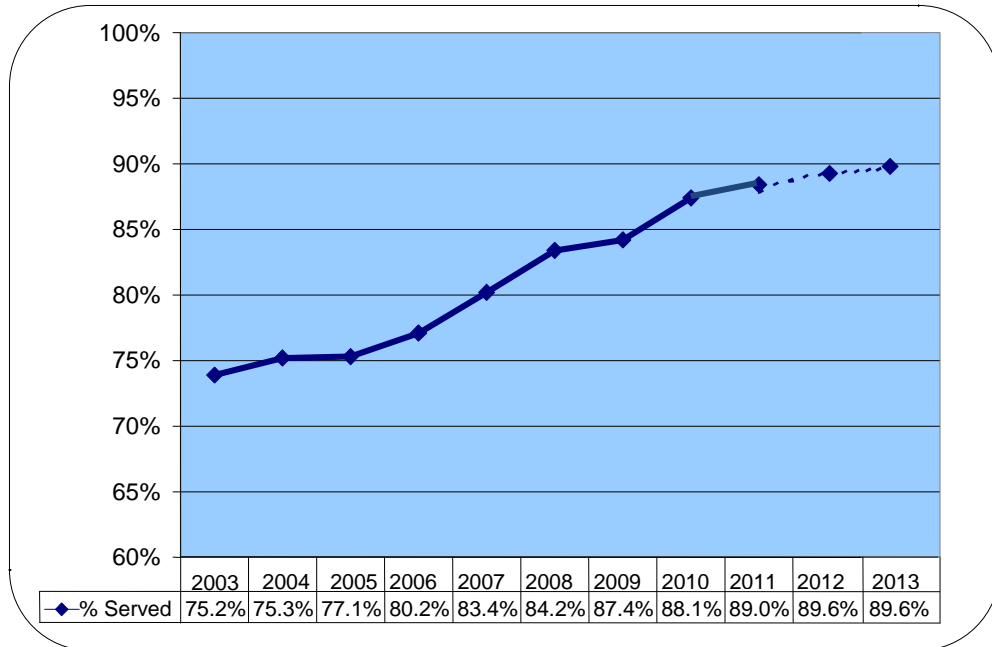
## Accomplishments

- 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 89.0% in 2011.
- VA introduced new burial policies in the President's 2011 Budget request that will result in the opening 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 and establish a national cemetery presence in rural areas where the Veteran population is less than 25,000 within a 75-mile service area.
- VA's first grants to establish Veterans cemeteries on tribal trust land, as authorized in P. L. 109-461, were approved in 2011. Grants were awarded to the Rosebud Sioux Tribe for the construction of a Veterans cemetery in White River, South Dakota; Yurok Tribe in Humboldt County, California; and Pascua Yaqui Tribe near Tucson, Arizona.
- NCA dramatically improved its service to Veteran families by processing 91% of applications for Presidential Memorial Certificates within 20 days of receipt in 2011. This was a significant improvement over the baseline performance of 17% established in 2010.

## Expected Results

The budget request will support the following results in 2013:

- 89.6% of America's Veterans will be served by a burial option within 75 miles of their residence, an increase of 0.6% from 2011.



- 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.

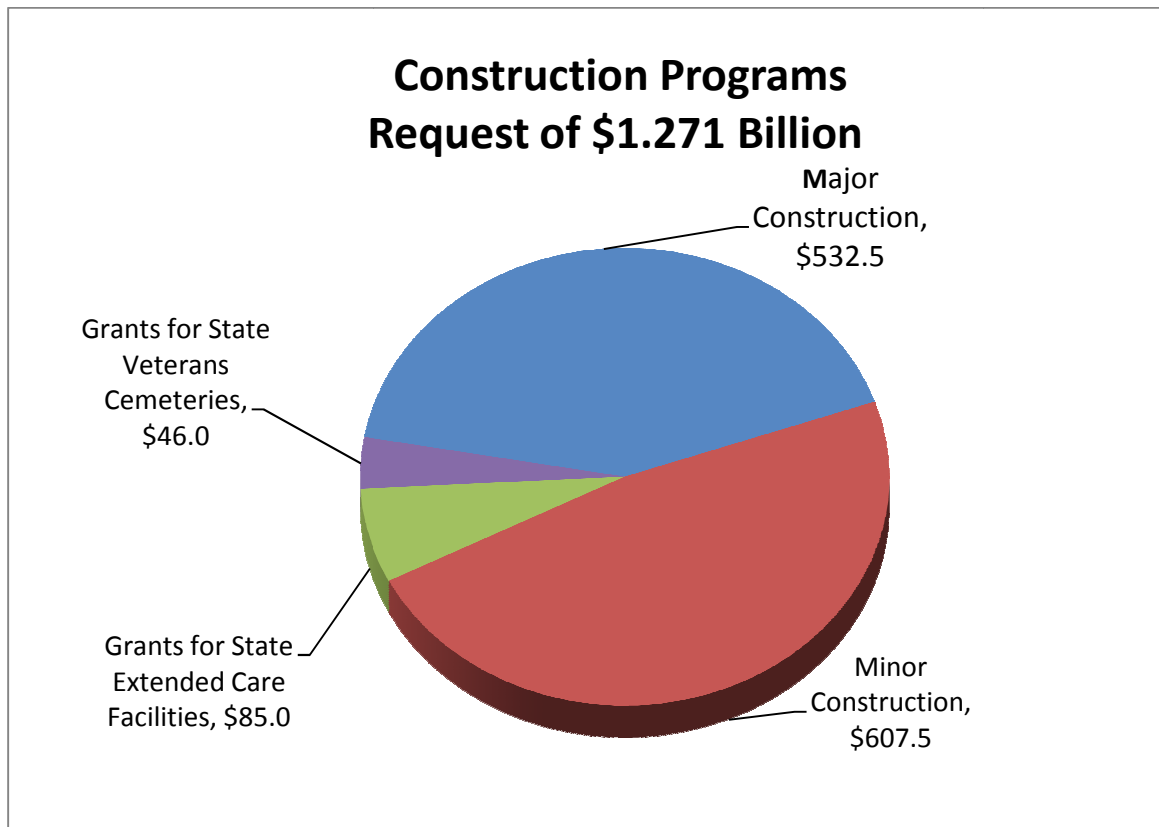
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## Construction Programs

### Overview of 2013 Request

The pie chart below reflects funding for all Construction Programs.



For 2013, VA prioritized construction projects utilizing the Strategic Capital Investment Planning (SCIP) process. SCIP, which was first implemented for the 2012 budget cycle, 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 provide a long range plan to improve the delivery of services and benefits to Veterans, their families and survivors by addressing VA's most critical capital needs and/or performance gaps and investing wisely in VA's



future. In addition the SCIP process informs the prioritization of capital requirements in the annual budget process.

## **Construction, Major Projects**

- Major Construction funding of \$532,470,000 is requested for 2013.
  - 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 4 existing partially funded medical facility projects: St. Louis, MO; Palo Alto, CA; Seattle, WA; and Dallas, TX.
  - 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.

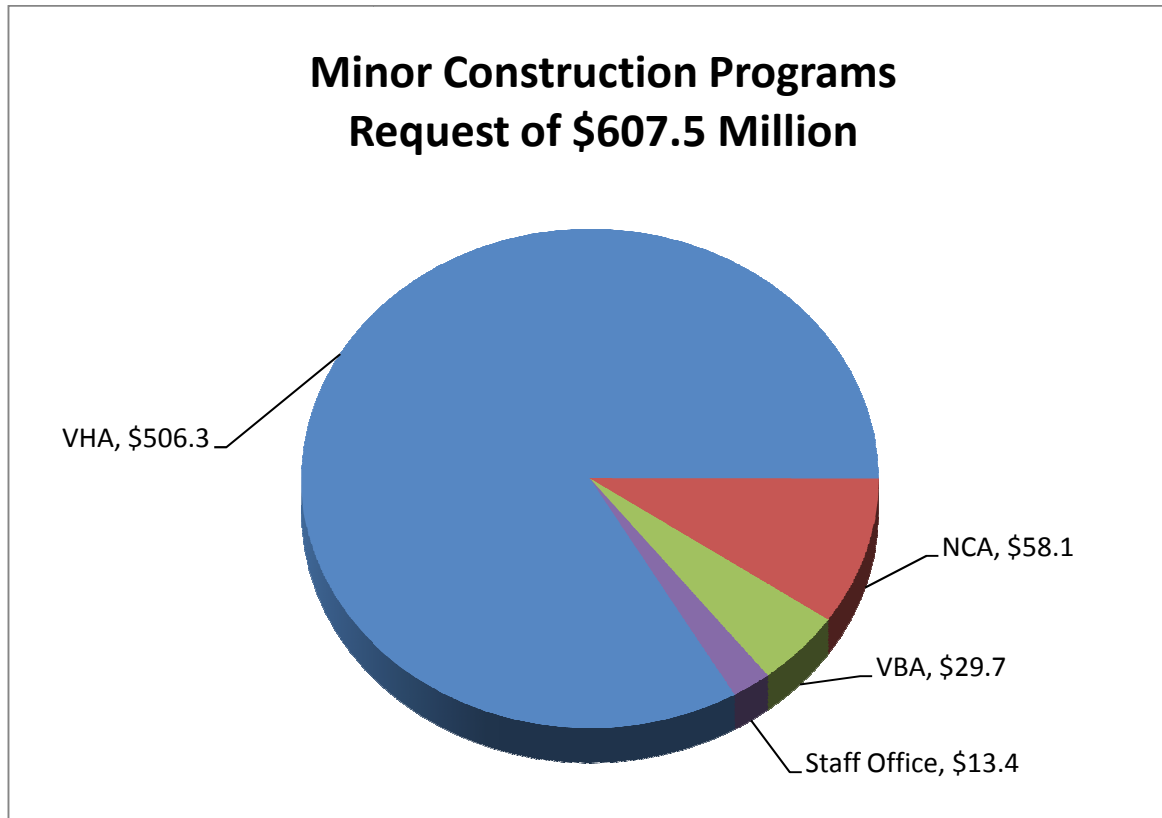
A summary of the major construction program funding level by activity is provided below:

<b>Major Construction Detail of Request (\$ in 000's)</b>				
<b>Location</b>	<b>Description</b>	<b>Total Estimated Cost</b>	<b>Funding Through 2012</b>	<b>2013 Request</b>
<b>Veterans Health Administration (VHA)</b>				
St. Louis (JB), MO	Medical Facility Improvements and Cemetery Expansion	366,500	111,700	130,300
Palo Alto, CA	Polytrauma / Ambulatory Care	716,600	270,777	177,823
Seattle, WA	Mental Health Building 101	222,000	17,870	55,000
Dallas, TX	Spinal Cord Injury	155,200	8,900	33,500
Advance Planning Fund	Various Stations			70,000
Asbestos	Various Stations			8,000
CFM Staff	Various Stations			24,000
Claims Analysis	Various Stations			2,000
Facility Security	Various Stations			7,200
Hazardous Waste	Various Stations			5,000
Judgment Fund	Various Stations			5,000
	<b>Subtotal, Line Items</b>			<b>121,200</b>
<b>Total VHA</b>		<b>1,460,300</b>	<b>409,247</b>	<b>517,823</b>
<b>National Cemetery Administration (NCA)</b>				
Advance Planning Fund	Various Stations			2,647
NCA Land Acquisition Fund	Various Stations			7,000
	<b>Subtotal, Line Items</b>			<b>9,647</b>
<b>Total NCA</b>				<b>9,647</b>
<b>General Administration/Staff Offices</b>				
Department APF for Major				5,000
<b>Total Staff Offices</b>				<b>5,000</b>
<b>Major Construction</b>		<b>1,460,300</b>	<b>409,247</b>	<b>532,470</b>

## Construction, Minor Projects

- Minor Construction funding of \$607,530,000 is requested for 2013.

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 2013 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 2013 Minor Construction request provides for gravesite expansion and columbaria projects to keep existing national cemeteries open. The minor request will also fund repair projects to address infrastructure deficiencies and other requirements necessary to support National Cemetery operations.
- VBA's minor construction request in 2013 includes funding to address 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 VA 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.

## **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.

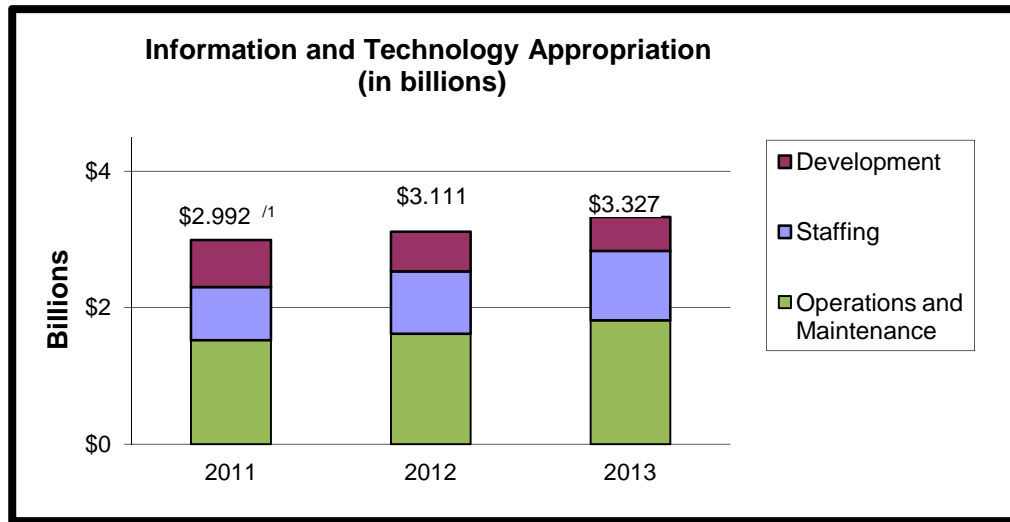
## **Grants for Construction of Veterans Cemeteries**

- \$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



<sup>1</sup>The FY 11 appropriation was \$3.141 billion (including ATB rescission) with an additional \$147 million in unobligated balances rescinded. Additionally, a transfer of \$2 million to the North Chicago joint DoD/VA medical facility was made.

	2011	2012	2013
<b>Full-Time Equivalents</b>	7,004	7,432	7,580

### Overview

- The 2013 request for Information and Technology (IT) is \$3.327 billion, an increase of \$216 million (6.9%). VA's level of IT investment is 5.2 percent of the overall VA discretionary funding and 2.4 percent of VA's total funding.
- The IT budget will help improve the delivery of Veterans' healthcare services and benefits claims processing improvements. VA has 17 major investment areas that it will focus on in 2013 with \$494 million for IT development which are discussed below.
- The request includes \$1.021 billion in 2013 to support 7,435 direct FTE, with an additional \$219 million in estimated reimbursements to support 145 reimbursable FTE for this national level IT organization. Around the clock operations especially for the electronic medical health record and the new online educational claims processing systems require high levels of system availability and user support to meet the various missions of VA. An increase

of 148 FTE is anticipated to bring the IT staffing level to its full complement in 2013 as the support required by the VA mission areas, which have grown by over 70,000 new staff over the last five years.

- Programmatic IT activities utilize 69 percent of the budget authority, while operational, staffing and administration costs account for 31 percent.

## **Summary of the IT Budget Request**

The request includes funding for the following:

- \$169 million for iEHR, the joint electronic health record that VA and DoD are developing. This project potentially can set the standard for a private sector electronic health care record.
- \$488 million for the Major Transformational Initiatives in VA's Strategic Plan, \$377 in new development and \$111 million in sustainment for these initiatives. Each initiative is highlighted in the next section below.
- \$1.5 billion for the operations and maintenance of VA's IT infrastructure. These funds pay for the computer hardware, software maintenance, networks and phone systems at all the VA hospitals, outpatient clinics, regional benefit offices and cemeteries across the country.
- \$127 million for information security programs which protect Veteran's privacy and provide secure IT operations across VA.
- \$12 million for the conversion of VA health care systems to the 10<sup>th</sup> edition of the International Classification of Diseases (ICD-10) code standard.

## **Major Transformational Initiatives**

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

- \$4 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.
- \$92 million for the Veterans Benefits Management System, to continue nationwide deployment of this new paperless based system to VBA Regional Offices integrating new and improved business processes.
- \$53 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.
- \$9 million for projects in support of the Mental Health initiative including an on-line recovery planning tool, deployment of educational material using the

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

- \$111 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.
- \$37 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.
- \$72 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.
- \$15 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.
- \$4 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.
- \$34 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.
- \$16 million for the Human Capital Investment Plan (HCIP) to provide HR professionals across VA with better tools to train and manage VA's workplace to improve operational efficiencies.
- \$22 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.
- \$4 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.



- \$7 million for the Health Care Efficiency initiative in order to provide enhancements to existing Fee Basis Claims System and program integrity tools.
- \$9 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.

## **Management Initiatives**

VA utilizes a rigorous department-wide IT project management approach that halts programs that fail to meet delivery milestones. The Project Management Accountability System (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. Benefits of PMAS include the following:

- PMAS review reprioritized over \$200 million in projects in FY 2010, that have been eliminated for poor performance, restructured to lower risk implementation, reduced spend rates and implement incremental development project plans
- Enhances business effectiveness through frequent delivery of functionality
- Re-balances requirements with available staffing
- Enables VA to focus on troubled projects early and implement corrective actions quickly through real-time performance indicators

In 2011, VA created a Reduction Task Force to identify efficiencies across the Office of Information and Technology. The task force will focus on eliminating duplication and non-critical services; hardware efficiencies; savings that can be generated through state of the market techniques such as cloud computing; and savings that can be generated through policy, architecture and organizational change.

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## *Proposed Legislation Summary*

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### **Summary of Legislation Proposed**

#### **Medical Care – Proposed Legislation**

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

**Smoke-Free Environment:** Legislation will be proposed to reverse the requirement in Public Law 102-585 §526 for designated smoking areas at VA facilities. It would eliminate all smoking on the grounds of all VA health care facilities to make them completely smoke-free. Currently Public Law 102-585 §526 requires the Veterans Health Administration (VHA) to provide suitable smoking areas, either an indoor area or detached building, for patients or residents who desire to smoke tobacco products. As of April 1, 2011, there are 2,722 local and/or state/territory/commonwealth hospitals, healthcare systems and clinics and four national healthcare systems (e.g., Kaiser Permanente, Mayo Clinic, SSM Health Care, and CIGNA Corporation) in the United States that have adopted 100% smoke-free policies that extend to all their facilities, grounds, and office buildings. Numerous Department of Defense medical treatment facilities (MTF) have become tobacco-free as well. VHA health care providers and visitors do not have the same level of protection from the hazardous effects of secondhand smoke exposures as patients and employees in these other systems. Currently, approximately 20% of Veterans enrolled in VA health care are smokers. Many of the non-smokers are also older Veterans who may be at higher risk for cardiac or other conditions that may make them even more vulnerable to the cardiovascular events associated with secondhand smoke. As with patients of other health care systems, Veteran patients have a right to be protected from secondhand smoke exposures when seeking health care at a VA facility. For Veterans who are inpatients, nicotine replacement therapy is currently available so they would not have to experience nicotine withdrawal during hospital admissions.

**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.

**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 Ambulance Rates for Beneficiary Travel:** Legislation will be proposed to amend 38 U.S.C. §111 to authorize VA to reimburse providers for authorized ambulance transportation at the lesser of the actual charge or 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 requirement does not apply to VA payment of emergency transportation in relation to unauthorized non-VA emergency medical care claims under 38 U.S.C. §1725, "Reimbursement for emergency treatment" .) 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. The recent attempt to accomplish this in title II of Public Law 112-56 (VOW to Hire Heroes Act of 2011), section 263, is limited to situations that rarely if ever occur. Consequently, VA will be drafting proposed legislation to delete the limitation.

**Allow VA to Release Patient Information to Health Plans:** Legislation will be proposed to amend 38 U.S.C. 7332(b) to include a provision for the disclosure of VA records of the identity, diagnosis, prognosis or treatment of a patient relating to drug abuse, alcoholism or alcohol abuse, infection with the human immunodeficiency virus (HIV) or sickle cell anemia (referred to as 7332-protected information) to health plans for the purpose of VA obtaining reimbursement for care. The Veterans Health Administration (VHA) is prohibited from disclosing information identifying a patient as having been treated for 7332-protected information for any purposes not outlined in 38 U.S.C. 7332 unless a signed, written consent is obtained from the patient. VA must submit bills or claims containing diagnostic code information to the health plan or health insurance

carrier for the admission or episode of care. If during the admission or episode of care the Veteran was diagnosed and treated for 7332-protected information, this information is communicated via the diagnostic codes on the bill or claim to the health plan or health insurance carrier. VA must obtain signed, written consents to bill health plans for each treatment of a patient relating to 7332-protected information. Often it is not possible to obtain the signed, written consent from the patient to bill the health plan or health insurance carrier for a variety of reasons. Some patients refuse to sign the written consent, while other patients are incapacitated at the time of care. Written requests to the patient following treatment often result in no response. One of the major clinical areas affected by the current statutory language is testing for and care of HIV infection within VA. VA may not condition treatment on the Veteran signing an authorization to allow VA to disclose 7332-protected information to health plans or health insurance carriers for payment activities. For VA to bill health plans or health insurance carriers for all admissions and episodes of care for nonservice-connected disabilities, a provision authorizing this disclosure activity needs to be included in 38 U.S.C. 7332(b). This provision would ensure that the use of this information for billing purposes is consistent with the use for treatment purposes in VA – that no consent is needed for either purpose. The currently protected diagnoses would then be governed by the same regulations governing treatment of all other conditions.

**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, thus preventing the effect of excluding coverage or limiting payment by a health insurer or other third party payer for VA medical care and services provided to Veterans. 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 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 to VA based on the grounds that VA is not a participating provider.

The fifteen following legislative proposals have no impact on the budget in 2013 and 2014:

**Extend Authority for Support Services for Veteran Families (SSVF) Program to Prevent/Address Homelessness:** The SSVF Program provides supportive services to very low-income Veteran families in or transitioning to permanent housing. Funds are granted to private non-profit organizations and consumer cooperatives that assist very low-income Veteran families by providing a range of supportive services designed to promote housing stability. The SSVF Program is the only VA homeless program that is national in scope that can provide direct services to both Veterans and their family members; however, the current law (38 USC 2044) only provides an appropriation authorization through FY 2012. VA proposes to amend section 2044 to extend the authorization of appropriations to FY 2013 and beyond.

**Require Non-VA Facilities and Providers Who Accept Federal Medicare Payments to Accept VA Payments Based on a Medicare Payment Methodology.** VA currently lacks authority to require non-VA facilities and providers (other than hospitals which provide inpatient hospital services) who accept payment from other federal medical benefits programs (Medicare, TRICARE, Indian Health Service) to accept VA payment for inpatient or outpatient care. In December 2010, VA adopted a Medicare payment methodology for outpatient care and has received notification from non-VA providers that they will not accept VA payment. Many of these same providers accept other federal medical benefit payments for the same services at the same rates. Requiring all Medicare providers to agree to accept VA payment under section 1703 based on a Medicare payment methodology would greatly enhance VA's ability to meet the needs of Veterans by ensuring access to healthcare.

**Remove \$150 Million Specific Authorization Amount on the Homeless Grant and Per Diem Program:** This proposal would amend title 38 U.S.C. § 2013, "Authorizations of Appropriations", to remove the specific authorization amount for grants and per diem payments for fiscal year 2013 and for each subsequent fiscal year.

**Extend Homeless Grant and Per Diem Program to Support a "Transition in Place" Model toward Permanent Housing:** Legislation will be proposed to amend 38 U.S.C. § 2012, the per diem component of the Department's Homeless Providers Grant and Per Diem Program (Program), to authorize per diem payments to entities receiving grants under section 2011, or entities eligible to receive such grants, to transition Veterans from transitional to permanent housing. The legislation would establish the maximum rate for such per diem at one hundred and fifty percent of the current per diem rate for domiciliary care under section 1741(a)(1)(A). Entities receiving per diem for converting transitional housing beds to permanent housing would be required to replace each VA-funded transitional housing bed converted to permanent housing.



Currently, Program assistance is limited to transitional housing and services. No homeless Veterans program authorizes Departmental support of permanent housing except for supportive services provided in connection with HUD-VASH. The Program law caps per diem at the rate for domiciliary care in State homes under section 1741(a)(1)(A). Supporting Veterans' transition from homelessness to permanent housing is fundamental to ending homelessness among Veterans. By allowing Veterans to "transition in place" to permanent housing, the Department would provide a valuable alternative for Veterans who may not need or be interested in participating in HUD/VASH.

**Establish a Central Nonprofit Corporation for Research:** With the establishment of the central NPC, VA would be able to negotiate and implement national level research and education projects that are beyond the scope of the local NPCs. The proposal would permit the establishment of a national level NPC that is not affiliated with a particular VAMC, but has the capability to operate with any or all VAMCs, including those with a local NPC. The central NPC would facilitate national medical research and education projects conducted by VA in conjunction with non-VA and non-Federal entities with an emphasis on interdisciplinary interchange and dialogue between these participants. The central NPC would not take the place of the local NPCs, but rather would work with them to facilitate those elements of national-scope research and education projects that are conducted at the local level. This streamlining of effort through the central NPC for national level projects would in turn make VA a more appealing research collaborator to both federal and private research sponsors.

**Allow VA to Require Insurance Information and Social Security Number:** This proposal would amend 38 U.S.C. 1729 to include a provision to require Veterans to provide their health insurance plan information and social security number (SSN) to the Veterans Health Administration (VHA) for purposes of reimbursement for nonservice-connected treatment. Historically, the requirement for Veterans to provide their other health insurance information to VHA has been contained in each year's appropriation language. It is not contained anywhere in statute or regulation, thus putting VHA at risk if the language is dropped in the future. The Veterans Benefits Administration (VBA) has authority to require SSNs for compensation and pension benefits purposes under 38 USC 5101(c), but VHA does not. Without this information, VHA would be unable to submit claims for reimbursement to third party payers for nonservice-connected treatment.

**Technical Amendment to Clarify Individual Authorizations for Non-VA Services:** 38 U.S.C. 1703 authorizes the Secretary to contract with non VA facilities for care and services for certain Veterans when VA is unable to furnish economical care or services due to geographical inaccessibility or because VA facilities are not capable of providing needed care or services. VA regulations

implementing the authority in section 1703 have long provided that “individual authorizations” may be used as a method of making infrequent purchases of necessary non-VA health care for eligible Veterans. Individual authorizations provide the flexibility to purchase services necessary to a full continuum of care based on the patient’s condition, frequency of need, and quality of care issues which would otherwise be unavailable from VA without negotiating the purchase under formal contracting provisions. VA proposes to amend section 1703 to clarify that VA is not limited to formal contracting when purchasing health care services under this authority.

**Exempt Medal of Honor Awardees from Copayments:** Section 512 of Public Law 111-163 amended 38 USC 1705 to provide certain Veterans awarded the Medal of Honor enrollment in priority group 3; however, this provision did not make any corresponding amendments to 38 USC 1710, 38 USC 1710B, or 38 USC 1722A to exempt these veterans from copayments. VA proposes to amend these provisions to exempt Medal of Honor awardees from copayments. The Medal of Honor awardees are highly courageous Veterans who served their country without regard for their own safety or well-being. VA believes making them exempt from copayments is appropriate recognition of their service and ensures that they can receive cost-free care to maintain their well-being.

**Make VA an Incorporated Member of the Association of Military Surgeons of the United States:** Although VA has long participated in AMSUS as an equal partner with the other constituent services, VA has never been officially incorporated into the organization. The purpose of this proposal is to correct a long-standing inconsistency by making the Department of Veterans Affairs (VA) an Incorporated Member of the Association of Military Surgeons of the United States (AMSUS). Becoming an incorporated member of AMSUS would permit VA to help organize and host the AMSUS annual meeting without the additional steps to justify our involvement. These annual meetings are valuable to VHA because AMSUS provides a platform for sharing with other Federal health care entities. The program serves as continuing education for health care professionals across multiple disciplines.

**Extend Authority to Provide Care and Services to Mentally Ill and/or Homeless Veterans:** Title 38 USC § 2031 states “(a) In providing care and services under section 1710 of this title to veterans suffering from serious mental illness, including veterans who are homeless, the Secretary may provide (directly or in conjunction with a governmental or other entity) - (1) outreach services; (2) care, treatment, and rehabilitative services (directly or by contract in community-based treatment facilities, including halfway houses); and (3) therapeutic transitional housing assistance under section 2032 of this title, in conjunction with work therapy under subsection (a) or (b) of section 1718 of this title and outpatient care.

(b) The authority of the Secretary under subsection (a) expires on December 31, 2012.” VA proposes to extend this authority to on December 31, 2016.”

VA also seeks to amend section 2031 by removing the requirement that a Veteran to have a co-occurring serious mental illness (SMI) before receiving HCHV program services. While such co-occurring disorders such as SMI have traditionally been the markers of homelessness among Veterans, and have been well documented in relevant research, conditioning the provision of services on the existence of SMI unnecessarily limits the scope of services available to thoroughly address the condition of homelessness. VA regards the condition of homelessness as one that by itself requires intervention and treatment.

**Extend Authority to Provide Expanded Services to Homeless Veterans:** 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. Section 2033 will expire on December 31, 2012. VA proposes to extend this authority through December 31, 2016.

**Extend Authority for the Homeless Veterans Advisory Committee:** VA proposes to extend current authority through December 2016. Title 38 USC § 2066 authorizes VA to establish an Advisory Committee on Homeless Veterans. This authority is currently due to expire December 2012.

**Extend Authority to Charge Certain Copayments for Hospital and Nursing Home Care:** VA proposes permanent authority after the current expiration date of September 30, 2012. P.L. 111-163, § 517, extended VA’s authority to require statutorily defined copayments for certain Veterans for hospital care and nursing home care through September 30, 2012. VA requests that this authority be made permanent beginning October 1, 2012.

**Extend Authority to Recover Costs from Insurance Companies:** VA proposes permanent authority after the current expiration date of September 30, 2012. P.L. 111-163, § 518, extended VA’s authority to recover cost of certain care and services from disabled Veterans with health plan contracts through September 30, 2012. VA requests that this authority be made permanent beginning October 1, 2012.

**Extend Authority to Provide Nursing Home Care:** VA proposes to extend current authority through December 31, 2020. Title 38 USC § 1710A(a) authorizes VA, subject to appropriations for such purpose, to provide nursing home care that the Secretary determines is needed (1) to any Veteran in need of such care for a service-connected disability, and (2) to any Veteran who is in need of such care

and who has a service-connected disability rated at 70 percent or more. This authority is currently due to expire December 31, 2013.

## **Construction - Proposed Legislation**

**Allow Transfers to/from VA Capital Accounts in Support of Joint Federal Facilities:** In 2013 VA will propose changes in its authorization to allow for the planning, design, construction or leasing a shared medical facilities with the goal of improving the access to, and quality and cost effectiveness of, the health care provided by the Department and other Federal agencies (for example, the Department of Defense) to their beneficiaries. The proposal would allow the Department to transfer and/or receive funds (major and minor construction) to/from another Federal agency for use in the planning, design, and/or construction of a shared medical facility. It will also allow the transfer from (the medical facility appropriation) or receiving of funds to/from other Federal agencies for the purpose of leasing space for a shared medical facility, after section 8104 authorization requirements have been met. In order to foster collaboration VA will also request the term “medical facility” be expanded to include any facility or part thereof which is, or will be, under the jurisdiction of the Secretary, or as otherwise authorized by law, for the provision of health-care services.

## **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, 2012. 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 3.6%. That increase would result in an increase of \$772 million in 2013, \$4.9 billion over five years, and \$10.9 billion over ten years.

### **Elimination of Certain Apportionments of Compensation & Pension Benefits to a Veteran’s Spouse or Dependents**

U.S.C. 5307 seeks to repeal subsections (a)(1) and (a)(2) of U.S.C. §5307. Subsection (a)(1) provides that a Veteran’s benefit payment may be apportioned to the Veteran’s spouse, child, or dependent parent when the Veteran is being furnished hospital treatment, institutional, or domiciliary care by the United States. Subsection (a)(2) provides that all or part of a Veteran’s compensation or pension may be apportioned to a Veteran’s spouse or child as prescribed by the Secretary

when the spouse does not live with the Veteran, or the child(ren) are not in the custody of the Veteran. The VA will no longer arbitrate domestic appropriations, and it has been decided by the VA that family courts shall make these decisions. Enactment of this provision does not result in benefit cost or savings.

### **Extend the Delimiting date for Eligibility for Death Pension to Surviving Spouse of a Gulf War Veteran**

This proposal seeks to update and extend the statutory marriage delimiting date for surviving spouses of the Gulf War Veteran for purposes of determining entitlement to death pensions. 38 U.S.C. § 1541 (f)(1) states that the surviving spouse pension benefits cannot be paid unless the claimant was married to the Veteran for at least one year immediately preceding the Veteran's death, or a child was born of the marriage, or the marriage occurred before January 1, 2001. At the time of the enactment of this law, the established date was appropriate given the nature of the Gulf War in 1990, and the 10-year qualifying period was consistent with other delimiting date periods. Generally, delimiting dates are established on the day following ten years after the war or conflict was officially over. Since the official Gulf War period, which began on August 2, 1990, is still ongoing and will terminate on a date to be determined by Presidential proclamation or law, the January 1, 2001 date must be extended. Enactment of this provision does not result in benefit cost or savings.

### **Cost of Living Adjustment Round-down**

This proposal would amend title 38, U.S.C. § 1303 (a) and 1104 (a) to provide a ten-year extension of the round-down provisions of the computation of the cost of living adjustment (COLA) for service-connected compensation and dependency and indemnity compensation (DIC). Public Law 108-183 extended the ending date of this provision to 2013. The COLA adjustment computation in sections 1303 (a) for DIC and 1104 (a) for service-connected disability include a provision to round down VA compensation or DIC payments to the next whole dollar amount. Extending the sunset provision for the COLA round down provision ten years beyond the 2013 expiration date result in cost savings. Benefit cost savings are estimated to be \$354.5 million for five years and \$1.8 billion over ten years.

### **Expand Eligibility for Medallion (authorized by Dr. James Allen Veteran Vision Equity Act of 2007 - Public Law 110-157)**

This proposal would amend title 38, United States Code (U.S.C.), § 2306, to remove the November 1, 1990, applicability date for provision of medallions to Veterans, as established by Public Law (PL) 110-157. NCA seeks to expand the medallion benefit so that any privately-purchased headstone/marker installed at the grave of any eligible Veteran buried in a private cemetery can be distinctly marked with a Government-furnished medallion affixed to show the gratitude of the Nation for their service in the U.S. Armed Forces. Costs are estimated to be

\$50 thousand in 2013 and \$306 thousand over ten years.

**Allow for the Provision of Government-Furnished Headstones and Markers for the Privately Marked Graves of Medal of Honor Recipients who Died Prior to November 1, 1990**

This proposal would amend title 38, United States Code (U.S.C.), to allow the National Cemetery Administration (NCA) to provide headstones or markers for the privately marked graves of all eligible Medal of Honor recipients (MOH), who died prior to November 1, 1990. Costs in 2013 are estimated to be \$47 thousand and \$636 thousand over ten years.

**Use of Character of Service Determinations for Active Duty Deaths**

This proposal would amend § 2402(1) of title 38, United States Code (U.S.C.), to apply the “conditions other than dishonorable” character of discharge standard in reviewing claims for burial in a VA national cemetery for service members who die on active duty. This proposal seeks to rectify the current inequity in eligibility determinations that exists between Veterans and active duty servicemembers, and would not result in benefits cost or savings.

**Extend the Sunset Date for Using Non-VA Physicians to Perform Medical Disability Examinations**

This proposal would extend by five years a provision of P.L. 108-183, section 704, for the authority to use discretionary VBA funding to procure contracted disability examinations to supplement the examinations provided by VHA and procured at 10 VBA regional offices through contracts reimbursed from mandatory Compensation and Pensions account under the authority of P.L. 104-275, section 504. The sunset date provided in section 704 was most recently extended to December 31, 2012 by P.L. 111-275, section 809. The requested extension would be advantageous to planning and executing appropriate contracts for future examinations in the most needed regions of the country.

**Readjustment Benefits – Proposed Legislation**

**Allow VA to send Post-9/11 GI Bill tuition and fee payments to the student rather than the school**

Amend title 38, U.S.C., section 3313(g) to allow VA to pay the student directly for Post-9/11 GI Bill tuition and fee payments rather than directly to the educational institution concerned. There is no additional benefit cost for this proposal since the amount paid by VA remains unchanged.

### **Extend Delimiting Dates for Spouses who are Caretakers of Seriously Injured Veterans**

Amend title 38 U.S.C. § 3512 to permit the extension of delimiting dates for eligible spouses who could not pursue, or had to interrupt, a program of education while acting as the primary caretaker for a Veteran or Servicemember seriously injured while on active duty in a contingency operation after September 10, 2001. VA estimates that the enactment of the proposed amendments would result in an insignificant benefits cost because it would only affect a small number of individuals.

### **Permanent authorization of work-study activities**

Amend title 38 United States Code, section 3485(a)(4) to permanently reauthorize the VA work-study allowance for certain activities, such as outreach programs with State Approving Agencies, an activity relating to the administration of a National Cemetery or a State Veteran's Cemetery, and assisting with the provision of care to Veterans in State Homes. Benefit costs are estimated to be \$65 thousand during the first year and \$1.1 million for five years, and \$2.4 million over 10 years.

### **Rounding-down of certain cost-of-living adjustments**

Amend title 38 United States Code, section 3015(h) and 3564 to extend the sunset date for rounding-down of cost-of-living adjustments on educational assistance from September 30, 2013, to September 30, 2018. Because the current expiration date is at the end of FY 2013, no savings are expected in 2013. Savings to VA are estimated to be \$3.8 million in 2014 and \$18.7 million over five years from FY 2014 – FY 2018.

### **Increased Funding of Contract Educational and Vocational Counseling**

Amend Title 38, United States Code, Section 3697 to increase funding available to provide contract vocational and educational counseling to individuals qualifying under section 3697A of Title 38 to not more than \$7,000,000 in any fiscal year. Benefit costs are estimated to be \$1 million in the first year, \$5 million over five years and total \$10 million over ten years.

### **Exclude Temporary Residence Adaptation (TRA) Grants from Three Specially Adapted Housing (SAH) Grant Limit**

Amend the law so that TRA grants would not count toward the maximum allowable grant amounts under either the Paraplegic Housing (PH) or Adaptive Housing (AH) grants and TRA grants would be excluded from the maximum allowable number of grant usages. Benefit Costs are estimated to be \$290 thousand during the first year, \$1.5 million for five years, and \$2.9 million over ten years.

### **Replace the SAH Program's Three-Usage Grant Limit with Limits Specific to Grant Type**

Replace the three-grant limit on all SAH grants under Chapter 21 with separate three-grant limits for grants under § 2101(a) and grants under § 2101(b). This change would address the situation where a Veteran qualifies for § 2101(b) grants (currently limited to \$12,756 total) and, due to a worsening disability, is later deemed eligible for § 2101(a) grants (currently limited to \$63,780 total). Currently, the Veteran's earlier use of § 2101(b) grants is counted toward the three-grant limit. If he or she has used three § 2101(b) grants, he or she receives no assistance under § 2101(a). Benefit costs are estimated to be \$380 thousand during the first year, \$2.1 million for five years, and \$4.7 million over ten years.

### **Amend visual impairment standard for SAH grant eligibility**

Allow VA to assist Veterans and Servicemembers with severe visual impairments under 38 U.S.C. § 2101 by defining "blindness" as visual acuity of 20/200 or less or of a peripheral field of vision of 20 degrees or less. Benefit costs are estimated to be \$3.1 million during the first year, \$11.0 million for five years, and \$14.8 million over ten years.

### **Restoration of Specially Adapted Housing and Special Housing Adaptation Grant Eligibility**

Provide for restoration of previously-used SAH grant amounts in 38 U.S.C. § 2102. This proposal would authorize VA to restore previously used grant funds in the event of loss of the adapted residence in certain specific circumstances. This proposal is modeled on VA's current authority to restore entitlement for a home loan guaranty in certain specific circumstances. Benefit costs are expected to be \$5.6 million in the first year, \$30.6 million over five years and just over \$69.5 million over ten years.

### **Provide SAH Grants to Veterans Living Permanently with Family Members**

Permit otherwise eligible individuals to use SAH grants under 38 U.S.C. § 2101(a) to make adaptations to a family member's home, so long as the individual intends to reside with the family member permanently. Similar authority already exists for grants under § 2101(b). Benefit costs are estimated to be \$5.9 million during the first year, \$32.3 million for five years, and \$73.1 million over ten years.

## **Housing - Proposed Legislation**

### **Extension of Net Value Authority**

The Veterans Affairs (VA) is currently authorized to calculate the net value of a property at the time of foreclosure under 38 U.S.C. 3732(c). This proposal would extend VA's authority for calculating the net value of a property and using that calculation to determine VA's liability to pay claims at the time of foreclosure



through the end of fiscal 2015. This proposal would also provide the Secretary with the discretion to determine what costs should be included in the net value calculation, based on prevailing economic conditions. The enactment of this proposal would result in no additional loan subsidy costs.

### **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.

## **Insurance - Proposed Legislation**

### **Make Supplemental Service-Disabled Veterans' Insurance (SDVI) Coverage Available to Veterans over the Age of 65.**

This proposal would eliminate the requirement that a veteran apply for supplemental SDVI coverage before he or she attains the age of 65 by amending 38 U.S.C. 1922A. This change would assist the relatively small number of veterans who have expressed a desire for the opportunity; thus, the costs are estimated to be only \$100K in 2013, \$1.0 million over 5 years and \$2.7 million over 10 years.

## **Other Legislative Proposals**

### **Allow any public institution in a consortium/district to certify any student enrolled in an institution in the consortium/district**

Amend title 38, U.S.C., section 3684(a)(1) to expand the reporting authority to allow any institution in a consortium (or district) to report enrollment information to VA for any student enrolled in the consortium if all institutions in the consortium are located in the same state and have the ability to view all student records and academic plans to ensure course(s) being certified meet the requirements of the primary institution.



# Proposed Legislation Chart

Proposed Legislation (Dollars in thousands)		2013		2014		2015		2016		2017		2013 to 2017	
		BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays
<b>\$ in thousands</b>													
The following items with budgetary impact are included in the President's legislative program for the Second Session of the 112th Congress													
<b>Disability Compensation Benefits:</b>													
2011 Compensation COLA increase of 0.9 percent effective December 1, 2011	772,014	772,014	966,999	966,999	1,006,981	1,006,981	1,046,061	1,046,061	1,084,638	1,084,638	1,084,638	4,876,693	
Extend Rounding-Down of Compensation and DIC COLA Through 2022			(28,700)	(28,700)	(67,500)	(67,500)	(103,600)	(103,600)	(154,700)	(154,700)	(154,700)	(354,500)	
Total Disability Compensation Costs	772,014	772,014	938,299	938,299	939,481	939,481	942,461	942,461	929,938	929,938	929,938	4,522,193	
<b>Burial Benefits:</b>													
Expand eligibility for Veterans Medallion for Headstones	50	50	50	50	50	50	40	40	32	32	32	222	
Allow for Government Furnished Headstones	46	46	50	50	53	53	57	57	61	61	61	267	
Total Burial Benefits Costs	96	96	100	100	103	103	97	97	93	93	93	489	
<b>Readjustment Benefits:</b>													
Extend Rounding-Down of Education COLA Through 2018			(3,779)	(3,779)	(3,761)	(3,761)	(3,695)	(3,695)	(3,699)	(3,699)	(3,699)	(14,934)	
Make Permanent Pilot Expansion of Certain Work-Study Activities	65	65	257	257	255	255	254	254	255	255	255	1,086	
Increase Cap on Contract Counseling	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000	
Exclude TRA Grants from Three SAH Grants Limit	290	290	290	290	290	290	290	290	290	290	290	1,450	
Replace the SAH Programs Grant Limit	380	380	398	398	417	417	437	437	458	458	458	2,090	
Amend Visual Impairment Standard For SAH Grant	3,085	3,085	3,234	3,234	3,389	3,389	630	630	660	660	660	10,998	
Restore Eligibility for Housing Adaptation	5,561	5,561	5,828	5,828	6,108	6,108	6,401	6,401	6,708	6,708	6,708	30,606	
Provide SAH Grants to Veterans Living with Family	5,864	5,864	6,146	6,146	6,441	6,441	6,750	6,750	7,074	7,074	7,074	32,275	
Total Readjustment Benefits	16,245	16,245	13,374	13,374	14,139	14,139	12,067	12,067	12,746	12,746	12,746	68,571	
<b>Insurance:</b>													
Extend Supplemental SDVI Coverage	100	100	200	200	200	200	200	200	300	300	300	1,000	
<b>Medical Care:</b>													
Smoke Free Environment	(7,200)	(7,200)	(7,318)	(7,318)	(7,440)	(7,440)	(7,566)	(7,566)	(7,697)	(7,697)	(7,697)	(37,221)	
Remove Requirement that VA Reimburse Certain Employees for Professional Education	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(1,625)	
Clarify Breach of Agreement under Employee Incentive Scholarship Program	(38)	(38)	(38)	(38)	(39)	(39)	0	0	0	0	0	(115)	
Change in Collection and Verification of Veteran Income	(2,438)	(2,438)	(2,523)	(2,523)	(2,611)	(2,611)	(2,702)	(2,702)	(2,797)	(2,797)	(2,797)	(13,071)	
Medicare Ambulatory Rates for Beneficiary Travel	(17,092)	(17,092)	(16,838)	(16,838)	(15,952)	(15,952)	(15,715)	(15,715)	(15,497)	(15,497)	(15,497)	(81,094)	
Total Medical Care Costs	(27,093)	(27,093)	(27,042)	(27,042)	(26,367)	(26,367)	(26,308)	(26,308)	(26,316)	(26,316)	(26,316)	(133,126)	
<b>Medical Care Revenue:</b>													
Allow VA to Release Patient Information to Health Plans	34,000	34,000	35,000	35,000	36,567	36,567	37,920	37,920	39,361	39,361	39,361	182,848	
Consider VA a Participating Provider for "Purpose of Reimbursement" (revenues)	91,000	91,000	94,000	94,000	97,848	97,848	101,468	101,468	105,324	105,324	105,324	489,640	
Total Medical Care Revenue	125,000	125,000	129,000	129,000	134,415	134,415	139,388	139,388	144,685	144,685	144,685	672,488	

\* 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

### 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
<b>Compensation and Pension</b>				
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 for Compensation for Service-Connected Disability or Death	9/30/2013
38 USC 5503(d)(7)	P.L. 85-857	P.L. 112-56, § 262	Pension Limitations Regarding Medicaid (Reduction of pension to certain Medicaid-eligible veterans and surviving spouses receiving care in nursing homes)	9/30/2016
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. 112-56 § 264	Access to IRS data for purposes of verifying eligibility for pension (Use of Income Information from IRS and HHS)	9/30/2016

Section of U.S.C- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Expiration Date
<b>Readjustment Benefits</b>				
	P.L. 110-181 § 1631 (b)(2); extended by P.L. 112-56 § 231		Vocational rehabilitation for certain seriously disabled servicemembers	12/31/2014
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
<b>Housing</b>				
38 USC 3729(b)(2)(A)(iii),(B)(i)( C)(i),(D)(i)	P.L. 108-183 § 405	P.L. 112-56, § 265	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]	9/30/2016
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. 112-37 §14	Specially-Adapted Housing Assistance (SAH) for Veterans temporarily residing with family members.	12/31/2012
38 USC 2041	P.L. 102-54 §9(a)	P.L. 112-37 § 10(e)	Real Property Transfers for Homeless Veterans Assistance (Housing Assistance for Homeless Veterans)	12/31/2012
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 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
<b>Programs for Homeless Veterans</b>				
38 USC 2041	P.L. 109-461 §705.	P.L. 112-37 §10(e)	Housing assistance for homeless veterans	12/31/2012
38 USC 2044(e)	P.L. 110-387 §606	P.L. 112-37 § 12(a)	Financial assistance for supportive services for very low- income veteran families in permanent housing	After FY 2012 (expiration date for subsections (a) through (c) of section 2044; expiration of auth of approps for subsection (d) of section 2044)
38 USC 2061(c)	P.L. 107-95 § 5(a)(1)	P.L. 112-37 § 13	Grant Program for Homeless Veterans with Special Needs	After FY 2012 (expiration date only for designated funding)
38 USC 2021(e)	PL 107-95 § 5(a)(1)	PL 112-37 § 10(b)	Homeless Veterans reintegration programs	9/30/2012
<b>Medical Care</b>				
38 USC 2066(d)	P.L. 107-95 § 5(a)(1)	P.L. 112-37 § 10(f)	Advisory Committee on Homeless Veterans	12/31/2012
38 USC 2031(b)	P.L. 105-114 § 202(a)	P.L. 112-37 § 10(c)	Treatment and Rehabilitation for Seriously Mentally Ill and Homeless Veterans- General treatment	12/31/2012
38 USC 2033(d)	P.L. 105-114 § 202(a)	P.L. 112-37 § 10(d)	Treatment and Rehabilitation for Seriously Mentally Ill and Homeless Veterans-Additional services at certain locations	12/31/2012
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	6/6/2013
38 USC 1710 Note	P.L. 111-163 §205		Pilot Program on assistance for Child Care for certain Veterans receiving health care	10/2/2013
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 commencement of the pilot program

Section of U.S.C- Citation	Public Law- Citation	Public Law- Citation Most Recent Extension	Title	Expiration Date
<b>Co-Payments and Medical Care Cost Recovery</b>				
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. 112-37 § 10(a)	Recovery Audits for certain contracts under 38 USC 1703	9/30/2020
<b>VA/DoD Joint Sharing Funds</b>				
38 USC 8111 (d)		P.L. 111-84, section 1706	VA-DOD Joint Incentives for Sharing Initiatives	9/30/2015
	P.L. 111-84 § 1704 (e)		VA-DoD Joint funding authority for Medical facility demonstration fund	9/30/2015
<b>General Operating Expenses</b>				
38 USC 315(b)	P.L. 102-83, § 2 (a)	P.L. 112-74, § 234	Philippines Regional Office	12/31/12
38 USC 5101 note	P.L. 108-183, § 704	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
38 USC 503(c)	PL 102-83 § 2(a)	PL 111-275 § 808	Administrative error; equitable relief	12/31/2014

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## *GAO Audit Reports Introduction*

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The reports provided in the Summary Volume are those received by VA during the period of November 1, 2010 through October 31, 2011.

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*

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1. **(Limited Official Use) Information Security:** Federal Agencies Have Taken Steps to Secure Wireless Networks, but Further Actions Can Mitigate Risk; GAO-11-42SU; issued November 30, 2010 (GAO File # 4414).

**RESPONSIBLE OFFICE:** Office of Information and Technology

**RECOMMENDATIONS:**

1. Develop, document, and implement a policy for configuring mobile devices when taken on international travel or to other potentially risky locations and for applying preventative measures to devices when they are returned.
2. Update the annual information security awareness training course to include information on using wireless functionality on mobile devices securely, including the importance of disabling wireless functionality when not in use.
3. As part of VA's nationwide deployment of wireless networks, including wireless intrusion detection systems, develop, document, and implement procedures for administration of the security aspects of the systems and provide formal training, policies, and resources to local network administrators.
4. Configure automated controls to prevent department laptops at the Denver, Colorado medical center from having more than one active network connection at the same time.
5. Strengthen security of the BlackBerry Enterprise Server for VA Region 1 by setting "Allow Split-Pipe Connections" to "false," or document and implement compensating controls.

6. Configure automated controls to prevent department laptops at the VA central office from having more than one active network connection at the same time.
7. Strengthen security of the BlackBerry Enterprise Server for the VA central office by (1) setting "Minimum Password Length" to 8 characters or more and (2) setting "Maximum Security Timeout" to 15 minutes or less for all user accounts, or document and implement compensating controls.
8. Tailor the threshold for alarms on the Cisco Wireless Control System for the VA central office to recognize known access points from the surrounding neighborhood.

**ACTIONS TAKEN:**

**Update to Recommendation 1:** Policy for configuring mobile devices when taken on international travel is addressed in draft VA Handbook 6500, *Information Security Program*, and is expected to be issued by March 2012.

**Update to Recommendation 2:** IT Workforce Development will incorporate, in the FY13 Privacy and Information Security Awareness Training Course, a module that will specifically address wireless functionality on mobile devices securely and disabling wireless functionality when appropriate. The updated course will be released on October 1, 2012.

**Update to Recommendation 3:** The Intrusion Detection and Prevention document (titled *Wireless Rogue Policies*) was completed in August 2011, and has been implemented. Other documents completed include: *Wireless Network Management Roles and Responsibilities*; *Wireless Alarms and Events Management*; *Rogue Detector Access Point Recommendation*; *Database of known compatible clients and devices*; *Requirements for Devices Accessing the Wireless LAN*; and *Wireless Network Admin Training Program*. The duties of the Wireless LAN Operations Council include developing, deploying and overseeing wireless security policies and procedures to include training for local administrators.

**Update to Recommendation 4:** There are currently several technologies in use to prevent multiple active network connections. The Department's Virtual Private Network (VPN) technologies are configured to prohibit split level tunneling. Split level tunneling allows the network traffic to traverse both networks; by disabling this capability all data must pass through the VA VPN connection during a VPN session. This setting has been configured at the national level and cannot be modified by the user. The Office of Management and Budget mandated Federal Desktop Core Configuration (FDCC) settings, which have been

applied to VA's desktops and laptops, also prohibit the bridging of network interfaces, preventing more than one active network connection at the same time. These settings are established via Microsoft Group Policies at a national level and cannot be modified by the user. The Office of Information Technology is validating that these settings are properly applied at the Denver VA Medical Center.

**Update to Recommendation 5:** The BlackBerry Enterprise Server for VA Region 1 was set to "false".

**Update to Recommendation 6:** Wireless connection is by exception only in VA Central Office. Standard process will only allow one connection per IP Address.

**Update to Recommendation 7:** Password length is currently 8 characters or more and the setting is 15 minutes.

**Update to Recommendation 8:** Wireless system is password enabled which prevents access to unauthorized individuals.

**BUDGET IMPLICATIONS:** There are no significant budget impacts.



**2. Information Technology:** Veterans Affairs Can Further Improve Its Development Process for Its New Education Benefits System; GAO-11-115; issued December 1, 2010 (GAO File # 4415).

**RESPONSIBLE OFFICE:** Veterans Benefits Administration  
Office of Information and Technology

**RECOMMENDATIONS:**

To help guide the full development and implementation of the Chapter 33 long-term solution, the Secretary of Veterans Affairs should direct the Under Secretary for Benefits to:

- Establish performance measures for goals and identify constraints to provide better clarity in the vision and expectations of the project.
- Establish bidirectional traceability between requirements and legislation, policies, and business rules to provide assurance that the system will be developed as expected.
- Define the conditions that must be present to consider work "done" in adherence with agency policy and guidance.
- Implement an oversight tool to clearly communicate velocity and the changes to project scope over time.
- Improve the adequacy of the unit and functional testing processes to reduce the amount of system rework.

**ACTIONS TAKEN:**

**Recommendation 1:** Completed - Education Service and the Office of Information and Technology have completed a dashboard that provides performance measures that align with goals and objectives of the Chapter 33 long-term solution (LTS). In addition, constraints are provided that describe the impact to the vision and expectation of the project.

**Recommendation 2:** Completed - From the beginning, VA has developed the detailed long-term solution (LTS) requirements used to program the system based on the applicable legislation, regulations, and policies. A special report in the Rational Team Concert (RTC) tool now provides links from the Chapter 33

regulations to the LTS requirements documents, which are maintained in Rational Requirements Composer. The composer documents also link back to the regulations in RTC, so bidirectional traceability has been achieved. Going forward, all requirements related to regulations and legislation are linked during the elicitation process. Therefore, links have been established for the requirements that were developed to support Public Law 111-377 legislation that will be included in the LTS Release 5.0.

**Recommendation 3:** Completed – Each long-term solution release is formally accepted by VA as “done” prior to being placed into production. This acceptance is the culmination of a lengthy process in which VBA, the business sponsor of the program, engages with OIT and SPAWAR in the Agile development process to set a strategy for a release, develop requirements and user stories, monitor progress through bi-weekly reviews, conduct testing, and accept the approved build into production.

VA understands that there is additional functionality to be developed in order to consider the program a success. VBA determines the functionality that will be included in any given release by considering the existing user story backlog and functionality not yet included in the backlog, but identified in the current operating plan. VA will continue to address the undelivered functionality that remains in the development backlog.

**BUDGET IMPLICATIONS:** None

**3. Military and Veterans Disability System:** Pilot Has Achieved Some Goals, but Further Planning and Monitoring Needed; GAO-11-69; issued December 6, 2010 (GAO File # 4417)

**RESPONSIBLE OFFICE:** Veterans Health Administration

**RECOMMENDATIONS:**

To improve their agencies' ability to resolve differences about diagnoses of servicemembers' conditions, and to determine whether their new guidance sufficiently addresses these disagreements, the Secretaries of Defense and Veterans Affairs should:

- Conduct a study to assess the prevalence and causes of such disagreements.
- Establish a mechanism to continuously monitor disagreements about diagnoses between military physicians and VA examiners and between physical evaluation boards (PEB) and VA rating offices.

To enable their agencies to take early action on problems at IDES sites post-implementation, the Secretaries of Defense and Veterans Affairs should develop a system-wide monitoring mechanism to identify challenges as they arise in all DOD and VA facilities and offices involved in the IDES. This system could include: (1) continuous collection and analysis of data on DOD and VA staffing levels, sufficiency of exam summaries, and diagnostic disagreements; (2) monitoring of available data on caseloads and case processing time by individual VA rating office and PEB; and (3) a formal mechanism for agency officials at local DOD and VA facilities to communicate challenges and best practices to DOD and VA headquarters offices.

**ACTIONS TAKEN:** The Veterans Health Administration (VHA) has developed a new, focused monitoring of performance at sites that has been implemented at Integrated Disability Evaluation Sites (IDES) sites. Additionally, VHA has introduced system changes and workload-recording practices that will make it significantly easier to more closely monitor IDES examination activities, distinct from other compensation and pension examination workload. In particular, VHA will monitor requests (versus forecast), examination timeliness, examination insufficiencies, and examination termination reason (e.g., no-show, incorrect examination, etc.). VHA will additionally closely monitor the effect the IDES

examination workload has on all compensation and pension (C&P) examination workload. This was implemented December 31, 2010.

Specifically, VA has taken the following steps to develop and implement a system-wide monitoring mechanism to identify challenges as they arise in all Department of Defense (DOD) and Department of Veterans Affairs (VA) facilities and offices involved in IDES:

- To clearly differentiate and provide workload distinction, accuracy and ease of reporting and monitoring of IDES from the existing Compensation and Pension (C&P) Examination workload, VA is continuing to assign unique suffix identifiers that separate and highlight IDES examination workload. This workload distinguishing approach will facilitate the continuous monitoring and effect IDES examinations may have on the overall C&P workload. The distribution and assignment of IDES Suffix codes was completed for all IDES participating facilities. This action now facilitates the accurate capturing of IDES workload at all participating Department of Veterans Affairs Medical Centers (VAMC).
- VHA has implemented a detailed, comprehensive, and enterprise-wide, IDES Performance Dashboard. This tool is now used to monitor IDES performance by VAMCs and other Department agencies/activities which exercise responsibility for the IDES process. Emphasis is placed on all aspects of IDES timeliness and responsiveness to IDES participants and DoD. The dashboard also serves as the primary informational tool used by the VA Chief of Staff in bi-monthly IDES performance reviews with Veterans Benefits Administration (VBA) and Veterans Health Administration (VHA) senior leaders. This tool is also shared with the DoD to facilitate their specific evaluations.
- To further augment monitoring and reporting capabilities, VA is now conducting biweekly calls with the IDES sites. This allows effective distribution of information and allows sites to report specific issues for leadership to address. These calls have proven to be an invaluable method of communicating and sharing lessons learned among participants; serve as a forum for providing suggestions for program improvement and a real-time problem solving environment; and keep the operational sites aware of future program changes and activities. Active participation in these calls has continued to grow with participation ranging from Veterans Integrated Service Network (VISN) points of contact, and VBA Compensation and Pension Directors to senior management officials at VA Central Office, VHA, VBA, and VISN levels.

**BUDGET IMPLICATIONS:** None identified

**4. Electronic Health Records: DoD and VA Should Remove Barriers and Improve Efforts to Meet their Common System Needs; GAO-11-265; issued February 2, 2011 (GAO File # 4425)**

**RESPONSIBLE OFFICE:** Office of Information and Technology  
Veterans Health Administration

**RECOMMENDATIONS:**

To ensure that DOD and VA efficiently and effectively modernize their electronic health record systems to jointly address their common health care business needs, the Secretaries of Defense and Veterans Affairs should direct the Joint Executive Council to:

- Revise the departments' joint strategic plan to include information discussing their electronic health record system modernization efforts and how those efforts will address the departments' common health care business needs.
- Further develop the departments' joint health architecture to include their planned future (i.e., "to be") state and a sequencing plan for how they intend to transition from their current state to the next generation of electronic health record capabilities.
- Define and implement a process, including criteria that considers costs, benefits, schedule, and risks, for identifying and selecting joint IT investments to meet the departments' common health care business needs.

**ACTIONS TAKEN**

**Update on Recommendation 1:** VA is revising its EHR modernization plan to focus on (1) business drivers that will enable VA to process health and pension benefits more accurately and efficiently, (2) functional requirements that respond to needs of providers, and (3) greater consumer accessibility to healthcare information. VA continues to work collaboratively with DoD to identify joint solutions to these and other goals. The results of these efforts will be published in an updated VA/DoD Joint Executive Council (JEC) Joint Strategic Plan (JSP) that will be completed in 2012.

**Update to Recommendation 2:** VA and DoD have identified similarities in our future planned architectures and are currently working together on business

process, enterprise architecture, system capabilities and data models to identify opportunities for joint solutions. VA, in collaboration with DoD, will update the DoD/VA Shared Health Architecture to include end states and explain how the departments intend to transition from the current state to the next generation EHR.

**Update to Recommendation 3:** VA, in collaboration with DoD, is developing and implementing a process for identifying and selecting joint IT investments to meet the departments' common health care business needs.

**BUDGET IMPLICATIONS:** There are no significant budget impacts

**5. VA Real Property: Realignment Progressing, but Greater Transparency About Future Priorities Is Needed;** GAO-11-197; issued March 2, 2011 (GAO File # 4424)

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

**RECOMMENDATIONS:**

To enhance transparency and allow for more informed decision making related to VA's real property priorities, the Secretary of Veterans Affairs should provide the full results of VA's SCIP process and any subsequent capital planning efforts, including details on the estimated cost of all future projects, to Congress on a yearly basis.

**ACTIONS TAKEN:** The initial SCIP plan was released with the FY 2012 VA Budget Submission in February 2011. The plan included the estimated magnitude cost for over 4,800 capital projects. It also provided a status of the existing capital asset portfolio (buildings, land and leases by VA Administration) and the projects in process as well as future space asset needs. The projects in the action plan would meet current and projected gaps in safety, security, access, space, facility condition, utilization and other areas. The Long Range SCIP plan will be updated each year and include the estimated future costs to meet established gaps to enhance health care and services to Veterans.

**BUDGET IMPLICATIONS:** None

**6. Information Technology:** OMB Has Made Improvements to Its Dashboard, but Further Work Is Needed by Agencies and OMB to Ensure Data Accuracy; GAO-11-262; issued March 15, 2011 and re-issued March 16, 2011 (GAO File # 4427)

**RESPONSIBLE OFFICE:** Office of Information and Technology

**RECOMMENDATIONS:**

To better ensure that the Dashboard provides accurate cost and schedule performance ratings, the Secretary of the Department of Veterans Affairs should direct the CIO to:

- Comply with OMB's guidance on updating the CIO rating as soon as new information becomes available that affects the assessment of a given investment, including when an investment is in the process of a rebaseline.
- Work with Medical Legacy officials to comply with OMB's guidance on updating investment cost and schedule data on the Dashboard at least monthly.
- Ensure Medical Legacy investment data submitted to the Dashboard are consistent with the investment's internal performance information.

**ACTIONS TAKEN:**

**Update on Recommendation 1:** OIT agreed to update baseline changes of the OMB Dashboard within 30 days of internal approval. In early 2011, efforts were underway to synchronize projects on the OMB Dashboard with the VA's Project Management Accountability System (PMAS), which tracks the current status of IT projects throughout VA. As of September 23, 2011, data that is sent to the OMB Dashboard is now extracted from PMAS, which allows reporting to be consistent.

**Update on Recommendation 2:** As of September 23, 2011, OIT now updates investment cost and data schedule every 30 days, as requested by OMB.

**Update on Recommendation 3:** OIT developed an automated interface between the OMB IT Dashboard and PMAS which extracts PMAS data into the xml format required by OMB. The initial interface to the OMB IT Dashboard became operational on September 23, 2011; the final functional updates to this solution will be completed by April 1, 2012.

**BUDGET IMPLICATIONS:**

The cost of developing the interface described in VA's response to Recommendation 3 is approximately \$3,000,000.



**7. DoD and VA Health Care:** Federal Recovery Coordination Program Continues to Expand but Faces Significant Challenges; GAO-11-250; issued March 23, 2011 (GAO File # 4429)

**RESPONSIBLE OFFICE:** Federal Recovery Coordination Program

**RECOMMENDATIONS:**

The Secretary of Veterans Affairs should direct the Executive Director of the FRCP to:

- Ensure that referred servicemembers and veterans who need FRC services are enrolled in the program by establishing adequate internal controls regarding the FRCs' enrollment decisions. To accomplish this, the FRCP leadership should (1) require FRCs to record in the Veterans Tracking Application the factors they consider in making an enrollment decision, (2) develop and implement a methodology and protocol for assessing the appropriateness of enrollment decisions, and (3) refine the methodology as needed.
- Complete development of the FRCP's workload assessment tool that will enable the program to assess the complexity of services needed by enrollees and the amount of time required to provide services to improve the management of FRCs' caseloads.
- Clearly define and document the FRCP's decision-making process for determining when and how many FRCs VA should hire to ensure that subsequent FRCP leadership can understand the methods currently used to make staffing decisions.
- Develop and document a clear rationale for the placement of FRCs, which should include a systematic analysis of data, such as referral locations, to ensure that future FRC placement decisions are strategic in providing maximum benefit for the program's population.

**ACTIONS TAKEN:**

- Following the GAO report, FRCP immediately established a formalized process where an FRC presents the evaluation results and enrollment recommendation to FRCP management for review and approval. The

results of the enrollment review are captured in the FRCP data management system. FRCP management also reviews and approves all changes in client status. Subsequently, FRCP completed development and testing of a service intensity tool designed to provide objective guidance in enrollment decisions. The intensity tool is now used for all new referrals and the results are maintained in the FRCP data management system. FRCP management review and approval of enrollment decisions remains in effect.

- FRCP has completed the first phase of the service intensity tool. The tool is currently used during the initial evaluation process to assist in making enrollment decisions. FRCP began using the tool in September 2011. The results of the first six months of use will be evaluated and used in the design of the second phase which will address assignment and balancing of FRC's caseloads.
- FRCP has documented the current process used for staffing decisions. The current process considers the anticipated referrals, enrollment projection, expected attrition and target caseload in determining the need for additional FRCs. The current process will be revised when the second phase of the service intensity tool is complete. Staffing processes and plans will be updated annually in the FRCP business operation planning document.
- FRCP will develop a placement strategy based upon a systematic analysis of six months data as well as discussions with VA, DoD, and Senior Oversight Committee stakeholders. The established process will be documented and updated annually in the FRCP business operation planning document.

**BUDGET IMPLICATIONS:** All actions in response to GAO recommendations have been accomplished within the FRCP current services budget. There are no additional funding resources required.

**8. VA Education Benefits: Actions Taken, but Outreach and Oversight Could Be Improved;** GAO-11-256; provided to VA March 30, 2011 (GAO File # 4428)

**RESPONSIBLE OFFICE:** Veterans Benefits Administration

**RECOMMENDATIONS:**

To improve VA's outreach and support for eligible servicemembers and veterans, communication with school officials, and oversight of its education benefit programs, the Secretary of Veterans Affairs should:

- Develop outcome-oriented performance measures for outreach to servicemembers and veterans who are seeking VA education benefits. This could include measures of VA's success in reaching out to target populations, including servicemembers and veterans with disabilities, and in addressing areas where more information about education benefits may be needed.
- Establish performance measures for the quality of information provided by VA's toll-free hotline and for the timeliness and quality of its Right Now Web service.
- Provide more timely, accessible, and comprehensive education program policy information. This could include developing and maintaining an online policy manual for the Post-9/11 GI Bill and providing e-mail updates to school certifying officials nationwide.
- Increase efforts to make school certifying officials aware of available training opportunities, including VA's online training module, and consider providing information for school certifying officials on working with servicemembers and veterans with disabilities.
- Undertake a systematic review of VA's and SAAs' oversight of schools, focusing on opportunities to improve resource allocation, adopt risk-based approaches, consider cost-effective ways to oversee foreign schools, and evaluate the results of its oversight activities on a routine basis.

**ACTIONS TAKEN:**

**Recommendation 1:** In process – The VBA Benefits Assistance Service (BAS) deployed early messaging in December 2010, and added additional messaging in March 2011. Targeted education messages were sent to Servicemembers based on in-service triggers (e.g., length of service) to inform them about potential eligibility for education benefits at various points during their military careers. Now that early messaging has been deployed, VBA will explore ways to measure the effectiveness of these messages and begin establishing baseline performance measures.

VBA is in the process of developing a performance measure (or performance measures) that captures the percentage of individuals who receive messages about VA education benefits through the eBenefits portal and subsequently seek additional information through the VA GI Bill website as a result of those messages. Beginning in FY 2012, BAS began measuring the number of views on the VBA GI Bill website that are a direct result of messages sent about potential eligibility for VA educational assistance. This was accomplished through the modification of the Uniform Resource Locator that is part of the message and directs individuals to the website. BAS is using the captured data to establish a baseline. Targeted Completion Date: September 30, 2012

**Recommendation 2:** In Process – VBA’s Education Service is coordinating with the Office of Field Operations, the Education Call Center, and the Regional Processing Offices to develop suitable performance measures and monitoring policies that are consistent with other national standards for similar programs within VA. Education Service is on track to complete this by January 31, 2012.

**Recommendation 3:** Completed – On June 3, 2011, VA issued a new School Certifying Officials Handbook, which serves as the comprehensive standardized manual for school use for all education benefits. VA has posted the handbook on the GI Bill website. The handbook will be kept current.

**Recommendation 4:** Completed – VA issued a new School Certifying Officials (SCOs) Handbook, which serves as the comprehensive standardized manual for school use for all education benefits. VA modified the GI Bill website to increase the timely flow of information to school certifying officials. On June 22, 2011, VA provided the following message to State Approving Agencies (SAAs), Education Liaison Representatives (ELRs), and other points of contact with instructions to disseminate widely to SCOs: “The [GI Bill homepage](#) now has a direct link providing news, items of interest, training and information, and frequently asked questions geared specifically to schools.” The *School Resources Page* (formerly the *School Certifying Officials Page*) was reformatted to make it easier to find information pertinent to school officials.

**Recommendation 5:** In process – VA submitted recommended changes to the State Approving Agencies’ (SAAs) activity as part of its legislative proposal package submitted to Congress in March 2010. Congress enacted provisions of this proposal as part of Public Law 111-377. These changes reduce the SAAs’ responsibilities for school approval by allowing VA to rely on accreditations already in place by the Department of Education. As a result, VA will have more flexibility in how to best utilize the SAAs to provide additional outreach, training, and oversight to school officials.

VA is implementing Public Law 111-377, and will be utilizing SAAs for compliance visits. VA is currently completing a systematic review of Education Liaison Compliance Specialists and Education Liaison Representatives (ELRs) full-time equivalent employees to determine proper resource allocation for approval, compliance, and outreach activities. In fiscal year (FY) 2012, SAAs must work with Regional Processing Offices (RPOs) to develop outreach plans that take into account the location of the SAA and the RPO and current workload. VA is reviewing the statute and regulations regarding approval criteria to determine the outputs necessary on approval actions and the current level of need for actions that have historically been taken such as full review of every new school catalog. VA will identify and report on services provided and the costs associated with foreign schools. VA believes that it cannot complete an evaluation of results until SAAs and ELRs begin conducting the work associated with the changes enacted in Public Law 111-377. We will monitor approval, outreach, and compliance work throughout FY 2012.

**BUDGET IMPLICATIONS:** None

**9. VA Health Care: Need for More Transparency in New Resource Allocation Process and for Written Policies on Monitoring Resources; GAO-11-426; issued April 29, 2011 (GAO File # 4432)**

**RESPONSIBLE OFFICE:** Veterans Health Administration

**RECOMMENDATIONS:**

To increase the transparency of the new network allocation process, and to ensure that internal control activities are performed and that the resources networks allocate to medical centers are monitored consistently and reliably, the Secretary of Veterans Affairs should direct the Under Secretary for Health to:

- Require networks to provide rationales for all adjustments made to the allocation amounts proposed by the model in VA's resource allocation process.
- Develop written policies, consistent with federal internal control standards, to formalize existing practices for monitoring resources networks have allocated to medical centers.

**ACTIONS TAKEN:** Beginning with the Fiscal Year (FY) 2012 allocation process, VHA's Chief Finance Officer (CFO) is requiring Veterans Integrated Service Network Directors to provide rationales for all adjustments to the medical facilities model allocations. Also beginning in FY 2012, VHA's CFO has provided written guidance consistent with Federal internal control standards in a letter to VISN Directors to formalize existing practices for monitoring FY 2012 and future resources that VISNs allocate to medical centers. This is the second fiscal year that the model has been used to allocate VISN General Purpose funds to VA Medical Centers. VHA will continue to issue written guidance at the beginning of each fiscal year, and will incorporate any approved adjustments to the model at that time.

**BUDGET IMPLICATIONS:** None identified.

**10. VA Health Care: Weaknesses in Policies and Oversight Governing Medical Supplies and Equipment Pose Risks to Veterans' Safety; GAO-11-391; issued May 3, 2011 (GAO File # 4430)**

**RESPONSIBLE OFFICE:** Veterans Health Administration

**RECOMMENDATIONS:**

To help ensure veterans' safety through VA's purchasing, tracking, and reprocessing requirements, the Secretary of Veterans Affairs should direct the Under Secretary for Health to:

- Require VAMCs to enter information about all expendable medical supplies and RME into an appropriate inventory management system.
- Develop and implement an approach for providing standardized training for reprocessing all critical and semi-critical RME to VAMCs. Additionally, hold VAMCs accountable for implementing device-specific training for all of these RME.
- Develop and implement an approach to oversee compliance at all VAMCs with the selected purchasing requirements.
- Use the information on noncompliance identified by the VISNs and information on VAMCs' corrective action plans to identify areas of noncompliance across all 153 VAMCs, including those that occur frequently, pose high risks to veterans' safety, or have not been addressed, and take action to improve compliance in those areas.

**ACTIONS TAKEN:**

- Requirements to use the Generic Inventory Package (GIP) Inventory System is have been emphasized. All reoccurring expendable medical supplies, except one time use or specialty items used on a specific patient or procedure, are required to be maintained in the GIP Inventory System. All VAMCs are required to utilize GIP and bar code technology to monitor inventory of expendable medical supplies. An analysis completed in June 2011 demonstrated 81% of clinical items are already being captured in the facility level Item Master File (IMF) (national average), and projected staffing levels required to manage the additional workload have been identified.

- For specialty items that do not meet the criteria established in the GIP Inventory System, a process to capture information on such items to ensure that they can be identified in the event of a medical device recall is being implemented.
- A plan to restrict the use of purchase cards for purchasing clinical items and require all clinical expendable supplies to be acquired through the Facility Logistics Program is being developed and implemented.
- Progress is being made to conduct pilot studies to prepare for development of a nationwide deployment of the Real Time Location System (RTLS) in Fiscal Year 2012.
- A system is in place so that VISNs must validate VAMC compliance with applicable directives and policies relating to management of expendable and non-expendable inventory by conducting site visits to each VAMC. The system includes site visits with submission and tracking of corrective plans until completion.

**BUDGET IMPLICATIONS:** None



**11. Veterans Education Benefits:** Enhanced Guidance and Collaboration Could Improve Administration of the Post-9/11 GI Bill Program; GAO-11-356; issued May 5, 2011(GAO File # 4433)

**RESPONSIBLE OFFICE:** Veterans Benefits Administration

**RECOMMENDATIONS:**

To improve VA's administration of the Post-9/11 GI Bill program and address ongoing challenges, the Secretary of Veterans Affairs should:

- Take steps to provide for schools to receive more critical program information such as a student's eligibility for benefits or how payments have been calculated, for example, to enable certifying officials, financial aid officials, and business office administrators to effectively administer the program and deliver benefits.
- Collaborate with the Department of Education and the higher education community, leveraging their experiences in administering aid. These collaborations should include assessing the applicability and viability of adopting processes and actions taken by the Department of Education, where practical, such as returning overpayments of program funds or reconciling benefit payments.

**ACTIONS TAKEN:**

**Recommendation 1:** In process - Education Service is working to provide information to school officials as part of an ongoing, multi-faceted approach. In June 2011, Education Service released a School Certifying Official Handbook, which is posted to the School Resources page of the GI Bill website. The handbook (which will be updated prior to each academic year) provides information on the various education programs, including payment calculations, and standardizes the reporting process. Each direct-deposit payment to the school has an addendum identifying the student and term for which the payment is intended. Each check payment has a stub with the same information. Also, VA currently sends each school a weekly VET REP report detailing the exact amount of tuition, fees, and Yellow Ribbon payments sent to the school for each student. Schools can use this information to verify the payments they receive. VA provides Veterans with complete information concerning their eligibility, benefit entitlement, and payments in our official correspondence. Veterans have the

responsibility to share this information with their schools. Education Service is also documenting requirements for interfacing our long-term solution IT application for the processing of Post-9/11 GI Bill benefits with the school-facing VA Online Certification of Enrollment (VA ONCE) application in order to provide the information to the schools electronically in the future. This recommendation will be considered fully implemented with the deployment of the VA ONCE interface functionality, which is expected in June 2012.

**Recommendation 2:** Completed – In 2009, VBA met with the Department of Education (ED) and determined that ED’s model for grants would not meet the statutory requirements for Chapter 33. Representatives from VA and ED met again on June 30, 2011, to discuss the processes used by each agency to deliver and recoup funds issued for educational assistance. It was determined that existing statutory and technical differences prevent VA from adopting the processes currently in place with ED.

ED front loads institutions with estimated funds for a certain time period. When the school determines a student’s eligibility for ED funds, those funds are disbursed to the student or organization. If there are overpayments or changes to student records that require debt collection, the institution is required to make the Government whole and take collection action against the student. The school then reconciles internally and reports back to ED.

VA determines eligibility and payment amounts internally. Upon determination, VA issues a payment to the school on behalf of the student. If there are overpayments or changes to student records that require debt collection, VA must determine the amount of the debt owed. Upon determination, VA takes steps necessary to collect the amount owed from the student, as required by statute.

The following statutory and technical differences were noted –

- ED statutes allow the individual to earn 100% of the funds received once the individual has completed 60% of the course. VA statutes require that VA only pay for pursuit of a course. As such, if a student withdraws from a class, VA is required to adjust the amount due and recoup any resulting overpayment.
- Under the ED model, schools determine the amount of funds issued to the student. VA benefits require a formal determination under VA laws and regulations before payment is authorized. Additionally, VA charges entitlement for benefits paid. Schools would not have the expertise or authority to determine the amount of a Veteran’s benefits or the amount of entitlement charged for payments issued.

- VA does not have legal authority to provide funding to schools based on estimated costs. Post-9/11 GI Bill benefits are based on actual net charges.
- In the majority of the cases when an overpayment of VA education benefits occurs, the liability is with the Veteran, not the school.
- VA statute requires that VA collect debts from future VA benefit payments. ED delegates initial collection attempts to the institutions.

**BUDGET IMPLICATIONS:** None

**12. VA Health Care: Actions Needed to Prevent Sexual Assaults and Other Safety Incidents; GAO-11-530; issued June 4, 2011 (GAO File # 4441)**

**RESPONSIBLE OFFICE:** Veterans Health Administration

**RECOMMENDATIONS:**

To improve VA's reporting and monitoring of allegations of sexual assault, the Secretary of Veterans Affairs should direct the Under Secretary for Health to:

- Ensure that a consistent definition of sexual assault is used for reporting purposes by all medical facilities throughout the system to ensure that consistent information on these incidents is reported from medical facilities through VISNs to Veterans Health Administration (VHA) Central Office leadership.
- Clarify expectations about what information related to sexual assault incidents should be reported to and communicated within VISN and VHA Central Office leadership teams, such as officials responsible for residential programs and inpatient mental health units.
- Implement a centralized tracking mechanism that would allow sexual assault incidents to be consistently monitored by VHA Central Office staff.
- Develop an automated mechanism within the centralized VA police reporting system that signals VA police officers to refer cases involving potential felonies, such as rape allegations, to the VA OIG to facilitate increased communication and partnership between these two entities.

To help identify risks and address vulnerabilities in physical security precautions at VA medical facilities, the Secretary of Veterans Affairs should direct the Under Secretary for Health to:

- Establish guidance specifying what should be included in legal history discussions with veterans and how this information should be documented in veterans' biopsychosocial assessments.
- Ensure medical centers determine whether existing stationary, computerbased, and portable personal panic alarm systems operate effectively through mandatory regular testing.

- Ensure that alarm systems effectively notify relevant staff in both medical facilities' VA police command and control centers and unit nursing stations.
- Require relevant medical center stakeholders to coordinate and consult on (1) plans for new and renovated units, and (2) any changes to physical security features, such as closed-circuit television cameras.

**ACTIONS TAKEN:**

- A definition of sexual assault has been adopted and communicated throughout the Department of Veterans Affairs.
- VHA facilities have been advised about requirements for specific actions to be taken in regard to reporting sexual assaults.
- An automated process is under fast track development. Pilots are underway and the system will be implemented when results of the pilots are finalized.
- The results of an assessment to explore what information should be obtained when assessing a Veteran's risk for misconduct and how this information might be used within the required limits for maintaining confidentiality and rights of privacy, including a literature review, interviews with subject matter experts, consultation with the VA Office of General Counsel, and the VHA Office of Ethics in Health Care, are being used to develop and implement an action plan for the development, implementation, and communication of guidance for the use of legal histories as well as how this should be documented in Veterans' biopsychosocial assessments.
- Each VAMC has been reviewed for compliance with physical security policies; corrective action plans with timelines have been developed and facilities are to implementing these physical assessment plans to ensure adequate security controls.
- Discussions continue about how best to formalize consultation during the planning and design processes for all construction projects. CFM currently maintains a Technical Information Library including planning and design standards for all VA services/departments, and these standards currently provide planning and design guidelines for VA construction projects. Incorporating planning design standards emphasizing privacy and safety

concerns will need to be considered during the development of new standards and updates to current standards. This issue will continue to be addressed.

**BUDGET IMPLICATIONS:** None

**13. Mentor-Protégé Programs Have Policies That Aim to Benefit Participants but Do Not Require Post-Agreement Tracking; GAO-11-548R; issued June 15, 2011 (GAO File # 4444)**

**RESPONSIBLE OFFICE:** Office of Small and Disadvantaged Business Utilization

**RECOMMENDATIONS:**

To more fully evaluate the effectiveness of their mentor-protége programs, the OSDBU and Mentor-Protége Program Directors of DHS, DOE, DOS, EPA, FAA, GSA, HHS, SBA, Treasury, and VA should consider collecting and maintaining protege postcompletion information.

**ACTIONS TAKEN:**

The Mentor Protégé Program (MPP) is in the early stages at this time, so the program does not have protégé post-completion data. However, this information will be collected during the first feedback session that will be held in January 2012. The results of the feedback session will be considered for addition to the new Mentor Protégé Guidebook, and will be made available to the GAO or any other interested stakeholder.

**BUDGET IMPLICATIONS:** None

**14. VA & DoD Health Care:** First Federal Health Care Center Established, but Implementation Concerns Need to be Addressed; GAO-11-570; issued July 19, 2011 (GAO File # 4442)

**RESPONSIBLE OFFICE:** Veterans Health Administration

**RECOMMENDATIONS:**

To ensure that the plan to report on FHCC performance results is transparent and provides meaningful information that can assist VA and DOD leadership and Congress in decision making with regard to the future of the FHCC or other VA/DOD integration efforts, the Secretaries of Veterans Affairs and Defense should direct FHCC leadership to conduct further evaluation of the scorecard reporting tool and its methodology and make revisions that will better ensure the transparency and accuracy of the information reported.

**ACTIONS TAKEN:** As the Government Accountability Office (GAO) notes, each performance measure has an appropriate reporting timeframe that is relevant to the specific measure. Some, such as outpatient clinical performance data, are available as often as monthly (but not weekly, as suggested on pages 25 and 26). Others may take longer, for example Joint Commission evaluations may take three years to occur. These intrinsic differences caused blanks in early versions of the scorecard, and the blanks caused artificially low monthly total scores.

In March 2011, Veterans Health Administration (VHA) recognized this problem and changed the calculation process for the Scorecard “monthly score.” Now, a score for all possible measures is calculated each month using either data acquired that month or the most current available data for those cells that do not have a monthly update. This produces a tentative monthly score that can be used to compare to prior monthly performances.

**BUDGET IMPLICATIONS:** None identified.



**15. Data Center Consolidation:** Agencies Need to Complete Inventories and Plans to Achieve Expected Savings; GAO-11-565; issued July 19, 2011 (GAO File # 4443)

**RESPONSIBLE OFFICE:** Office of Management

**RECOMMENDATIONS:**

The secretaries and agency heads of the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Interior, Justice, Labor, State, Transportation, Treasury, and Veterans Affairs; the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the National Science Foundation, the Nuclear Regulatory Commission, the Office of Personnel Management, the Small Business Administration, the Social Security Administration, and the U.S. Agency for International Development should direct their component agencies and their data center consolidation program managers to complete the missing elements in their respective data center consolidation inventories and plans.

**ACTIONS TAKEN:**

**Update on Recommendation 1:** VA completed the first of their semi-annual data calls to get updated inventory information in November 2011. The Office of Management and Budget (OMB) has notified VA that if there are any missing power requirements they would fill these in for VA, since VA's Medical Center computer rooms are not separately metered to gather this information. The next semi-annual data call is scheduled for March 2012 to capture any additional OMB requirements and missing inventory elements, excluding power requirements.

**BUDGET IMPLICATIONS:** There are no significant budget impacts.

**16. Social Media:** Federal Agencies Need Policies & Procedures for Managing & Protecting Info They Access and Disseminate; GAO-11-605; issued July 28, 2011 (GAO File # 4438)

**RESPONSIBLE OFFICE:** Office of Public and Intergovernmental Affairs

**RECOMMENDATIONS:**

To ensure that appropriate records management and privacy measures are in place when commercially provided social media services are used, the Secretary of Veterans Affairs should:

- Add records management guidance to agency social media policies that describes records management processes and policies and recordkeeping roles and responsibilities.
- Conduct and document a privacy impact assessment that evaluates potential privacy risks associated with agency use of social media services and identifies protections to address them.

**ACTIONS TAKEN:**

- VA published its social media policy (Directive 6515, “Use of Web-Based Collaboration Technologies”) in June 2011. Records management guidance—to include roles and responsibilities—is contained in Section 3.(n).
- VA completed a privacy impact assessment regarding its social media services in 2011.

**BUDGET IMPLICATIONS:** None

**17. Veterans Health Care: Monitoring Is Needed to Determine the Accuracy of Veteran Copayment Charges; GAO-11-795; provided to VA September 27, 2011 (GAO File # 4451)**

**RESPONSIBLE OFFICE:** Veterans Health Administration

**RECOMMENDATIONS:**

To provide VHA with the information needed to adequately monitor the accuracy of copayment charges VHA-wide and to assess and respond to the causes of copayment errors, the Secretary of Veterans Affairs should direct VHA to:

- Establish an accuracy performance measure or goal for copayment charges billed to veterans.
- Establish and implement a formal process for periodically assessing--VHA-wide--the accuracy of veteran copayment charges and taking corrective actions as necessary.

**ACTIONS TAKEN:** In Fiscal Year (FY) 2012, The Veterans Health Administration (VHA) Chief Business Office (CBO) and Office of Compliance and Business Integrity (CBI) will jointly implement national performance accuracy measures. Based on Government Accountability Office (GAO) findings, CBO will initially apply a 96 percent accuracy rate performance standard for copayment charges issued to Veterans. Reviews will begin in the first quarter of FY 2012. This performance standard may be adjusted quarterly to ensure improved accuracy in copayment billing for Veterans. VHA is also implementing quarterly system-wide processes to periodically assess the accuracy of Veteran copayment changes and identify trends.

VHA's CBO and CBI are also implementing internal and external monitors for copayment accuracy. Appropriate corrective actions to address any instances of non-compliance with the new performance standards and monitor will be taken as needed. The first results will be available NLT March 31, 2012.

**BUDGET IMPLICATIONS:** Because of the exiting high rate of compliance identified in the GAO report, no budget implications are anticipated.

**18. Veterans Disability Benefits:** Clearer Information for Veterans and Additional Performance Measures Could Improve Appeal Process; GAO-11-812; issued September 29, 2011 (GAO File # 4456)

**RESPONSIBLE OFFICE:** Veterans Benefits Administration

**RECOMMENDATIONS:**

To clarify information for veterans and ensure the most effective use of DROs, the Secretary of Veterans Affairs should direct the Veterans Benefits Administration to:

- Revise the sample appeals election letter in its policy manual to define unfamiliar terms and emphasize key deadlines, and test any revised letter's clarity with veterans before implementing it.
- Establish national and regional office performance measures related to appeal resolution at the regional level and ensure that sufficient quality review procedures are in place to prevent DROs from granting unjustified benefits.
- Assess the knowledge and skills that DROs need to perform their varied responsibilities, determine if any gaps exist in the training currently available, and, if necessary, develop a training curriculum or program tailored to DROs.

**ACTIONS TAKEN:**

**Recommendation 1:** In process – VBA has formed an Appeals Design Team to analyze the current process and recommend changes to streamline it. Changes to the election letter are under consideration. Target Completion Date: March 31, 2012

**Recommendation 2:** In process – The Decision Review Officer (DRO) performance standard has been revised and is currently pending further review. While appeals resolution will not be introduced as a performance measure, VBA will continue to encourage the use of informal interviews by DROs as a means for resolving appeals at the earliest possible stage. The National DRO Performance Plan specifically addresses quality under element one, requiring that the DRO must consistently and conscientiously exercise sound, equitable judgment in

applying stated policies to ensure accurate and timely decisions on compensation and pension benefit claims. Additionally, VBA has an Appeals Design Team proposing several changes aimed at improving the timeliness, effectiveness, consistency, and quality of appeals decisions. These recommendations may or may not result in changes to the DRO performance standard, but are ultimately aimed at improving the overall appeals process. Target Completion Date: March 31, 2012

**Recommendation 3:** In process – A job task analysis (JTA) was completed for the Decision Review Officers (DROs) in 2009 during the development of the DRO skills certification test. The DRO skills certification test was given for the first time in 2010 with the second test given in July 2011. The results of these tests along with the JTA are used to develop training for DROs.

In addition, VBA signed a Memorandum of Understanding with the Board of Veterans' Appeals (BVA) to develop joint appeals training that will improve consistency in the legal and procedural adjudicative process. Quality analysis results from Compensation Service and BVA will be incorporated into the training materials, which will promote uniformity and improved timeliness. A joint VBA/BVA workgroup was formed to create and deliver training for Rating Veterans Service Representatives and DROs by the second quarter of fiscal year 2012.

VBA has conducted two week-long centralized training sessions to address quality trends and emerging topics for DROs. BVA staff participated as instructors during these sessions. A third session is scheduled for January 2012. The job task analysis results from the DRO skills certification tests will be combined with the feedback received from these centralized training sessions, and this will be used to finalize a standardized DRO training curriculum. Target Completion Date: March 31, 2012

**BUDGET IMPLICATIONS:** The total cost of the centralized training session is estimated to be \$1.1 million in FY 2012. Centralized training sessions were conducted in November and December 2011, and a third session is scheduled for January 2012, subject to the availability of funds.

**19. VA Health Care:** VA Uses Medical Injury Tort Claims Data to Assess Veterans' Care, but Should Take Action to Ensure That These Data Are Complete; GAO-12-6R; issued October 28, 2011 (GAO-File # 4465)

**RESPONSIBLE OFFICE:** Office of General Counsel

**RECOMMENDATIONS:**

To help ensure the quality of care provided to veterans by VA practitioners, including that information about all paid tort claims is reported and used appropriately to improve patient care, the Secretary of Veterans Affairs should direct the General Counsel to:

- Ensure that regional counsel offices notify OMLA about all paid tort claims resolved through VA's administrative review and through litigation.
- Develop and implement an internal control process to verify the completeness of the notifications of paid tort claims that regional counsel offices provide to OMLA.
- Review all paid tort claims related to medical injuries at VA facilities in prior years to ensure that all of these claims are reported to OMLA.

**ACTIONS TAKEN:**

1. The report recommended that the Secretary direct the General Counsel to ensure that Regional Counsel Offices notify the Office of Medical Legal Affairs (OMLA) of all paid tort claims. This action has been completed to date, and is continuing. We have re-emphasized to the Regional Counsels the need to provide such notices and are working to modify our data systems to better ensure compliance.
2. The report also recommended the development of an internal control process to verify completeness of the notices of malpractice claim payments. OGC has provided OMLA with a report of all tort claim payments for Fiscal Year 2011, and has verified that notices were sent to OMLA on all such payments.<sup>1</sup>

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<sup>1</sup> Exceptions to reporting payments at this time have been made at the request of the Department of Justice. Those payments have been made in cases that are related to pending claims and litigation in which the Government's interests could be negatively impacted by a concurrent National Practitioner Data Bank proceeding. At the conclusion of the related claims and litigation, all such payments will be reported.

OMLA is able to determine whether it has received from the Regional Counsel the required information on each paid claim.

3. GAO's final recommendation was that all paid tort claims be reviewed to ensure that all such payments are reported to OMLA. This review has been completed for payments in Fiscal Years 2009 and 2010, is ongoing for earlier fiscal years, and is expected to be completed in January 2012. OGC has provided or is providing notices to OMLA of all payments for which OMLA has no record of a prior notice. OGC will also plan to develop a report of paid claims that OMLA will be able to run at its convenience in the Tort Claims Information System.

**BUDGET IMPLICATIONS:** None



## High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In February 2011, GAO issued an update to its High-Risk Series (GAO-11-278). The GAO-identified High-Risk Areas (specific to VA as well as Governmentwide) are 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	2012	II-197
GAO 2	Strategic Human Capital Management: A Governmentwide High-Risk Area	2012	II-200
GAO 3	Managing Federal Real Property: A Governmentwide High-Risk Area	2012	II-202
GAO 4	Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures: A Governmentwide High-Risk Area	2012	II-204
GAO 5	Management of Interagency Contracting: A Governmentwide High-Risk Area	2012	II-205
	Appendix		II-207

The Department's responses were published in its 2011 Performance and Accountability Report (PAR) published in November 2011. In the PAR, for each High-Risk Area (HRA), the Department provided the following:

- *Estimated resolution timeframe (fiscal year)* for VA to eliminate each HRA
- *Responsible Agency Official* for each HRA
- *Completed 2011 milestones* in response to the HRA
- *Planned 2012 milestones* along with *estimated completion quarter*

The PAR is available online at: [www.va.gov/budget/report](http://www.va.gov/budget/report).

The GAO High-Risk section of the PAR can be accessed on page II-196 at the following link: [http://www.va.gov/budget/docs/report/PartII/2011-VAPAR\\_Part\\_II.pdf](http://www.va.gov/budget/docs/report/PartII/2011-VAPAR_Part_II.pdf).



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## Major Management Challenges Identified by the OIG

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The Department's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. The OIG submitted the following update of the most serious management challenges facing VA. This update was incorporated within the Department's 2011 Performance and Accountability Report (PAR) published in November 2011.

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 2011 milestones* in response to the challenges identified by the OIG
- *Planned 2012 milestones* along with *estimated completion quarter*

The PAR is available online at: [www.va.gov/budget/report](http://www.va.gov/budget/report).

The MMC section of the PAR can be accessed on page II-137 at the following link: [http://www.va.gov/budget/docs/report/PartII/2011-VAPAR\\_Part\\_II.pdf](http://www.va.gov/budget/docs/report/PartII/2011-VAPAR_Part_II.pdf).

The table below lists the OIG-identified MMCs for 2011.

Major Management Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page # (in PAR)
No.	Description		
<b>OIG 1</b>	<b>Health Care Delivery</b>		<b>II-142</b>
1A	Quality of Care	2012	II-142
1B	Access to Care	2012	II-146
1C	Effective Treatment of New and Significantly Increased Health Problems Associated with OEF/OIF/OND	2012	II-150

<b>Major Management Challenge</b>		<b>Estimated Resolution Timeframe (Fiscal Year)</b>	<b>Page # (in PAR)</b>
<b>No.</b>	<b>Description</b>		
1D	Accountability of Pharmaceuticals in VHA Medical Facilities and Consolidated Mail Outpatient Pharmacies (CMOPs)	2014	II-152
1E	Health Care Business Processes	2012	II-154
<b>OIG 2</b>	<b>Benefits Processing</b>		<b>II-156</b>
2A	Effectively Managing Disability Benefits Claims Workload	2012	II-157
2B	Improving the Quality of Claims Decisions	2012	II-161
2C	VA Regional Office Operations	2012	II-163
2D	Improving the Management of VBA's Fiduciary Program	2012	II-165
2E	Addressing Benefit Issues Related to MST	2012	II-167
2F	Timely Processing of Post 9/11 GI Bill Benefits Payments	2013	II-169
<b>OIG 3</b>	<b>Financial Management</b>		<b>II-170</b>
3A	Achieving Financial Management System Functionality and Effective Financial Management Oversight	2012	II-170
3B	Reporting and Reducing Improper Payments	2012	II-173
3C	Improving Oversight of VA Workers' Compensation Program	2013	II-175
<b>OIG 4</b>	<b>Procurement Practices</b>		<b>II-176</b>
4A	Improve Oversight for VA's VOSB and SDVOSB Programs	2012	II-176
4B	Improve Oversight of Procurement Activities	2012	II-178
4C	Effective Contract Administration	2012	II-180
4D	Compliance with Laws and Regulations	2012	II-181
<b>OIG 5</b>	<b>Information Management</b>		<b>II-184</b>
5A	Development of an Effective Information Security Program and System Security Controls	2012	II-184
5B	Strengthening Information Technology Governance	2012	II-186
5C	Effective Oversight of Active IT Investment Programs and Projects	2013	II-188
	<b>Appendix</b>		<b>II-191</b>

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## Expenditures by States

<i>Amounts Included in FY 2013 President's Budget</i>			
(dollars in thousands)			
	2011	2012	2013
	Actuals	Estimates	Estimates
<b>Alabama</b>			
Compensation and pensions	1,393,608	1,417,940	1,533,133
Readjustment benefits	161,080	163,893	177,207
General operating expenses	37,804	38,464	41,589
Medical and construction programs	853,714	868,620	939,186
Insurance and indemnities	27,833	28,319	30,620
<b>Total</b>	<b>\$2,474,039</b>	<b>\$2,517,236</b>	<b>\$2,721,736</b>
<b>Alaska</b>			
Compensation and pensions	213,614	217,343	235,000
Readjustment benefits	48,961	49,816	53,863
General operating expenses	6,053	6,159	6,659
Medical and construction programs	177,014	180,105	194,737
Insurance and indemnities	3,696	3,760	4,066
<b>Total</b>	<b>\$449,338</b>	<b>\$457,183</b>	<b>\$494,325</b>
<b>Arizona</b>			
Compensation and pensions	1,297,869	1,320,530	1,427,810
Readjustment benefits	308,041	313,419	338,881
General operating expenses	86,387	87,895	95,036
Medical and construction programs	1,101,883	1,121,122	1,212,202
Insurance and indemnities	36,234	36,867	39,862
<b>Total</b>	<b>\$2,830,414</b>	<b>\$2,879,833</b>	<b>\$3,113,790</b>
<b>Arkansas</b>			
Compensation and pensions	900,693	916,419	912,200
Readjustment benefits	67,888	69,073	74,685
General operating expenses	38,520	39,193	42,377
Medical and construction programs	824,985	839,389	907,581
Insurance and indemnities	15,299	15,566	16,830
<b>Total</b>	<b>\$1,847,385</b>	<b>\$1,879,640</b>	2,032,342
			<b>\$3,073,815</b>
<b>California</b>			
Compensation and pensions	4,529,496	4,608,581	4,982,982
Readjustment benefits	1,405,536	1,430,076	1,546,256
General operating expenses	196,442	199,872	216,110
Medical and construction programs	4,587,755	4,667,858	5,047,074
Insurance and indemnities	165,749	168,643	182,344
<b>Total</b>	<b>\$10,884,979</b>	<b>\$11,075,030</b>	<b>\$11,974,766</b>

**Amounts Included in FY 2013 President's Budget**

(dollars in thousands)

	2011 Actuals	2012 Estimates	2013 Estimates
<b>Colorado</b>			
Compensation and pensions	1,143,595	1,163,562	1,258,090
Readjustment benefits	287,380	292,398	316,152
General operating expenses	69,856	71,076	76,850
Medical and construction programs	1,932,432	1,966,172	2,125,904
Insurance and indemnities	33,214	33,794	36,539
<b>Total</b>	<b>\$3,466,477</b>	<b>\$3,527,002</b>	<b>\$3,813,536</b>
<b>Connecticut</b>			
Compensation and pensions	331,253	337,037	364,417
Readjustment benefits	105,479	107,320	116,039
General operating expenses	14,608	14,863	16,070
Medical and construction programs	485,529	494,007	534,140
Insurance and indemnities	25,044	25,481	27,552
<b>Total</b>	<b>\$961,913</b>	<b>\$978,708</b>	<b>\$1,058,218</b>
<b>Delaware</b>			
Compensation and pensions	157,517	160,268	173,288
Readjustment benefits	30,837	31,375	33,924
General operating expenses	4,459	4,537	4,906
Medical and construction programs	185,360	188,596	203,918
Insurance and indemnities	5,992	6,097	6,592
<b>Total</b>	<b>\$384,165</b>	<b>\$390,873</b>	<b>\$422,627</b>
<b>District of Columbia</b>			
Compensation and pensions	72,495	73,761	79,753
Readjustment benefits	23,371	23,779	25,711
General operating expenses	1,797,650	1,829,037	1,977,628
Medical and construction programs	1,859,413	1,891,878	2,045,574
Insurance and indemnities	3,080	3,134	3,389
<b>Total</b>	<b>\$3,756,009</b>	<b>\$3,821,589</b>	<b>\$4,132,055</b>
<b>Florida</b>			
Compensation and pensions	4,366,804	4,443,049	4,804,002
Readjustment benefits	767,800	781,206	844,671
General operating expenses	162,966	165,811	179,282
Medical and construction programs	4,012,526	4,082,584	4,414,253
Insurance and indemnities	134,973	137,330	148,486
<b>Total</b>	<b>\$9,445,069</b>	<b>\$9,609,980</b>	<b>\$10,390,695</b>
<b>Georgia</b>			
Compensation and pensions	2,129,168	2,166,343	2,342,337
Readjustment benefits	453,938	461,864	499,385
General operating expenses	127,472	129,698	140,235
Medical and construction programs	1,338,423	1,361,791	1,472,423
Insurance and indemnities	47,757	48,591	52,538
<b>Total</b>	<b>\$4,096,757</b>	<b>\$4,168,287</b>	<b>\$4,506,918</b>

**Amounts Included in FY 2013 President's Budget**  
(dollars in thousands)

	2011 Actuals	2012 Estimates	2013 Estimates
<b>Hawaii</b>			
Compensation and pensions	305,465	310,798	336,048
Readjustment benefits	128,159	130,397	140,991
General operating expenses	14,229	14,477	15,653
Medical and construction programs	224,118	228,031	246,556
Insurance and indemnities	12,400	12,616	13,641
<b>Total</b>	<b>\$684,371</b>	<b>\$696,320</b>	<b>\$752,889</b>
<b>Idaho</b>			
Compensation and pensions	334,299	340,136	367,769
Readjustment benefits	44,654	45,433	49,124
General operating expenses	8,209	8,352	9,031
Medical and construction programs	191,224	194,563	210,369
Insurance and indemnities	9,241	9,402	10,166
<b>Total</b>	<b>\$587,627</b>	<b>\$597,887</b>	<b>\$646,459</b>
<b>Illinois</b>			
Compensation and pensions	1,271,855	1,294,062	1,399,191
Readjustment benefits	300,491	305,737	330,576
General operating expenses	63,501	64,610	69,859
Medical and construction programs	1,894,975	1,928,061	2,084,697
Insurance and indemnities	62,988	64,088	69,294
<b>Total</b>	<b>\$3,593,810</b>	<b>\$3,656,558</b>	<b>\$3,953,617</b>
<b>Indiana</b>			
Compensation and pensions	937,533	953,902	1,031,397
Readjustment benefits	124,192	126,360	136,626
General operating expenses	37,909	38,571	41,704
Medical and construction programs	695,626	707,772	765,271
Insurance and indemnities	25,072	25,510	27,582
<b>Total</b>	<b>\$1,820,331</b>	<b>\$1,852,114</b>	<b>\$2,002,580</b>
<b>Iowa</b>			
Compensation and pensions	463,617	471,712	510,034
Readjustment benefits	54,348	55,297	59,790
General operating expenses	11,570	11,772	12,729
Medical and construction programs	517,727	526,767	569,561
Insurance and indemnities	17,943	18,257	19,740
<b>Total</b>	<b>\$1,065,207</b>	<b>\$1,083,805</b>	<b>\$1,171,853</b>
<b>Kansas</b>			
Compensation and pensions	479,081	487,445	527,046
Readjustment benefits	80,448	81,853	88,503
General operating expenses	29,669	30,187	32,639
Medical and construction programs	531,044	540,316	584,211
Insurance and indemnities	17,322	17,624	19,056
<b>Total</b>	<b>\$1,137,564</b>	<b>\$1,157,426</b>	<b>\$1,251,455</b>



**Amounts Included in FY 2013 President's Budget**

(dollars in thousands)

	2011 Actuals	2012 Estimates	2013 Estimates
<b>Kentucky</b>			
Compensation and pensions	1,074,642	1,093,405	1,182,233
Readjustment benefits	115,000	117,008	126,513
General operating expenses	30,183	30,710	33,204
Medical and construction programs	631,562	642,589	694,793
Insurance and indemnities	18,830	19,158	20,715
<b>Total</b>	<b>\$1,870,216</b>	<b>\$1,902,870</b>	<b>\$2,057,459</b>
<b>Louisiana</b>			
Compensation and pensions	912,276	928,205	1,003,612
Readjustment benefits	109,068	110,973	119,988
General operating expenses	28,268	28,762	31,098
Medical and construction programs	880,547	895,921	968,706
Insurance and indemnities	17,797	18,107	19,578
<b>Total</b>	<b>\$1,947,956</b>	<b>\$1,981,968</b>	<b>\$2,142,983</b>
<b>Maine</b>			
Compensation and pensions	476,642	484,964	524,362
Readjustment benefits	45,164	45,953	49,686
General operating expenses	19,806	20,152	21,789
Medical and construction programs	268,488	273,176	295,369
Insurance and indemnities	8,007	8,147	8,809
<b>Total</b>	<b>\$818,108</b>	<b>\$832,392</b>	<b>\$900,015</b>
<b>Maryland</b>			
Compensation and pensions	904,727	920,523	995,306
Readjustment benefits	285,323	290,305	313,889
General operating expenses	30,939	31,480	34,037
Medical and construction programs	619,050	629,858	681,028
Insurance and indemnities	37,812	38,472	41,598
<b>Total</b>	<b>\$1,877,851</b>	<b>\$1,910,638</b>	<b>\$2,065,858</b>
<b>Massachusetts</b>			
Compensation and pensions	882,306	897,711	970,641
Readjustment benefits	152,670	155,336	167,955
General operating expenses	39,476	40,166	43,429
Medical and construction programs	1,072,640	1,091,368	1,180,031
Insurance and indemnities	43,364	44,121	47,706
<b>Total</b>	<b>\$2,190,456</b>	<b>\$2,228,702</b>	<b>\$2,409,761</b>
<b>Michigan</b>			
Compensation and pensions	1,408,151	1,432,738	1,549,133
Readjustment benefits	165,181	168,065	181,718
General operating expenses	51,769	52,672	56,952
Medical and construction programs	1,249,913	1,271,737	1,375,052
Insurance and indemnities	44,758	45,540	49,240
<b>Total</b>	<b>\$2,919,772</b>	<b>\$2,970,751</b>	<b>\$3,212,095</b>

**Amounts Included in FY 2013 President's Budget**

(dollars in thousands)

	2011 Actuals	2012 Estimates	2013 Estimates
<b>Minnesota</b>			
Compensation and pensions	1,026,611	1,044,535	1,129,393
Readjustment benefits	143,928	146,441	158,338
General operating expenses	84,788	86,269	93,277
Medical and construction programs	952,650	969,283	1,048,028
Insurance and indemnities	33,360	33,942	36,700
<b>Total</b>	<b>\$2,241,336</b>	<b>\$2,280,470</b>	<b>\$2,465,735</b>
<b>Mississippi</b>			
Compensation and pensions	585,737	595,964	644,380
Readjustment benefits	79,754	81,147	87,739
General operating expenses	31,982	32,540	35,183
Medical and construction programs	772,089	785,569	849,389
Insurance and indemnities	12,515	12,733	13,768
<b>Total</b>	<b>\$1,482,076</b>	<b>\$1,507,953</b>	<b>\$1,630,459</b>
<b>Missouri</b>			
Compensation and pensions	1,212,362	1,233,530	1,333,742
Readjustment benefits	148,817	151,415	163,716
General operating expenses	138,648	141,069	152,529
Medical and construction programs	1,260,267	1,282,271	1,386,443
Insurance and indemnities	33,840	34,431	37,228
<b>Total</b>	<b>\$2,793,934</b>	<b>\$2,842,716</b>	<b>\$3,073,658</b>
<b>Montana</b>			
Compensation and pensions	316,777	322,308	348,492
Readjustment benefits	28,548	29,047	31,406
General operating expenses	8,143	8,285	8,958
Medical and construction programs	215,435	219,196	237,004
Insurance and indemnities	6,371	6,482	7,009
<b>Total</b>	<b>\$575,274</b>	<b>\$585,318</b>	<b>\$632,869</b>
<b>Nebraska</b>			
Compensation and pensions	509,255	518,147	560,241
Readjustment benefits	57,522	58,527	63,281
General operating expenses	29,364	29,877	32,304
Medical and construction programs	407,565	414,681	448,370
Insurance and indemnities	13,918	14,161	15,311
<b>Total</b>	<b>\$1,017,624</b>	<b>\$1,035,392</b>	<b>\$1,119,507</b>
<b>Nevada</b>			
Compensation and pensions	567,743	577,656	624,584
Readjustment benefits	81,059	82,474	89,174
General operating expenses	16,433	16,719	18,078
Medical and construction programs	714,910	727,392	786,485
Insurance and indemnities	13,924	14,167	15,318
<b>Total</b>	<b>\$1,394,067</b>	<b>\$1,418,408</b>	<b>\$1,533,639</b>

**Amounts Included in FY 2013 President's Budget**

(dollars in thousands)

	2011 Actuals	2012 Estimates	2013 Estimates
<b>New Hampshire</b>			
Compensation and pensions	249,259	253,611	274,214
Readjustment benefits	51,904	52,810	57,101
General operating expenses	7,366	7,495	8,104
Medical and construction programs	141,324	143,792	155,473
Insurance and indemnities	8,357	8,503	9,194
<b>Total</b>	<b>\$458,211</b>	<b>\$466,211</b>	<b>\$504,086</b>
<b>New Jersey</b>			
Compensation and pensions	843,784	858,516	928,262
Readjustment benefits	194,787	198,188	214,289
General operating expenses	17,399	17,703	19,141
Medical and construction programs	522,824	531,952	575,168
Insurance and indemnities	53,723	54,661	59,102
<b>Total</b>	<b>\$1,632,517</b>	<b>\$1,661,020</b>	<b>\$1,795,962</b>
<b>New Mexico</b>			
Compensation and pensions	686,518	698,504	755,251
Readjustment benefits	62,806	63,903	69,094
General operating expenses	12,799	13,022	14,080
Medical and construction programs	430,876	438,399	474,015
Insurance and indemnities	11,816	12,022	12,999
<b>Total</b>	<b>\$1,204,815</b>	<b>\$1,225,851</b>	<b>\$1,325,439</b>
<b>New York</b>			
Compensation and pensions	1,841,693	1,873,849	2,026,080
Readjustment benefits	473,120	481,380	520,488
General operating expenses	131,813	134,115	145,010
Medical and construction programs	2,749,822	2,797,834	3,025,130
Insurance and indemnities	97,220	98,917	106,953
<b>Total</b>	<b>\$5,293,667</b>	<b>\$5,386,095</b>	<b>\$5,823,661</b>
<b>North Carolina</b>			
Compensation and pensions	2,416,113	2,458,298	2,658,010
Readjustment benefits	359,475	365,751	395,465
General operating expenses	87,926	89,461	96,729
Medical and construction programs	1,504,267	1,530,532	1,654,872
Insurance and indemnities	50,960	51,850	56,062
<b>Total</b>	<b>\$4,418,741</b>	<b>\$4,495,893</b>	<b>\$4,861,139</b>
<b>North Dakota</b>			
Compensation and pensions	150,586	153,215	165,662
Readjustment benefits	20,201	20,554	22,223
General operating expenses	7,120	7,244	7,833
Medical and construction programs	186,582	189,840	205,262
Insurance and indemnities	4,378	4,454	4,816
<b>Total</b>	<b>\$368,866</b>	<b>\$375,307</b>	<b>\$405,797</b>

**Amounts Included in FY 2013 President's Budget**

(dollars in thousands)

	2011 Actuals	2012 Estimates	2013 Estimates
<b>Ohio</b>			
Compensation and pensions	1,688,925	1,718,414	1,858,018
Readjustment benefits	256,436	260,913	282,109
General operating expenses	1,975,594	2,010,088	2,173,388
Medical and construction programs	2,117,008	2,153,971	2,328,960
Insurance and indemnities	62,765	63,861	69,049
<b>Total</b>	<b>\$6,100,728</b>	<b>\$6,207,247</b>	<b>\$6,711,524</b>
<b>Oklahoma</b>			
Compensation and pensions	1,474,244	1,499,985	1,621,843
Readjustment benefits	118,855	120,930	130,754
General operating expenses	114,958	116,965	126,467
Medical and construction programs	662,008	673,567	728,287
Insurance and indemnities	19,315	19,653	21,249
<b>Total</b>	<b>\$2,389,380</b>	<b>\$2,431,099</b>	<b>\$2,628,602</b>
<b>Oregon</b>			
Compensation and pensions	1,051,603	1,069,964	1,156,888
Readjustment benefits	113,233	115,210	124,569
General operating expenses	40,836	41,549	44,925
Medical and construction programs	917,676	933,699	1,009,552
Insurance and indemnities	23,425	23,834	25,770
<b>Total</b>	<b>\$2,146,773</b>	<b>\$2,184,255</b>	<b>\$2,361,704</b>
<b>Pennsylvania</b>			
Compensation and pensions	1,771,396	1,802,324	1,948,745
Readjustment benefits	298,146	303,351	327,995
General operating expenses	173,334	176,360	190,688
Medical and construction programs	2,134,303	2,171,568	2,347,986
Insurance and indemnities	81,756	83,183	89,941
<b>Total</b>	<b>\$4,458,934</b>	<b>\$4,536,787</b>	<b>\$4,905,355</b>
<b>Puerto Rico</b>			
Compensation and pensions	614,657	625,389	676,196
Readjustment benefits	37,158	37,807	40,878
General operating expenses	23,145	23,549	25,462
Medical and construction programs	584,583	594,790	643,111
Insurance and indemnities	2,418	2,460	2,660
<b>Total</b>	<b>\$1,261,961</b>	<b>\$1,283,995</b>	<b>\$1,388,307</b>
<b>Rhode Island</b>			
Compensation and pensions	175,447	178,510	193,012
Readjustment benefits	26,310	26,769	28,944
General operating expenses	16,228	16,511	17,853
Medical and construction programs	240,501	244,700	264,579
Insurance and indemnities	5,694	5,793	6,264
<b>Total</b>	<b>\$464,179</b>	<b>\$472,283</b>	<b>\$510,652</b>

**Amounts Included in FY 2013 President's Budget**

(dollars in thousands)

	2011 Actuals	2012 Estimates	2013 Estimates
<b>South Carolina</b>			
Compensation and pensions	1,324,626	1,347,754	1,457,245
Readjustment benefits	201,029	204,539	221,156
General operating expenses	54,255	55,202	59,686
Medical and construction programs	773,846	787,357	851,322
Insurance and indemnities	28,187	28,679	31,009
<b>Total</b>	<b>\$2,381,943</b>	<b>\$2,423,531</b>	<b>\$2,620,419</b>
<b>South Dakota</b>			
Compensation and pensions	218,496	222,311	240,371
Readjustment benefits	22,909	23,309	25,203
General operating expenses	10,896	11,086	11,987
Medical and construction programs	348,918	355,010	383,851
Insurance and indemnities	5,155	5,245	5,672
<b>Total</b>	<b>\$606,375</b>	<b>\$616,962</b>	<b>\$667,084</b>
<b>Tennessee</b>			
Compensation and pensions	1,450,439	1,475,763	1,595,654
Readjustment benefits	189,474	192,782	208,444
General operating expenses	67,881	69,066	74,677
Medical and construction programs	1,422,922	1,447,766	1,565,382
Insurance and indemnities	30,237	30,765	33,265
<b>Total</b>	<b>\$3,160,953</b>	<b>\$3,216,143</b>	<b>\$3,477,422</b>
<b>Texas</b>			
Compensation and pensions	5,410,980	5,505,456	5,952,719
Readjustment benefits	983,683	1,000,858	1,082,168
General operating expenses	227,478	231,450	250,253
Medical and construction programs	3,611,864	3,674,927	3,973,478
Insurance and indemnities	107,155	109,026	117,883
<b>Total</b>	<b>\$10,341,161</b>	<b>\$10,521,718</b>	<b>\$11,376,502</b>
<b>Utah</b>			
Compensation and pensions	335,831	341,695	369,454
Readjustment benefits	67,013	68,183	73,723
General operating expenses	49,547	50,412	54,507
Medical and construction programs	406,572	413,671	447,277
Insurance and indemnities	12,172	12,384	13,390
<b>Total</b>	<b>\$871,135</b>	<b>\$886,345</b>	<b>\$958,351</b>
<b>Vermont</b>			
Compensation and pensions	112,092	114,049	123,314
Readjustment benefits	31,897	32,454	35,090
General operating expenses	4,679	4,760	5,147
Medical and construction programs	177,183	180,276	194,922
Insurance and indemnities	3,806	3,873	4,187
<b>Total</b>	<b>\$329,656</b>	<b>\$335,412</b>	<b>\$362,661</b>

**Amounts Included in FY 2013 President's Budget**

(dollars in thousands)

	2011	2012	2013
	Actuals	Estimates	Estimates
<b>Virginia</b>			
Compensation and pensions	2,041,056	2,076,693	2,245,456
Readjustment benefits	753,738	766,898	829,201
General operating expenses	84,589	86,066	93,058
Medical and construction programs	1,006,796	1,024,374	1,107,595
Insurance and indemnities	59,398	60,435	65,345
<b>Total</b>	<b>\$3,945,576</b>	<b>\$4,014,466</b>	<b>\$4,340,654</b>
<b>Washington</b>			
Compensation and pensions	1,647,120	1,675,879	1,812,027
Readjustment benefits	299,466	304,694	329,448
General operating expenses	62,749	63,845	69,032
Medical and construction programs	953,492	970,140	1,048,954
Insurance and indemnities	39,879	40,575	43,872
<b>Total</b>	<b>\$3,002,706</b>	<b>\$3,055,134</b>	<b>\$3,303,333</b>
<b>West Virginia</b>			
Compensation and pensions	593,332	603,692	652,736
Readjustment benefits	79,285	80,669	87,223
General operating expenses	184,800	188,027	203,302
Medical and construction programs	807,519	821,618	888,366
Insurance and indemnities	9,076	9,235	9,985
<b>Total</b>	<b>\$1,674,012</b>	<b>\$1,703,241</b>	<b>\$1,841,612</b>
<b>Wisconsin</b>			
Compensation and pensions	966,959	983,843	1,063,770
Readjustment benefits	133,876	136,214	147,280
General operating expenses	60,436	61,491	66,487
Medical and construction programs	974,517	991,532	1,072,084
Insurance and indemnities	34,789	35,396	38,272
<b>Total</b>	<b>\$2,170,577</b>	<b>\$2,208,476</b>	<b>\$2,387,892</b>
<b>Wyoming</b>			
Compensation and pensions	126,193	128,321	138,746
Readjustment benefits	13,896	14,138	15,287
General operating expenses	3,017	3,070	3,320
Medical and construction programs	211,203	214,891	232,348
Insurance and indemnities	2,607	2,652	2,868
<b>Total</b>	<b>\$356,916</b>	<b>\$363,073</b>	<b>\$392,569</b>
<b>Guam</b>			
Compensation and pensions	37,939	38,601	41,737
Readjustment benefits	7,103	7,227	7,814
General operating expenses	0	0	0
Medical and construction programs	4,949	5,035	5,444
Insurance and indemnities	123	125	135
<b>Total</b>	<b>\$50,114</b>	<b>\$50,989</b>	<b>\$55,131</b>

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## *2011-2013 Budget Tables*

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## *Appropriation Structure*

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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 PROGRAM 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 VETERANS BENEFITS ADMINISTRATION: For the management and administration of the Veterans Benefits Administration. While the program accounts associated with credit reform receive an appropriation directly for associated administrative expenses, collections from those appropriations to this account are reflected as obligations under the VBA General operating expenses account.

DEPARTMENTAL GENERAL ADMINISTRATION: Includes Departmental executive direction and management of VA's Staff Offices' function, including the Office of General Counsel and the Board of Veterans Appeals. VA's Staff Offices provide management direction and administrative support in the delivery of health care, benefits and memorial services. While the program accounts associated with credit reform receive an appropriation directly for associated administrative expenses, collections from those appropriations to this account are reflected as obligations in this account

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.

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Department of Veterans Affairs Discretionary Programs Funding and Average Employment for 2011 - 2013 (dollars in thousands)													
	2011 - Actuals (PY)			2012 - Current Estimate (CY)			2013 - Request (BY)			Change (BY - CY)		Percentage Change (BY - CY)/CY	
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	BA	FTE
<b>Discretionary Programs - VHA</b>													
<b>Medical Programs - VHA</b>													
Medical Services 1	\$36,948,248	\$36,995,680	185,064	\$39,462,235	\$38,522,906	187,855	\$41,504,000	\$40,671,063	192,377	\$2,041,765	\$2,148,157	5,17%	2,41%
Medical Support & Compliance (formerly Administration)	\$5,252,367	\$5,344,172	45,258	\$5,510,832	\$5,403,246	45,301	\$5,746,000	\$5,636,815	45,814	\$235,168	\$233,409	4.32%	1.13%
Medical Facilities	5,703,116	5,478,874	23,908	5,388,838	5,432,200	24,061	5,441,000	5,281,791	24,721	\$52,162	\$-150,409	0.27%	-2.77%
Collections	2,770,663	2,588,294	0	2,749,362	2,758,947	0	2,966,000	2,868,638	0	\$216,638	\$109,566	7.88%	3.97%
<b>Total Medical care</b>	<b>50,674,394</b>	<b>50,407,020</b>	<b>254,230</b>	<b>53,111,267</b>	<b>52,117,299</b>	<b>257,217</b>	<b>55,657,000</b>	<b>54,458,132</b>	<b>262,912</b>	<b>\$2,545,733</b>	<b>\$2,340,863</b>	<b>4.79%</b>	<b>2.21%</b>
DOD-VVA Health Care Sharing Incentive Fund 2	130,000	88,800	132	30,000	92,500	151	30,000	80,000	140	\$0	\$-12,500	0.00%	-13.51%
Joint DOD-VVA Medical Facility Demonstration Fund 2	104,004	64,456	479	258,323	241,851	1,961	582,674	573,198	3,526	\$-258,323	\$-217,563	-100.00%	-89.96%
Medical research	579,838	558,875	3,526	581,000	571,778	3,526	582,674	573,198	3,526	\$1,674	\$1,420	0.29%	0.25%
<b>Subtotal VHA</b>	<b>51,488,236</b>	<b>51,119,151</b>	<b>258,367</b>	<b>53,983,590</b>	<b>53,023,428</b>	<b>262,855</b>	<b>56,269,674</b>	<b>55,135,668</b>	<b>266,578</b>	<b>2,289,084</b>	<b>2,112,240</b>	<b>4.24%</b>	<b>3.98%</b>
<b>National Cemetery Administration- NCA</b>													
<b>National Cemetery Administration</b>	<b>249,500</b>	<b>254,521</b>	<b>1,676</b>	<b>250,934</b>	<b>249,014</b>	<b>1,696</b>	<b>258,284</b>	<b>252,658</b>	<b>1,700</b>	<b>\$7,350</b>	<b>\$3,643</b>	<b>2.93%</b>	<b>1.46%</b>
<b>Information Technology</b>													
<b>Information Technology</b>	<b>3,138,624</b>	<b>3,354,500</b>	<b>7,004</b>	<b>3,104,771</b>	<b>3,562,679</b>	<b>7,432</b>	<b>3,327,444</b>	<b>3,716,070</b>	<b>7,580</b>	<b>\$222,673</b>	<b>\$153,391</b>	<b>7.17%</b>	<b>4.31%</b>
<i>Reversion of inobligated balances</i>	-147,000												
<b>Subtotal Information Technology</b>	<b>2,991,624</b>	<b>3,354,500</b>	<b>7,004</b>	<b>3,104,771</b>	<b>3,562,679</b>	<b>7,432</b>	<b>3,327,444</b>	<b>3,716,070</b>	<b>7,580</b>				
<b>Construction</b>													
<b>Major</b>	<b>1,035,834</b>	<b>893,292</b>	<b>0</b>	<b>545,404</b>	<b>896,539</b>	<b>0</b>	<b>517,823</b>	<b>831,965</b>	<b>0</b>	<b>\$-262,629</b>	<b>\$-64,574</b>	<b>-25.36%</b>	<b>-7.20%</b>
Veterans Health Administration	0	0	0	0	4	0	0	0	0	\$0	\$-4	0.00%	-1.00%
Veterans Benefits Administration	106,900	111,593	0	38,200	99,658	0	9,647	88,101	0	\$-28,553	\$-11,557	-27.47%	-11.60%
National Cemetery Administration	6,000	6,823	0	6,000	6,166	0	5,000	5,638	0	\$-1,000	\$-528	-16.67%	-8.56%
Staff Offices	1,148,734	1,011,708	0	589,604	1,002,367	0	532,470	925,704	0	\$-57,134	\$-76,663	-9.69%	-7.65%
<b>Subtotal Major Construction</b>	<b>-75,000</b>	<b>1,011,708</b>	<b>0</b>	<b>589,604</b>	<b>1,002,367</b>	<b>0</b>	<b>532,470</b>	<b>925,704</b>	<b>0</b>	<b>-57,134</b>	<b>-76,663</b>		
<b>Minor</b>	<b>386,204</b>	<b>496,359</b>	<b>0</b>	<b>405,022</b>	<b>653,627</b>	<b>0</b>	<b>506,332</b>	<b>336,143</b>	<b>0</b>	<b>\$101,310</b>	<b>\$-317,484</b>	<b>25.01%</b>	<b>-48.57%</b>
Veterans Health Administration	14,496	29,522	0	20,734	19,862	0	29,693	21,011	0	\$8,959	\$1,149	43.21%	5.78%
Veterans Benefits Administration	43,485	41,854	0	36,504	52,630	0	58,100	43,647	0	\$21,596	\$-8,983	59.16%	-17.07%
National Cemetery Administration	22,580	11,231	0	20,126	25,369	0	13,405	19,653	0	\$-6,721	\$-5,716	-33.39%	-22.53%
Staff Offices	466,763	578,966	0	482,380	751,488	0	607,520	420,454	0	\$125,144	\$-331,034	25.94%	-44.05%
<b>Subtotal Minor Construction</b>	<b>84,830</b>	<b>124,349</b>	<b>0</b>	<b>85,000</b>	<b>261,393</b>	<b>0</b>	<b>83,000</b>	<b>74,147</b>	<b>0</b>	<b>\$0</b>	<b>\$-187,246</b>	<b>0.00%</b>	<b>-71.63%</b>
Grants For State Extended Care Facilities	45,908	49,872	0	46,000	32,545	0	46,000	32,658	0	\$0	\$113	0.00%	0.35%
Grants For State Cemeteries	1,671,237	1,764,915	0	1,202,980	2,047,793	0	1,271,000	1,452,963	0	\$68,010	\$-594,830	5.65%	-29.05%
<b>Total Construction</b>	<b>1,671,237</b>	<b>1,764,915</b>	<b>0</b>	<b>1,202,980</b>	<b>2,047,793</b>	<b>0</b>	<b>1,271,000</b>	<b>1,452,963</b>	<b>0</b>	<b>\$68,010</b>	<b>\$-594,830</b>	<b>5.65%</b>	<b>-29.05%</b>
<b>Departmental Administration</b>													
<b>Veteran Benefits Administration</b>	<b>10,099</b>	<b>10,099</b>	<b>0</b>	<b>0</b>	<b>9,914</b>	<b>0</b>	<b>0</b>	<b>9,914</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>	<b>0.00%</b>
Filipino Veterans Equity Compensation Fund													
<b>Subtotal Filipino ECF</b>	<b>10,099</b>	<b>10,099</b>	<b>0</b>	<b>0</b>	<b>9,914</b>	<b>0</b>	<b>0</b>	<b>9,914</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Veteran Benefits Administration- GOE</b>	<b>1,570,946</b>	<b>1,698,410</b>	<b>14,062</b>	<b>1,508,197</b>	<b>1,483,218</b>	<b>14,421</b>	<b>1,615,345</b>	<b>1,563,601</b>	<b>14,614</b>	<b>\$107,148</b>	<b>\$80,383</b>	<b>7.10%</b>	<b>5.42%</b>
Compensation Administration (includes Burial)	147,626	141,895	1,491	126,817	127,600	1,441	134,219	130,396	1,441	\$7,402	\$2,796	5.84%	2.19%
<b>Subtotal, Compensation and Pension</b>	<b>1,718,572</b>	<b>1,840,305</b>	<b>15,553</b>	<b>1,635,014</b>	<b>1,610,818</b>	<b>15,862</b>	<b>1,749,564</b>	<b>1,693,997</b>	<b>16,055</b>	<b>\$114,550</b>	<b>\$83,179</b>	<b>7.01%</b>	<b>5.16%</b>
Education Administration	208,051	195,174	1,967	178,716	179,447	2,030	180,364	176,700	1,849	\$1,648	\$-2,747	-1.81%	-0.92%
Vocational Rehabilitation and Employment	205,024	196,481	1,281	204,337	199,835	1,443	233,423	223,423	1,591	\$29,086	\$23,588	14.23%	10.26%
Insurance Administration	855	656	352	697	581	373	722	580	352	\$25	\$-1	3.59%	-0.17%
<b>Subtotal GOE, VBA without Credit Reform</b>	<b>2,132,502</b>	<b>2,232,616</b>	<b>19,153</b>	<b>2,018,764</b>	<b>1,990,681</b>	<b>19,708</b>	<b>2,164,074</b>	<b>2,094,700</b>	<b>19,847</b>	<b>\$145,310</b>	<b>\$104,019</b>	<b>7.20%</b>	<b>5.23%</b>
<b>General Administration</b>													
Office of the Secretary	9,270	404,860	86	10,085	404,463	89	10,085	407,672	89	\$0	\$3,209	0.00%	0.79%
Board of Veterans Appeals	73,273	80,778	535	78,006	83,099	532	78,006	83,099	527	\$0	\$0	0.00%	-0.94%
General Counsel	43,161	45,998	277	45,998	45,998	303	45,998	45,998	307	\$0	\$0	0.00%	-1.22%
AS for Management	26,015	26,015	90	26,015	26,015	117	26,015	26,015	117	\$0	\$0	0.00%	0.00%
AS for Human Resources & Administration	16,746	16,746	86	16,746	16,746	102	16,746	16,746	102	\$0	\$0	0.00%	0.00%
AS for Policy and Planning	22,079	22,079	79	23,286	23,037	94	23,037	23,037	94	\$-249	\$0	-0.00%	0.00%
AS for Operations, Security & Preparedness	6,065	6,065	42	6,065	6,065	45	6,065	6,065	45	\$249	\$0	4.11%	0.00%
AS for Public and Intergovernmental Affairs	50,728	50,728	348	55,706	55,706	436	55,706	55,706	481	\$0	\$0	0.00%	0.00%
AS for Congressional and Legislative Affairs													
Office of Acquisitions, Logistics, & Construction	396,705	404,860	2,941	416,737	404,463	3,305	416,737	407,672	3,380	\$0	\$3,209	0.00%	0.79%
<b>Subtotal General Administration</b>	<b>396,705</b>	<b>404,860</b>	<b>2,941</b>	<b>416,737</b>	<b>404,463</b>	<b>3,305</b>	<b>416,737</b>	<b>407,672</b>	<b>3,380</b>	<b>\$0</b>	<b>\$3,209</b>	<b>0.00%</b>	<b>0.79%</b>



Department of Veterans Affairs Discretionary Programs Funding and Average Employment for 2011 - 2013 (dollars in thousands)															
	2011-Actuals (PY)			2012-Current Estimate (CY)			2013-Request (BY)			Change (BY - CY)			Percentage Change [(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
<b>Discretionary Programs</b>															
Office of Inspector General	108,782	109,148	633	112,391	116,000	649	113,000	109,943	644	\$609	\$-6,057	-5	0.54%	-5.22%	-0.77%
<b>Total Office of Inspector General</b>															
<b>Credit Reform Administrative</b>															
<i>Native American loan administrative</i>	643	643	5	1,096	1,096	7	1,069	1,069	7	\$-27	\$-27	0	-2.46%	-2.46%	0.00%
<i>Native American loan administrative</i>	327	327	3	343	343	3	346	346	3	\$3	\$3	0	0.87%	0.87%	0.00%
<i>Vocational rehabilitation loan program - admin</i>	136,832	116,456	829	136,005	136,005	928	137,487	137,487	900	\$1,482	\$1,482	-28	1.09%	1.09%	-3.02%
<i>Veterans housing benefit program, fund program</i>	137,802	117,426	837	137,444	137,444	938	138,902	138,902	910	\$1,458	\$1,458	-28	1.06%	1.06%	-2.99%
<b>Subtotal VBA</b>															
<b>Credit Reform Administrative-General Counsel</b>															
<i>Native American loan administrative</i>	20	20	20	20	20	20	20	20	20	\$0	\$0	0	0.00%	0.00%	0.00%
<i>Transitional Housing for Homeless Veterans (Non-Add)</i>	20	20	20	20	20	20	20	20	20	\$0	\$0	0	0.00%	0.00%	0.00%
<i>Veterans housing benefit program, fund program</i>	5,284	5,284	5,284	5,021	5,021	5,284	5,284	5,284	5,284	\$263	\$263	0	5.24%	5.24%	0.00%
<i>Subtotal General Counsel</i>	5,304	5,304	0	5,041	5,041	0	5,304	5,304	0	\$263	\$263	0	5.22%	5.22%	0.00%
<b>Credit Reform Administrative-VHA</b>															
<i>Transitional Housing for Homeless Veterans (Non-Add)</i>	730	730	730	730	730	730	730	730	730	\$0	\$0	0	0.00%	0.00%	0.00%
<b>Subtotal VBA</b>	730	730	0	730	730	0	730	730	0	\$0	\$0	0	0.00%	0.00%	0.00%
<b>Credit Reform Administrative-OIT</b>															
<i>Veterans Housing</i>	19,729	19,729	0	13,672	13,672	0	15,043	15,043	0	\$1,371	\$1,371	0	10.03%	10.03%	0.00%
<b>Subtotal OIT</b>	19,729	19,729	0	13,672	13,672	0	15,043	15,043	0	\$1,371	\$1,371	0	10.03%	10.03%	0.00%
<b>Credit Reform Subsidy</b>															
<i>Vocational rehabilitation loan program - subsidy</i>	27	27	0	19	19	0	19	19	0	\$0	\$0	0	0.00%	0.00%	0.00%
<i>Subtotal, Credit Reform Subsidy</i>	27	27	0	19	19	0	19	19	0	\$0	\$0	0	0.00%	0.00%	0.00%
<b>Subtotal, Credit Reform Administrative</b>	162,835	142,459	837	156,157	156,157	938	159,249	159,249	910	\$3,092	\$3,092	-28	1.98%	1.98%	-2.99%
<b>Departmental Administration</b>															
Franchise Fund	0	-54,809	1,054	0	24,000	1,200	0	-8,000	1,249	\$0	\$-32,000	49			4.08%
<b>Subtotal Departmental Administration</b>	0	-54,809	1,054	0	24,000	1,200	0	-8,000	1,249	\$0	\$-32,000	49			4.08%
<b>Total, Other Discretionary</b>	8,527,054	8,930,467	37,435	8,132,086	9,466,849	40,566	8,322,481	8,872,674	38,976	\$190,395	\$-594,176	-4,590	2.34%	-6.28%	-3.92%
<b>Total, Discretionary Program w/o Collections</b>	56,430,785	56,749,193	291,665	58,493,991	58,825,201	297,783	61,013,481	60,462,343	301,888	\$2,519,490	\$1,637,141	4,105	4.31%	2.78%	1.38%
<b>Total, Discretionary Program with Collections</b>	59,201,448	59,337,487	291,665	61,243,353	61,584,148	297,783	63,979,481	63,330,856	301,888	\$2,736,128	\$1,746,707	4,105	4.47%	2.84%	1.38%
<b>Mandatory Programs</b>															
<b>Benefit Programs</b>															
<b>Compensation and Pensions</b>															
<i>Disability Compensation Benefits</i>	49,182,665	52,760,872		46,090,966	51,785,368		56,508,469	59,385,741		\$10,417,503	\$7,600,373	0	22.60%	14.68%	
<i>Compensation ARRA</i>										\$0	\$0	0			
<i>Proposed legislation - COLA Increase of 1.9% in 2013</i>										\$772,014	\$0	0			
<i>Transfer to/from Readjustment Benefits (RB)</i>	-938,528			772,014						\$0	\$0	0			
<b>Subtotal Compensation</b>	48,244,137	52,760,872		46,090,966	51,785,368		57,280,483	59,385,741		\$11,189,517	\$7,600,373	0	24.28%	14.68%	
<b>Pensions Benefits</b>	4,644,279	4,664,383		4,945,404	4,207,026		4,239,878	4,914,116		\$-705,526	\$707,090	0	-14.27%	16.81%	
<b>Subtotal Pension</b>	4,644,279	4,664,383		4,945,404	4,207,026		4,239,878	4,914,116		\$-705,526	\$707,090	0	-14.27%	16.81%	
<b>Burial Benefits</b>	151,241	151,241		201,197	201,197		220,871	220,871		\$19,674	\$19,674	0	9.78%	9.78%	
<b>Subtotal Burial</b>	151,241	151,241	0	201,197	201,197	0	220,871	220,871	0	\$19,674	\$19,674	0	9.78%	9.78%	
<b>Emergency Appropriations for Economic Recovery Act</b>															
<b>Total Compensation and Pensions &amp; ARRA</b>	53,039,657	57,577,997	0	51,237,567	56,193,591	0	61,741,232	64,520,728	0	\$10,503,665	\$8,327,137	0	20.50%	14.82%	

Department of Veterans Affairs Discretionary Programs Funding and Average Employment for 2011 - 2013 (dollars in thousands)															
	2011 - Actuals (FY)			2012 - Current Estimate (CY)			2013 - Request (BY)			Change (BY - CY)			Percentage Change [(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
<b>Readjustment Benefits</b>															
Education Benefits	9,628,241	9,907,676	0	11,149,642	11,166,173	0	11,540,850	12,633,197	0	\$391,208	\$1,467,024	0	3.51%	13.14%	
Transfer to/from Compensation Benefits	938,528	0	0	0	0	0	0	0	0	\$0	\$0	0	0.00%	0.00%	
Subtotal Education	10,566,769	9,907,676	0	11,149,642	11,166,173	0	11,540,850	12,633,197	0	\$391,208	\$1,467,024	0	3.51%	13.14%	
Vocational Rehabilitation & Employment	767,865	797,793	0	958,846	948,811	0	1,066,626	1,066,737	0	\$107,780	\$117,926	0	11.24%	12.43%	
Total Readjustment Benefits	11,334,634	10,705,469	0	12,108,488	12,114,984	0	12,607,476	13,699,934	0	\$498,988	\$1,584,950	0	4.12%	13.08%	
<b>Housing Program</b>															
Housing Program Upward Reestimate	1,283,640	1,383,640	0	1,509,884	1,509,884	0	1,509,884	1,509,884	0	\$-1,509,884	\$-1,509,884	0	-100.00%	-100.00%	
Housing Program Original Loan Subsidy	3,719	3,719	0	148,824	148,824	0	184,859	184,859	0	\$36,035	\$36,035	0	24.21%	24.21%	
Native American Veteran Housing Loan Program	4,508	4,508	0	12,911	12,911	0	0	0	0	\$-12,911	\$-12,911	0	-100.00%	-100.00%	
Vocational Rehabilitation Upward Reestimate	194	194	0	106	106	0	0	0	0	\$-106	\$-106	0	-100.00%	-100.00%	
Veterans housing benefit program fund liquidating	-7,329	-8,828	0	-7,106	-4,742	0	-6,274	-6,274	0	\$832	\$-1,532	0	-11.71%	32.31%	
Subtotal Housing	1,384,732	1,334,233	0	1,664,619	1,666,983	0	1,783,585	1,783,585	0	\$-1,486,034	\$-1,488,398	0	-89.27%	-89.29%	
<b>Insurance Benefits</b>															
Subtotal Insurance	77,589	81,667	0	100,252	101,730	0	104,600	104,600	0	\$4,348	\$2,870	0	4.34%	2.82%	
<b>Trust Funds</b>															
Post-Vietnam veterans education account	8	1,341	0	8	1,212	0	8	1,163	0	\$0	\$0	0	0.00%	-4.04%	
Service-disabled veterans insurance fund	0	-16,423	0	0	10,339	0	0	4,376	0	\$0	\$-5,963	0	0.00%	-57.67%	
Veterans reopened insurance fund	0	26,733	0	0	27,835	0	0	28,140	0	\$0	\$305	0	1.10%	1.10%	
Servicemembers' group life insurance fund	0	-17	0	0	-18	0	0	-18	0	\$0	\$0	0	0.00%	0.00%	
National service life insurance	1,042,461	1,130,388	0	1,046,203	1,129,355	0	997,109	1,080,769	0	\$-49,094	\$-48,586	0	-4.69%	-4.30%	
U.S. Government life insurance	3,690	3,690	0	3,090	4,838	0	2,520	3,860	0	\$-570	\$-978	0	-18.45%	-20.21%	
Veterans special life insurance fund	0	15,322	0	0	49,454	0	0	52,830	0	\$0	\$3,376	0	0.00%	6.83%	
Subtotal Trust Funds	1,046,159	1,162,513	0	1,049,301	1,223,015	0	999,637	1,171,120	0	\$-49,664	\$-51,895	0	-4.73%	-4.24%	
<b>Medical Programs</b>															
Canteen service revolving fund	0	7,862	3,274	0	3,000	3,400	0	0	3,450	\$0	\$-3,000	50	-100.00%	1.47%	
General post fund	28,024	25,799	0	28,900	26,600	0	29,900	27,500	0	\$1,000	\$900	0	3.46%	3.38%	
Subtotal Veterans Health Administration	28,024	33,661	3,274	28,900	29,600	3,400	29,900	27,500	3,450	\$1,000	\$-2,100	50	3.46%	-7.09%	1.47%
<b>Departmental Administration</b>															
Supply Fund	0	-45,803	803	0	-477,000	1,100	1,000,000	1,300	2,000	\$0	\$377,000	200	0.00%	18.18%	
Post-Veterans Employment & Infrastructure Transfer	0	-45,803	803	0	-477,000	1,100	1,000,000	1,300	2,000	\$0	\$377,000	200	0.00%	18.18%	
Subtotal Departmental Administration	0	-45,803	803	0	-477,000	1,100	1,000,000	1,300	2,000	\$0	\$377,000	200	0.00%	18.18%	
<b>Benefits Programs's Proprietary receipts</b>															
GI Bill	-175,578	-175,578	0	-157,273	-157,273	0	-138,967	-138,967	0	\$18,306	\$18,306	0	-11.64%	-11.64%	
National service life insurance fund	-92,022	-92,022	0	-79,540	-79,540	0	-68,520	-68,520	0	\$11,020	\$11,020	0	-13.85%	-13.85%	
Post-Vietnam veterans education account	-8	-8	0	-8	-8	0	-8	-8	0	\$0	\$0	0	0.00%	0.00%	
Downward Reestimates:															
Acquired Direct Loan	-4,009	-4,009	0	-12,373	-12,373	0	0	0	0	\$12,373	\$12,373	0	-100.00%	-100.00%	
Vetdes Direct	-8,340	-8,340	0	-1,747	-1,747	0	0	0	0	\$1,747	\$1,747	0	-100.00%	-100.00%	
Transitional housing: Direct Loans	-316	-316	0	-100	-100	0	0	0	0	\$100	\$100	0	-100.00%	-100.00%	
Veterans housing benefit fund guaranteed loan	-17,187	-17,187	0	-77,971	-77,971	0	0	0	0	\$77,971	\$77,971	0	-100.00%	-100.00%	
Veterans housing benefit fund loan sales: securities	-824	-824	0	-5,004	-5,004	0	0	0	0	\$5,004	\$5,004	0	-100.00%	-100.00%	
Native American veterans program account	-3,200	-3,200	0	-189	-189	0	0	0	0	\$189	\$189	0	-100.00%	-100.00%	
Vocational rehabilitation loan program	-44	-44	0	0	0	0	0	0	0	\$0	\$0	0	0.00%	0.00%	
Negative Subsidy:															
Acquired Direct	-10	-10	0	0	0	0	-1,446	-1,446	0	\$1,446	\$1,446	0	39.29%	39.29%	
Vetdes Direct	-5,531	-5,531	0	-23,113	-23,113	0	-32,195	-32,195	0	\$9,082	\$9,082	0	-54.44%	-54.44%	
Veterans housing benefit fund guaranteed loans	-222,987	-222,987	0	-108,963	-108,963	0	-49,640	-49,640	0	\$59,323	\$59,323	0	-14.29%	-14.29%	
U.S. Government life insurance	-109	-109	0	-70	-70	0	-60	-60	0	\$10	\$10	0	51.39%	51.39%	
Native American veterans program account	-1,023	-1,023	0	-1,331	-1,331	0	-2,015	-2,015	0	\$684	\$684	0	-37.38%	-37.38%	
Subtotal, Proprietary receipts	-531,188	-531,188	0	-467,682	-467,682	0	-292,851	-292,851	0	\$174,831	\$174,831	0	-21.74%	-21.74%	
<b>Intragovernmental transactions</b>															
National service life insurance fund	-298	-298	0	-230	-230	0	-180	-180	0	\$50	\$50	0	-4.99%	-4.99%	
Post-Vietnam veterans education account	-717	-717	0	-561	-561	0	-533	-533	0	\$28	\$28	0	-9.86%	-9.86%	
Subtotal, Intragovernmental transactions	-1,015	-1,015	0	-791	-791	0	-713	-713	0	\$78	\$78	0	16.20%	16.20%	
<b>Total, Mandatory Programs</b>	66,378,592	70,366,534	4,077	65,720,654	70,384,430	4,500	76,367,866	79,358,903	4,755	\$10,647,212	\$8,974,473	255	16.20%	12.75%	5.67%
<b>Total Net, Department Veterans Affairs</b>	122,809,377	127,115,727	295,742	124,214,645	129,209,631	302,283	137,361,347	139,821,246	306,643	\$13,166,702	\$10,611,614	4,360	10.60%	8.21%	1.44%
<b>Total Gross, Department Veterans Affairs</b>	125,880,040	129,704,021	295,742	126,964,007	131,968,578	302,283	140,347,347	142,689,759	306,643	\$13,383,340	\$10,721,180	4,360	10.54%	8.12%	1.44%

<sup>1</sup> In FY 2013, Medical Services BA and Outlays reflect an anticipated \$15 million transfer to VA/DoD JIF Fund.  
<sup>2</sup> In FY 2012, BA and Outlays reflect VA's portion of funding DoD is anticipated to contribute an additional \$135.6 million in FY 2012 funding. In FY 2013, the President's budget anticipates funding of \$405.3 million for the Captain James A. Lovell Federal Health Care Center.

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<i>Appropriation-Reconciliation</i>				
<i>(dollars in thousands)</i>				
<b>Appropriation/Fund Account</b>	2011	2012	2013	Increase (+) Decrease (-)
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability Compensation Mandatory Benefits	\$49,182,665	\$46,090,966	56,508,469	\$10,417,503
Transfer to/from Readjustment Benefits (RB)				\$0
Transfer to Veterans Insurance Benefits (VII)				\$0
Proposed Supplemental	0			\$0
Proposed legislation - COLA Increase of 1.9% in 2013			772,014	\$772,014
Total Disability Compensation	49,182,665	46,090,966	57,280,483	\$11,189,517
Burial Mandatory Benefits	151,241	201,197	220,871	\$19,674
Transfer to/from Readjustment Benefits (RB)				\$0
Pensions Mandatory Benefits	4,644,279	4,945,404	5,315,355	\$369,951
Transfer from Readjustment Benefits (RB)				\$0
Subtotal, Compensation and Pension	53,978,185	51,237,567	62,816,709	\$11,579,142
Education Mandatory Benefits	9,628,241	11,149,642	11,540,850	\$391,208
Transfer to/from Compensation	938,528			\$0
Transfer to Veterans Insurance Benefits (VII)				
Vocational rehabilitation and employment Mandatory Benefits	767,865	958,846	1,066,626	\$107,780
Subtotal, Readjustment Benefits	11,334,634	12,108,488	12,607,476	\$498,988
Insurance Mandatory Benefits	77,589	100,252	104,600	\$4,348
Transfer to/from Readjustment Benefits (RB)		0	0	\$0
Housing Mandatory Benefits	1,387,359	1,658,708		-\$1,658,708
<b>Total Benefits Mandatory</b>	<b>66,777,767</b>	<b>65,105,015</b>	<b>75,528,785</b>	<b>\$10,423,770</b>
Medical Research and Support	581,000	581,000	582,674	\$1,674
Rescission	-1,162			
<b>Total Medical Research and Support</b>	<b>579,838</b>	<b>581,000</b>	<b>582,674</b>	<b>1,674</b>
<b>Medical programs:</b>				
Medical Services	37,136,000	39,649,985	41,519,000	\$1,869,015
Transfer to Joint DoD/VA Medical Facility Demonstration Fund	-48,480	-172,750		\$172,750
Rescission	-74,272			\$0
Transfer to VA/DoD Health Care Sharing Incentive Fund	-65,000	-15,000		\$15,000
Medical Care Collections Fund	2,770,663	2,749,362	2,966,000	\$216,638
<b>Total Medical Services with Collections</b>	<b>39,718,911</b>	<b>42,211,597</b>	<b>44,485,000</b>	<b>\$2,273,403</b>
Medical Support and Compliance	5,307,000	5,535,000	5,746,000	\$211,000
Transfer to Joint DoD/VA Medical Facility Demonstration Fund	-10,087	-24,168		\$24,168
Rescission	-44,546			\$0
<b>Total Medical Support and Compliance</b>	<b>5,252,367</b>	<b>5,510,832</b>	<b>5,746,000</b>	<b>\$235,168</b>
Medical Facilities	5,740,000	5,426,000	5,441,000	\$15,000
Rescission	-26,450			\$0
Transfer from Medical Services	-10,434	-37,162		\$37,162
<b>Total Medical Facilities</b>	<b>5,703,116</b>	<b>5,388,838</b>	<b>5,441,000</b>	<b>\$52,162</b>
VA/DoD Health Care Sharing Incentive Fund	65,000	15,000	0	-\$15,000
Transfer from DoD	65,000	15,000		
<b>Total VA/DoD Health Care Sharing Incentive Fund</b>	<b>130,000</b>	<b>30,000</b>	<b>0</b>	<b>-15,000</b>
Joint DoD/VA Medical Facility Demonstration Fund	104,004	240,685		
Transfer from DoD		135,630		
Transfer from MCCF Collections		17,638		
<b>Total Joint DoD/VA Medical Facility Demonstration Fund</b>	<b>104,004</b>	<b>393,953</b>	<b>0</b>	<b>0</b>
<b>Total Medical Care</b>	<b>50,908,398</b>	<b>53,535,220</b>	<b>55,672,000</b>	<b>2,545,733</b>
<b>Total Medical Programs</b>	<b>51,488,236</b>	<b>54,116,220</b>	<b>56,254,674</b>	<b>\$2,138,454</b>

<i>Appropriation-Reconciliation</i>				
<i>(dollars in thousands)</i>				
<b>Appropriation/Fund Account</b>	2011	2012	2013	Increase (+) Decrease (-)
<b>Federal funds:</b>				
<b>National Cemetery Administration</b>	250,000	250,934	258,284	\$7,350
Rescission	-500			
<b>Total National Cemetery Administration</b>	<b>249,500</b>	<b>250,934</b>	<b>258,284</b>	<b>7,350</b>
<b>Department Administration:</b>				
General administration	397,500	416,737	416,737	\$0
Rescission	-795			
<b>Total General Administration</b>	<b>396,705</b>	<b>416,737</b>	<b>416,737</b>	<b>0</b>
VBA-GOE	2,148,776	2,018,764	2,164,074	\$145,310
Rescission	-16,274			
<b>Total VBA GOE</b>	<b>2,132,502</b>	<b>2,018,764</b>	<b>2,164,074</b>	<b>145,310</b>
<b>Subtotal, GOE</b>	<b>2,529,207</b>	<b>2,435,501</b>	<b>2,580,811</b>	<b>\$145,310</b>
Office of Inspector General	109,000	112,391	113,000	\$609
Rescission	-218			
<b>Subtotal, IG</b>	<b>108,782</b>	<b>112,391</b>	<b>113,000</b>	<b>\$609</b>
Construction Major	1,151,036	589,604	532,470	-\$57,134
Rescission	-2,302			
Prior Year Recoveries	-75,000			
<b>Subtotal, Construction Major</b>	<b>1,073,734</b>	<b>589,604</b>	<b>532,470</b>	<b>-57,134</b>
Construction Minor	467,700	482,386	607,530	\$125,144
Rescission	-935			
<b>Subtotal, Construction Minor</b>	<b>466,765</b>	<b>482,386</b>	<b>607,530</b>	<b>125,144</b>
Grants for State Extended Care	85,000	85,000	85,000	\$0
Rescission	-170			
<b>Subtotal, Grants State Extended Care</b>	<b>84,830</b>	<b>85,000</b>	<b>85,000</b>	<b>0</b>
Grants for State Cemeteries	46,000	46,000	46,000	\$0
Rescission	-92			
<b>Subtotal, Grants State Cemeteries</b>	<b>45,908</b>	<b>46,000</b>	<b>46,000</b>	<b>0</b>
Credit Reform	163,167	156,157	159,249	\$3,092
Rescission	-332			
<b>Subtotal, Credit Reform</b>	<b>162,835</b>	<b>156,157</b>	<b>159,249</b>	<b>3,092</b>
Information Technology	3,142,761	3,111,376	3,327,444	\$216,068
Rescission	-4,137			
Prior Year Recoveries	-147,000			
<b>Subtotal, Information Technology</b>	<b>2,991,624</b>	<b>3,111,376</b>	<b>3,327,444</b>	<b>216,068</b>
<b>Total Departmental Administration</b>	<b>7,463,685</b>	<b>7,018,415</b>	<b>7,451,504</b>	<b>433,089</b>
<b>Total appropriations</b>	<b>\$125,979,188</b>	<b>\$126,490,584</b>	<b>\$139,493,247</b>	<b>\$13,002,663</b>
<b>Total Mandatory</b>	<b>\$66,777,767</b>	<b>\$65,105,015</b>	<b>\$75,528,785</b>	<b>\$10,423,770</b>
<b>Total Discretionary without MCCF</b>	<b>\$56,430,758</b>	<b>\$58,636,207</b>	<b>\$60,998,462</b>	<b>\$2,362,255</b>
<b>Total Discretionary with MCCF and other receipts</b>	<b>\$59,201,421</b>	<b>\$61,385,569</b>	<b>\$63,964,462</b>	<b>\$2,578,893</b>

**Budget Authority (Net)**  
(dollars in thousands)

Appropriation/Fund Account	2011	2012	2013	Increase (+) Decrease (-)
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability compensation benefits	\$48,244,137	\$46,090,966	\$57,280,483	\$11,189,517
Pensions benefits	4,644,279	4,945,404	4,239,878	-\$705,526
Education Benefits	10,566,769	11,149,642	11,540,850	\$391,208
Vocational rehabilitation and employment benefits	767,865	958,846	1,066,626	\$107,780
Insurance benefits	77,589	100,252	104,600	\$4,348
Housing program account mandatory	1,387,359	1,658,708	184,859	-\$1,473,849
Native American	4,508	12,911	0	-\$12,911
Vocational Rehabilitation Upward Reestimates	194	106	0	-\$106
Burial benefits	151,241	201,197	220,871	\$19,674
Veterans Employment and Infrastructure Transfer			1,000,000	\$1,000,000
<b>Total benefit programs</b>	<b>65,843,941</b>	<b>65,118,032</b>	<b>75,638,167</b>	<b>\$10,520,135</b>
<b>Medical programs:</b>				
Medical services	36,948,248	39,462,235	41,504,000	\$2,041,765
Medical care collections fund	2,770,663	2,749,362	2,966,000	\$216,638
Total medical care	39,718,911	42,211,597	44,470,000	\$2,258,403
Medical Support and Compliance	5,252,367	5,510,832	5,746,000	\$235,168
Medical facilities	5,703,116	5,388,838	5,441,000	\$52,162
VA/DoD Health Sharing Incentive Fund	130,000	30,000	30,000	\$0
Joint DoD/VA Medical Facility Demonstration Fund	104,004	258,323		
Medical and prosthetic research	579,838	581,000	582,674	\$1,674
<b>Total medical programs</b>	<b>51,488,236</b>	<b>53,980,590</b>	<b>56,269,674</b>	<b>\$2,289,084</b>
<b>National Cemeteries Administration</b>	<b>249,500</b>	<b>250,934</b>	<b>258,284</b>	<b>\$7,350</b>
<b>Departmental Administration:</b>				
General administration	396,705	416,737	416,737	\$0
Filipino Veterans Equity Compensation Fund	0	0	0	\$0
Office of Inspector General	108,782	112,391	113,000	\$609
VBA-GOE	2,132,502	2,018,764	2,164,074	\$145,310
Construction Major	1,073,734	589,604	532,470	-\$57,134
Construction Minor	466,765	482,386	607,530	\$125,144
Grants for State Extended Care	84,830	85,000	85,000	\$0
Grants for State Cemeteries	45,908	46,000	46,000	\$0
Credit Reform	162,862	156,176	159,268	\$3,092
Information Technology	2,991,624	3,104,771	3,327,444	\$222,673
<b>Total Departmental administration</b>	<b>7,463,712</b>	<b>7,011,829</b>	<b>7,451,523</b>	<b>\$439,694</b>
<b>Total appropriations, adjusted</b>	<b>125,045,389</b>	<b>126,361,385</b>	<b>139,617,648</b>	<b>\$13,256,263</b>

<b>Budget Authority (Net)</b> (dollars in thousands)				
<b>Appropriation/Fund Account</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Increase (+) Decrease (-)</b>
<b>Proprietary receipts from the public:</b>				
GI Bill receipts	-175,578	-157,273	-138,967	\$18,306
National service life insurance fund	-92,022	-79,540	-68,520	\$11,020
Post-Vietnam era veterans education account	-8	-8	-8	\$0
Downward reestimates:				
Acquired Direct	-4,009	-12,373	0	\$12,373
Vendee Direct	-8,340	-1,747	0	\$1,747
Transitional Housing	-316	-100	0	\$100
Veterans housing benefit fund guaranteed loan account	-17,187	-77,971	0	\$77,971
Veterans housing benefit fund loan sale securities	-824	0	0	\$0
Native American veterans program account	-3,200	-5,004	0	\$5,004
Vocational rehabilitation loan program	-44	-189	0	\$189
Negative subsidy:				
Acquired Direct Loan	-10	0	-1,446	-\$1,446
Vendee Direct	-5,531	-23,113	-32,195	-\$9,082
Veterans housing benefit fund guaranteed loan account	-222,987	-108,963	-49,640	\$59,323
U.S. Government life insurance	-109	-70	-60	\$10
Native American veterans program account	-1,023	-1,331	-2,015	-\$684
Medical care collections fund	-2,770,663	-2,749,362	-2,966,000	-\$216,638
<b>Total proprietary receipts from the public</b>	<b>-3,301,851</b>	<b>-3,217,044</b>	<b>-3,258,851</b>	<b>-\$41,807</b>
<b>Total federal funds</b>	<b>121,743,538</b>	<b>123,144,341</b>	<b>136,358,797</b>	<b>\$13,214,456</b>
<b>Trust funds:</b>				
Post-Vietnam era veterans education account	8	8	8	\$0
General post fund	28,024	28,900	29,900	\$1,000
Pershing Hall revolving fund	0	0	0	\$0
National service life insurance	1,042,461	1,046,203	997,109	-\$49,094
U.S. Government life insurance	3,690	3,090	2,520	-\$570
<b>Total trust funds (gross)</b>	<b>1,074,183</b>	<b>1,078,201</b>	<b>1,029,537</b>	<b>-\$48,664</b>
<b>Veterans housing benefit program fund liquidating account</b>	<b>-7,329</b>	<b>-7,106</b>	<b>-6,274</b>	<b>\$832</b>
<b>Intragovernmental transactions</b>				
Post-Vietnam era veterans education account	-298	-230	-180	\$50
National service life insurance	-717	-561	-533	\$28
<b>Total Intergovernmental transactions</b>	<b>-1,015</b>	<b>-791</b>	<b>-713</b>	<b>\$78</b>
<b>Total Department of Veterans Affairs</b>	<b>\$122,809,377</b>	<b>\$124,214,645</b>	<b>\$137,381,347</b>	<b>\$13,166,702</b>

<b>Outlays (Net)</b> <i>(dollars in thousands)</i>				
Appropriation/Fund Account	2011	2012	2013	Increase (+) Decrease (-)
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability compensation benefits	\$52,762,373	\$51,785,368	\$59,385,741	\$7,600,373
Proposed legislation - Concurrent Receipt				
Pensions benefits	4,664,383	4,207,026	4,914,116	\$707,090
Burial Benefits	151,241	201,197	220,871	\$19,674
Education Benefits	9,907,676	11,166,173	12,633,197	\$1,467,024
Vocational rehabilitation and employment benefits	797,793	948,811	1,066,737	\$117,926
Insurance benefits	81,667	101,730	104,600	\$2,870
Veterans housing benefit program fund liquidating account	-8,828	-4,742	-6,274	-\$1,532
Housing program account benefits	1,387,359	1,658,708	184,859	-\$1,473,849
Native American Veteran housing Loan Program	4,508	12,911	0	-\$12,911
Vocational Rehabilitation Upward Reestimate	194	106	0	-\$106
Credit Reform	142,486	156,176	159,268	\$3,092
Veterans Employment and Infrastructure Transfer			50,000	
Service-disabled veterans insurance fund	-16,423	10,339	4,376	-\$5,963
Veterans reopened insurance fund	26,733	27,835	28,140	\$305
Servicemembers' group life insurance fund	-17	-18	-18	\$0
<b>Total benefit programs</b>	<b>69,901,145</b>	<b>70,271,620</b>	<b>78,745,613</b>	<b>8,423,993</b>
<b>Medical programs:</b>				
Medical services	36,995,680	38,522,906	40,671,063	2,148,157
Medical care collections fund	2,588,294	2,758,947	2,868,513	109,566
Total medical services	39,583,974	41,281,853	43,539,576	2,257,723
Medical Support and Compliance	5,344,172	5,403,246	5,636,815	233,569
Medical facilities	5,478,874	5,432,200	5,281,791	-150,409
VA/DoD Healthcare Sharing Incentive Fund	88,800	92,500	80,000	-12,500
Joint VA/DoD Medical Facility Demonstration Fund	64,456	241,851	24,288	-217,563
Medical and prosthetic research	558,875	571,778	573,198	1,420
Canteen service revolving fund	7,862	3,000		-3,000
<b>Total medical programs</b>	<b>51,127,013</b>	<b>53,026,428</b>	<b>55,135,668</b>	<b>2,109,240</b>
<b>Departmental Administration</b>				
General Administration	404,860	404,463	407,672	3,209
VBA GOE	2,232,616	1,990,681	2,094,700	104,019
Filipino Veterans Equity Compensation Fund	10,099	9,914	9,914	0
National Cemetery Administration	254,521	249,014	252,658	3,644
Construction-Major	1,011,708	1,002,367	925,704	-76,663
Construction-Minor	578,966	751,488	420,454	-331,034
Grants for State Extended Care Facilities	124,369	261,393	74,147	-187,246
Grants for State Cemeteries	49,872	32,545	32,658	113
Information Technology	3,354,500	3,562,679	3,716,070	153,391
Office of Inspector General	109,148	116,000	109,943	-6,057
Franchise fund	-54,809	24,000	-8,000	-32,000
Supply fund	-45,803	-477,000	-100,000	377,000
General Operating Expenses-SSA		0	0	0
Pershing hall revolving fund		0	0	0
<b>Total GOE &amp; Miscellaneous</b>	<b>8,030,047</b>	<b>7,927,544</b>	<b>7,935,920</b>	<b>8,376</b>
<b>Total appropriations &amp; funds</b>	<b>129,058,205</b>	<b>131,225,592</b>	<b>141,817,201</b>	<b>10,541,609</b>



<b>Outlays (Net)</b> (dollars in thousands)				
Appropriation/Fund Account	2011	2012	2013	Increase (+) Decrease (-)
<b>Proprietary receipts from the public:</b>				
GI Bill	-175,578	-157,273	-138,967	18,306
Downward reestimates				0
Third party offset of first party debt				0
Pharmacy Co-Pays				0
Direct Loans	-4,009	-12,373	0	12,373
Vendee Direct	-8,340	-1,747	0	1,747
Transitional Housing - Direct Loans	-316	-100	0	100
Veterans housing benefit fund guaranteed loan	-17,187	-77,971	0	77,971
Veterans housing benefit fund loan sale securities	-824	0	0	0
Native American veterans program account	-3,200	-5,004	0	5,004
Vocational rehabilitation loan program	-44	-189	0	189
Negative subsidy:				
Acquired Direct	-10	0	-1,446	-1,446
Vendee Direct	-5,531	-23,113	-32,195	-9,082
Veterans housing benefit fund guaranteed loan	-222,987	-108,963	-49,640	59,323
Native American veteran housing loan program account	-1,023	-1,331	-2,015	-684
Medical care collections fund	-2,588,294	-2,758,947	-2,868,513	-109,566
<b>Total proprietary receipts from the public</b>	<b>-3,027,343</b>	<b>-3,147,011</b>	<b>-3,092,776</b>	<b>54,235</b>
<b>Total federal funds</b>	<b>126,030,862</b>	<b>128,078,581</b>	<b>138,724,425</b>	<b>10,595,844</b>
<b>Trust funds:</b>				
General post fund	25,799	26,600	27,500	900
Post-Vietnam era veterans education account	1,341	1,212	1,163	-49
National service life insurance	1,130,388	1,129,355	1,080,769	-48,586
U.S. Government life insurance	5,169	4,838	3,860	-978
Veterans special life insurance	15,322	49,454	52,830	3,376
National cemetery gift fund	0	0	0	0
<b>Total trust funds (gross)</b>	<b>1,178,019</b>	<b>1,211,459</b>	<b>1,166,122</b>	<b>-45,337</b>
<b>Proprietary receipts from the public</b>	<b>-92,139</b>	<b>-79,618</b>	<b>-68,588</b>	<b>11,030</b>
Post-Vietnam era veterans education account	-8	-8	-8	0
U.S. Government life insurance	-109	-70	-60	10
National service life insurance	-92,022	-79,540	-68,520	11,020
<b>Total trust funds (net)</b>	<b>1,085,880</b>	<b>1,131,841</b>	<b>1,097,534</b>	<b>-34,307</b>
<b>Intragovernmental transactions</b>	<b>-1,015</b>	<b>-791</b>	<b>-713</b>	<b>78</b>
Post-Vietnam era veterans education account	-717	-561	-533	28
U.S. Government life insurance	0	0	0	
National service life insurance	-298	-230	-180	50
<b>Total Department of Veterans Affairs</b>	<b>\$127,115,727</b>	<b>\$129,209,631</b>	<b>\$139,821,246</b>	<b>\$10,561,615</b>

<b>Functional Distribution of Budget Authority (Net)</b>				
<i>(dollars in thousands)</i>				
<b>Function and Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Increase (+) Decrease (-)</b>
<b>701: Income security for veterans:</b>				
Disability compensation benefits	\$48,244,137	\$46,090,966	\$57,280,483	\$11,189,517
Pensions benefits	4,644,279	4,945,404	4,239,878	-\$705,526
Burial benefits	151,241	201,197	220,871	\$19,674
National cemetery gift fund	0	0	0	\$0
Insurance benefits	77,589	100,252	104,600	\$4,348
Service-disabled veterans insurance fund	0	0	0	\$0
Veterans reopened insurance fund	0	0	0	\$0
National service life insurance	1,042,461	1,046,203	997,109	-\$49,094
US Government life insurance	3,690	3,090	2,520	-\$570
Veterans special life insurance fund	0	0	0	\$0
Servicemember's group life insurance fund	0	0	0	\$0
US Government life insurance	-109	-70	-60	\$10
<b>Subtotal, income security for veterans</b>	<b>54,163,288</b>	<b>52,387,042</b>	<b>62,845,401</b>	<b>\$10,458,359</b>
<b>702: Veterans education, training and rehabilitation:</b>				
Education benefits	10,566,769	11,149,642	11,540,850	\$391,208
Vocational rehabilitation and employment benefits	767,865	958,846	1,066,626	\$107,780
Post-Vietnam era veterans education account	8	8	8	\$0
Post-Vietnam era veterans education receipts	-298	-230	-180	\$50
National service life insurance receipts	-717	-561	-533	\$28
Downward reestimates:				\$0
Vocational Rehabilitation loan program	-44	-189	0	\$189
GI Bill receipts	-175,578	-157,273	-138,967	\$18,306
National service life insurance fund	-92,022	-79,540	-68,520	\$11,020
Post-Vietnam era veterans education account	-8	-8	-8	\$0
Veterans Employment and Infrastructure Transfer			1,000,000	\$1,000,000
<b>Subtotal, veterans education, training and rehabilitation</b>	<b>11,065,975</b>	<b>11,870,695</b>	<b>13,399,276</b>	<b>\$1,528,581</b>
<b>703: Hospital &amp; Medical Care for veterans:</b>				
Medical services	36,948,248	39,462,235	41,504,000	\$2,041,765
Medical care collections fund	2,770,663	2,749,362	2,966,000	\$216,638
Total medical services	39,718,911	42,211,597	44,470,000	\$2,258,403
Medical Support and Compliance	5,252,367	5,510,832	5,746,000	\$235,168
Medical facilities	5,703,116	5,388,838	5,441,000	\$52,162
VA/DoD Health Sharing Incentive Fund	130,000	30,000	30,000	\$0
Joint DoD/VA Medical Facility Demonstration Fund	104,004	258,323		
Medical and prosthetic research	579,838	581,000	582,674	\$1,674
Medical care collections fund, receipts	-2,770,663	-2,749,362	-2,966,000	-\$216,638
Downward reestimates:				
<b>Subtotal, hospital and medical care for veterans</b>	<b>48,717,573</b>	<b>51,231,228</b>	<b>53,303,674</b>	<b>\$2,072,446</b>

<b>Functional Distribution of Budget Authority (Net)</b>				
<i>(dollars in thousands)</i>				
<b>Function and Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Increase (+) Decrease (-)</b>
<b>704: Veterans housing:</b>				
Veterans housing benefit program fund liquidating account	-7,329	-7,106	-6,274	\$832
Housing program account mandatory	1,387,359	1,658,708	184,859	-\$1,473,849
Native American	4,508	12,911	0	-\$12,911
Vocational Rehabilitation Upward Reestimates	194	106	0	-\$106
Downward reestimates:				
Veterans housing benefit guaranteed loan	-17,187	-77,971	0	\$77,971
Veterans housing benefit fund loan sale securities	-824	0	0	\$0
Veterans housing benefit direct loan	0	0	0	\$0
Native American veterans program account	-3,200	-5,004	0	\$5,004
Acquired Direct	-4,009	-12,373	0	\$12,373
Vendee Direct	-8,340	-1,747	0	\$1,747
Transitional Housing-Direct Loans	-316	-100	0	\$100
Negative subsidy:				\$0
Acquired Direct Loan	-10	0	-1,446	-\$1,446
Vendee Direct	-5,531	-23,113	-32,195	-\$9,082
Veterans housing benefit fund guaranteed loan account	-222,987	-108,963	-49,640	\$59,323
Native American veterans program account	-1,023	-1,331	-2,015	-\$684
<b>Subtotal, veterans housing</b>	<b>1,121,305</b>	<b>1,434,017</b>	<b>93,289</b>	<b>-\$1,340,728</b>
<b>705: Other veterans benefits and services:</b>				
National Cemeteries Administration	249,500	250,934	258,284	\$7,350
General post fund	28,024	28,900	29,900	\$1,000
General administration	396,705	416,737	416,737	\$0
Office of Inspector General	108,782	112,391	113,000	\$609
VBA-GOE	2,132,502	2,018,764	2,164,074	\$145,310
Filipino Veterans Compensation Fund	0	0	0	\$0
Construction Major	1,073,734	589,604	532,470	-\$57,134
Construction Minor	466,765	482,386	607,530	\$125,144
Grants for State Extended Care	84,830	85,000	85,000	\$0
Grants for State Cemeteries	45,908	46,000	46,000	\$0
Credit Reform	162,862	156,176	159,268	\$3,092
Information Technology	2,991,624	3,104,771	3,327,444	\$222,673
<b>Subtotal, other veterans benefits and services</b>	<b>7,741,236</b>	<b>7,291,663</b>	<b>7,739,707</b>	<b>\$448,044</b>
<b>Total, function 700 distribution of Budget</b>				
<b>Authority for the Department of Veterans Affairs</b>	<b>122,809,377</b>	<b>124,214,645</b>	<b>137,381,347</b>	<b>\$13,166,702</b>
Deduction for offsetting receipts (function 902)	0	0	0	\$0
<b>Total Department of Veterans Affairs</b>	<b>\$122,809,377</b>	<b>\$124,214,645</b>	<b>\$137,381,347</b>	<b>\$13,166,702</b>

**Functional Distribution of Outlays**  
(dollars in thousands)

Function and Program	2011	2012	2013	Increase (+) Decrease (-)
<b>701: Income security for veterans:</b>				
Disability compensation benefits	\$52,762,373	\$51,785,368	\$59,385,741	\$7,600,373
Proposed legislation - Concurrent Receipt	0	0	0	0
Pensions benefits	4,664,383	4,207,026	4,914,116	707,090
Burial benefits	151,241	201,197	220,871	19,674
Insurance benefits	81,667	101,730	104,600	2,870
Service-disabled veterans insurance	-16,423	10,339	4,376	-5,963
Veterans reopened insurance fund	26,733	27,835	28,140	305
Servicemembers' group life insurance fund	-17	-18	-18	0
National service life insurance	1,130,388	1,129,355	1,080,769	-48,586
U.S. Government life insurance	5,169	4,838	3,860	-978
Veterans special life insurance	15,322	49,454	52,830	3,376
NSLI & USGLI receipts	-92,429	-79,840	-68,760	11,080
<b>Subtotal, income security for veterans</b>	<b>58,728,407</b>	<b>57,437,284</b>	<b>65,726,525</b>	<b>8,289,241</b>
<b>702: Veterans education, training, and rehabilitation:</b>				
Education benefits	9,907,676	11,166,173	12,633,197	1,467,024
Vocational rehabilitation and employment benefits	797,793	948,811	1,066,737	117,926
Vocational rehabilitation Upward Reestimate	194	106	0	-106
Credit Reform	142,486	156,176	159,268	3,092
Post-Vietnam era veterans education	1,341	1,212	1,163	-49
Post-Vietnam era veterans education receipts	-725	-569	-541	28
Downward reestimates:				
Vocational rehabilitation loan program	-44	-189	0	189
GI Bill receipts	-175,578	-157,273	-138,967	18,306
Veterans Employment and Infrastructure Transfer			50,000	
<b>Subtotal, veterans education, training and rehabilitation</b>	<b>10,673,143</b>	<b>12,114,447</b>	<b>13,770,857</b>	<b>1,606,410</b>
<b>703: Hospital and medical care for veterans:</b>				
Medical services	39,583,974	41,281,853	43,539,576	2,257,723
Medical Support and Compliance	5,344,172	5,403,246	5,636,815	233,569
Medical facilities	5,478,874	5,432,200	5,281,791	-150,409
VA/DoD Health Sharing Incentive Fund	88,800	92,500	80,000	-12,500
Joint VA/DoD Medical Facility Demonstration Fund	64,456	241,851	24,288	-217,563
Medical and prosthetic research	558,875	571,778	573,198	1,420
Medical care collections fund, receipts	-2,588,294	-2,758,947	-2,868,513	-109,566
<b>Subtotal, hospital and medical care for veterans</b>	<b>48,530,857</b>	<b>50,264,481</b>	<b>52,267,155</b>	<b>2,002,674</b>

<b>Functional Distribution of Outlays</b>				
<i>(dollars in thousands)</i>				
<b>Function and Program</b>	2010	2011	2012	Increase (+) Decrease (-)
<b>704: Veterans Housing</b>				
Veterans housing benefit program fund liquidating account	-8,828	-4,742	-6,274	-1,532
Housing program account benefits	1,387,359	1,658,708	184,859	-1,473,849
Native American Veteran housing Loan Program	4,508	12,911	0	-12,911
Downward reestimates:				
Vendee Direct	-8,340	-1,747	0	1,747
Transitional Housing - Direct Loans	-316	-100	0	100
Veterans housing benefit guaranteed loan	-17,187	-77,971	0	77,971
Veterans housing benefit loan securities	-824	0	0	0
Veterans housing benefit direct loan	-4,009	-12,373	0	12,373
Native American veterans program account	-3,200	-5,004	0	5,004
Negative subsidy:				
Acquired Direct	-10	0	-1,446	-1,446
Vendee Direct	-5,531	-23,113	-32,195	-9,082
Veterans housing benefit fund guaranteed loan	-222,987	-108,963	-49,640	59,323
Native American veteran housing loan program account	-1,023	-1,331	-2,015	-684
<b>Subtotal, veterans housing</b>	<b>1,119,612</b>	<b>1,436,275</b>	<b>93,289</b>	<b>-1,396,101</b>
<b>705: Other veterans benefits and services:</b>				
VBA-GOE	2,232,616	1,990,681	2,094,700	104,019
Filipino Veterans Equity Compensation Fund	10,099	9,914	9,914	0
National Cemetery Administration	254,521	249,014	252,658	3,644
Canteen service revolving fund	7,862	3,000	0	-3,000
Supply fund	-45,803	-477,000	-100,000	377,000
General post fund	25,799	26,600	27,500	900
General Administration	404,860	404,463	407,672	3,209
Construction-Major	1,011,708	1,002,367	925,704	-76,663
Construction- Minor	578,966	751,488	420,454	-331,034
Grants for State Extended Care	124,369	261,393	74,147	-187,246
Grants for State Cemeteries	49,872	32,545	32,658	113
Information Technology	3,354,500	3,562,679	3,716,070	153,391
National cemetery gift fund	0	0	0	0
Office of Inspector General	109,148	116,000	109,943	-6,057
Franchise fund	-54,809	24,000	-8,000	-32,000
General Operating Expenses-SSA	0	0	0	0
Pershing hall revolving fund	0	0	0	0
<b>Subtotal, other veterans benefits and services</b>	<b>8,063,708</b>	<b>7,957,144</b>	<b>7,963,420</b>	<b>6,276</b>
<b>Total, function 700 Distribution of Budget</b>				
<b>Outlays for the Department of Veterans Affairs</b>	<b>\$127,115,727</b>	<b>\$129,209,631</b>	<b>\$139,821,246</b>	<b>\$10,508,500</b>
Deduction for offsetting receipts (Function 902)				0
<b>Total Department of Veterans Affairs</b>	<b>\$127,115,727</b>	<b>\$129,209,631</b>	<b>\$139,821,246</b>	<b>\$10,611,615</b>

<b>Obligations</b> (dollars in thousands)				
Appropriation/Fund Account	2011	2012	2013	Increase (+) Decrease (-)
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability compensation benefits	\$49,463,325	\$56,383,982	\$55,591,390	-\$792,592
Proposed legislation (COLA)	0	0	772,014	772,014
Pensions benefits	4,317,812	4,580,616	4,931,133	350,517
Burial benefits	151,241	201,197	220,967	19,770
Education benefits	10,041,246	11,690,811	13,076,647	1,385,836
Post-Vietnam era veterans' education account	1,343	1,243	1,144	-99
Vocational rehabilitation and employment benefits	767,865	958,846	1,067,626	108,780
Vocational rehabilitation loan program account	549	468	365	-103
Insurance benefits	80,298	105,954	109,920	3,966
Housing program account benefits	1,528,453	1,819,183	347,510	-1,471,673
Native American Direct Loan Program Account	5,171	14,027	1,089	-12,938
Service-disabled veterans insurance fund	118,230	162,160	165,926	3,766
Veterans reopened insurance fund	46,668	43,960	41,310	-2,650
Servicemembers' group life insurance fund	1,073,123	1,082,790	814,750	-268,040
Filipino Veterans Equity Compensation Fund	10,099	9,915	9,915	0
Compensation & Pensions, Recovery Act	-857	0	0	0
<b>Total benefits programs</b>	<b>67,604,566</b>	<b>77,055,152</b>	<b>77,151,706</b>	<b>96,554</b>
<b>Medical programs:</b>				
Medical care	51,356,899	54,173,808	56,580,000	2,406,192
Medical prosthetics and research	648,608	642,819	627,674	-15,145
Medical center research organizations	251,000	269,000	279,000	10,000
VA/DoD Health Care Sharing Incentive Fund	69,026	79,230	70,000	-9,230
Joint DoD/VA Medical Facility Demonstration Fund	338,172	400,344	411,646	11,302
Canteen service revolving fund	386,758	425,500	434,300	8,800
<b>Total medical programs</b>	<b>53,050,463</b>	<b>55,990,701</b>	<b>58,402,620</b>	<b>2,411,919</b>
<b>National Cemetery Administration:</b>	<b>252,046</b>	<b>253,734</b>	<b>258,584</b>	<b>4,850</b>
<b>Departmental administration:</b>				
VBA- GOE	2,493,073	2,416,096	2,598,410	182,314
General administration	805,809	860,756	895,543	34,787
Pershing Hall revolving fund	175	193	193	0
Franchise fund	470,724	506,183	541,239	35,056
Office of Inspector General	112,516	117,414	117,811	397
Supply fund	1,180,383	1,890,000	1,990,000	100,000
Information Technology	3,609,959	3,268,669	3,374,444	105,775
Construction, Major & Minor	1,525,602	2,625,095	2,149,858	-475,237
Grants for State Extended Care	4,565	168,912	105,000	-63,912
Grants for State Cemeteries	43,992	51,954	46,000	-5,954
<b>Total Departmental administration</b>	<b>10,246,798</b>	<b>11,905,272</b>	<b>11,818,498</b>	<b>170,240</b>
<b>Total federal funds</b>	<b>131,153,873</b>	<b>145,204,859</b>	<b>147,631,408</b>	<b>2,683,563</b>
<b>Trust funds:</b>				
General post fund	25,243	26,100	27,000	900
National service life insurance	1,238,120	1,212,609	1,144,159	-68,450
U.S. Government life insurance	3,799	3,160	2,580	-580
Veterans special life insurance	203,841	210,640	207,970	-2,670
National cemetery gift fund	91	250	250	0
<b>Total trust funds</b>	<b>1,471,094</b>	<b>1,452,759</b>	<b>1,381,959</b>	<b>-70,800</b>
<b>Total Department of Veterans Affairs</b>	<b>\$132,624,967</b>	<b>\$146,657,618</b>	<b>\$149,013,367</b>	<b>\$2,612,763</b>
<b>Non-Budget</b>				
Veterans housing benefit program direct loan financing account	415,849	1,280,075	1,465,679	185,603
Veterans housing benefits program loan sale securities financing account	214,481	1,131,208	1,194,716	63,508
Veterans housing benefit program guaranteed loan financing account	2,774,021	2,455,650	2,451,243	-4,407
Native American and transitional housing direct loan financing account	16,302	19,270	15,084	-4,186
Vocational rehabilitation loan financing account	1,810	3,205	2,728	-477
<b>Total Non-Budget</b>	<b>\$3,422,463</b>	<b>\$4,889,408</b>	<b>\$5,129,450</b>	<b>\$240,041</b>

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## *Ten Year Tables*

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



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<b>Budget Authority</b>										
<b>2002 - 2011 Actuals</b>										
<i>(dollar in thousands)</i>										
<b>Appropriation/Fund Account</b>	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)	2011 (Net)
<b>Federal funds:</b>										
<b>Benefit programs</b>										
Compensation and pensions	\$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	\$53,039,657
Readjustment benefits	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	11,334,634
Veterans insurance and indemnities	26,200	27,957	32,017	44,380	45,907	49,850	41,250	48,072	56,288	77,589
Veterans housing benefit program fund										
program account	918,890	1,464,750	356,581	2,042,210	198,009	204,479	969,168	486,232	974,811	1,553,906
Veterans housing benefit program fund										
liquidating account, permanent	0	-60,000	-40,000	-45,000	-49,485	-42,000	-20,242	-7,930	-6,813	-7,329
Native American veteran housing										
loan program account	544	886	1,265	567	580	584	628	646	664	663
Guaranteed transitional housing loans										
for homeless veterans	0	0	0	0	0	0	0	0	0	0
Education loan fund program account	65	70	197	0	0	0	0	0	0	0
Vocational rehabilitation loans program account	346	329	350	356	355	358	355	381	357	354
<b>Total benefits programs</b>	<b>29,125,333</b>	<b>32,647,800</b>	<b>32,722,270</b>	<b>37,206,433</b>	<b>37,402,387</b>	<b>41,647,637</b>	<b>45,530,303</b>	<b>48,166,254</b>	<b>71,022,971</b>	<b>65,999,474</b>
<b>Medical programs:</b>										
Medical care	22,592,233	25,369,020	20,449,427	22,584,161	24,139,378	27,517,363	30,445,908	33,512,421	37,588,065	39,718,911
Medical services			4,095,078	4,437,300	3,430,542	3,674,815	3,956,617	4,405,500	4,882,000	5,252,367
Medical support and compliance			3,188,817	3,329,749	3,357,869	4,548,165	4,233,182	6,029,000	4,859,000	5,703,116
Medical facilities			27,733,322	30,351,210	30,927,789	35,740,343	38,635,707	43,946,921	47,329,065	50,674,394
Total Medical care programs	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	50,674,394
Medical and prosthetic research	367,707	392,400	405,593	402,348	412,000	446,480	480,000	510,000	581,000	579,838
Medical administration and										
miscellaneous operating expenses	66,681	74,230	0	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	130,000
Joint DoD/VA Medical Facility Demonstration Fund										
Medical care cost recovery fund, permanent	0	0	0	0	0	0	0	0	0	0
<b>Total medical programs</b>	<b>23,026,621</b>	<b>25,835,650</b>	<b>28,168,915</b>	<b>30,783,558</b>	<b>31,369,789</b>	<b>36,256,823</b>	<b>39,205,707</b>	<b>44,490,921</b>	<b>47,965,065</b>	<b>51,488,236</b>

**Budget Authority  
2002 - 2011 Actuals  
(dollar in thousands)**

Appropriation/Fund Account	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)	2011 (Net)
<b>Construction programs:</b>										
Construction, major projects	183,180	99,526	671,578	481,498	1,560,519	399,000	1,531,477	923,382	1,194,000	1,073,734
Advance appropriation	0	0	0	0	0	0	0	0	0	0
Construction, minor projects	210,900	224,531	250,656	245,476	233,137	524,937	630,555	741,534	703,000	466,765
Grants for the construction of State extended care facilities	100,000	99,350	101,498	104,322	85,000	85,000	165,000	325,000	100,000	84,830
Grants for the construction of State veterans cemeteries	25,000	31,792	31,811	31,744	32,000	32,000	39,500	42,000	46,000	45,908
Parking revolving fund	4,000	0	0	0	0	0	0	0	0	0
<b>Total construction programs</b>	<b>523,080</b>	<b>455,199</b>	<b>1,055,543</b>	<b>863,040</b>	<b>1,910,656</b>	<b>1,040,937</b>	<b>2,366,512</b>	<b>2,031,916</b>	<b>2,043,000</b>	<b>1,671,237</b>
Information Technology				1,283,517	1,231,420	1,247,846	2,358,122	2,798,182	3,307,000	2,991,624
National cemetery administration	121,078	132,284	143,352	147,784	149,798	160,231	193,858	280,000	250,000	249,500
<b>General operating expenses and misc.:</b>										
General operating expenses	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	2,132,502
VBA General Operating Expenses										396,705
General Administration	52,269	57,623	61,634	69,153	69,074	70,641	80,500	88,818	109,000	108,782
Filipino veterans equity compensation fund										
Office of Inspector General	1,250,183	1,410,819	1,336,835	1,502,853	1,442,314	1,657,013	1,832,258	2,240,985	2,262,707	2,637,989
<b>Total GOE and miscellaneous</b>	<b>53,925,217</b>	<b>60,349,468</b>	<b>63,283,563</b>	<b>70,355,884</b>	<b>72,125,146</b>	<b>80,602,410</b>	<b>88,934,780</b>	<b>96,930,076</b>	<b>123,293,743</b>	<b>121,796,936</b>
<b>Total appropriations (adjusted)</b>	<b>-3,206,663</b>	<b>-1,485,924</b>	<b>-1,697,725</b>	<b>-1,868,383</b>	<b>-1,994,172</b>	<b>-2,226,653</b>	<b>-2,477,000</b>	<b>-2,766,908</b>	<b>-2,847,565</b>	<b>-2,770,663</b>
DEDUCT: Proprietary receipts from the public										
<b>Total federal funds</b>	<b>50,718,554</b>	<b>58,863,544</b>	<b>61,585,838</b>	<b>68,487,501</b>	<b>70,130,974</b>	<b>78,375,757</b>	<b>86,457,780</b>	<b>94,163,168</b>	<b>120,446,178</b>	<b>119,026,273</b>
<b>Trust funds:</b>										
Post-Vietnam era veterans education account	2,298	1,266	1,024	619	333	230	820	49	6	8
General post fund	35,334	30,576	31,066	30,926	31,851	30,754	39,718	36,365	26,950	28,024
Pershing Hall revolving fund	-250	-250	0	0	0	0	0	0	0	0
National service life insurance	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	1,042,461
U.S. Government life insurance	9,682	8,506	7,877	7,323	6,322	4,000	5,295	4,688	4,294	3,690
Service-disabled veterans insurance fund	4,219	0	0	1	0	0	0	0	0	0
Veterans reopened insurance fund	14,781	0	0	-1	0	0	0	0	0	0
Veterans special life insurance fund	-28,696	0	0	0	0	0	0	0	0	0
Servicemembers' group life insurance fund	-64	957	0	-21	-20	0	0	0	0	0
National cemetery gift fund	183	78	78	0	396	0	0	0	0	0
<b>Total trust funds (gross)</b>	<b>1,257,234</b>	<b>1,233,468</b>	<b>1,278,285</b>	<b>1,249,735</b>	<b>1,224,738</b>	<b>1,173,502</b>	<b>1,190,588</b>	<b>1,158,254</b>	<b>1,109,333</b>	<b>1,074,183</b>
DEDUCT: Proprietary receipts from the public	-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	-531,188
<b>Total trust funds (net)</b>	<b>1,071,842</b>	<b>-49,171</b>	<b>-1,398,805</b>	<b>-225,069</b>	<b>-485,450</b>	<b>-219,808</b>	<b>-500,918</b>	<b>-213,870</b>	<b>425,275</b>	<b>542,995</b>
DEDUCT: Intragovernmental transactions	-2,693	-1,665	-1,279	-1,670	-886	-725	-1,191	-1,303	-1,269	-1,015
<b>Total Department of Veterans Affairs</b>	<b>\$51,908,781</b>	<b>\$58,944,992</b>	<b>\$60,329,106</b>	<b>\$69,692,063</b>	<b>\$71,025,856</b>	<b>\$79,563,302</b>	<b>\$88,507,651</b>	<b>\$97,026,177</b>	<b>\$124,427,184</b>	<b>\$122,809,377</b>

<b>Budget Outlays</b> <b>2002 - 2011 Actuals</b> <i>(dollar in thousands)</i>										
<b>Appropriation/Fund Account</b>	2002 (Net)	2003 (Net)	2004 (Net)	2005 (Net)	2006 (Net)	2007 (Net)	2008 (Net)	2009 (Net)	2010 (Net)	2011 (Net)
<b>Federal Funds:</b>										
<b>Benefit programs:</b>										
Compensation & pensions	\$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	\$57,577,997
Readjustment benefits	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	10,705,469
Veterans insurance and indemnities	25,661	27,958	31,638	44,649	45,956	49,873	41,332	47,659	44,927	81,667
Reinstated entitlement program for survivors	733	3,478	0	0	0	0	0	0	0	0
Veterans housing benefit program fund										
liquidating account	-126,537	-61,218	-92,958	-76,577	-71,812	-28,340	-24,632	-11,868	-9,892	-8,828
Veterans housing benefit program fund										
program account	918,886	1,450,699	370,964	2,033,378	213,086	208,472	969,168	467,660	974,811	1,533,530
Native American veteran housing										
loan program account	935	886	1,278	555	566	571	628	617	664	663
Service-disabled veterans insurance fund	3,237	5,548	3,002	-6,281	-5,713	-8,085	3,407	8,004	5,974	-16,423
Veterans reopened insurance fund	12,543	15,065	17,896	19,840	20,956	22,973	23,121	24,649	23,110	26,733
Education loan fund liquidating account	-27	-43	109	-129						
Education loan fund program account	64	70	69		348	350	355	375	357	354
Vocational rehabilitation loans program account	332	329	337	347						
Servicemembers' group life insurance fund	-331	-3,466	5,239	-21	-19	-25	-17	-11,247	11,208	-17
<b>Total benefits programs</b>	<b>28,502,172</b>	<b>31,824,467</b>	<b>32,805,677</b>	<b>39,646,120</b>	<b>37,833,312</b>	<b>37,845,060</b>	<b>44,464,341</b>	<b>49,135,931</b>	<b>57,269,310</b>	<b>69,901,145</b>
<b>Medical programs:</b>										
Medical care	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	39,583,974
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	5,344,172
Medical facilities			2,472,619	3,015,958	3,341,474	3,544,804	4,241,189	4,639,594	5,057,072	5,478,874
Total Medical care programs	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	50,407,020
Medical and prosthetic research	359,523	363,988	389,091	389,759	406,094	403,841	436,626	507,911	520,904	558,875
Medical administration and										
miscellaneous operating expenses	64,723	68,370	0	0	0	0	0	0	0	0
V A/DoD health care sharing Incentive fund	0	0	0	811	6,861	35,663	41,567	42,538	46,920	88,800
Joint DoD/V A medical Facility Demonstration Fund										
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	327	167	212	0	0	0	0	0	0	0
Veterans extended care revolving fund	0	-3,076	-1,673							
Special therapeutic and										
rehabilitation activities fund	-1,762	-1,116	-796							
Canteen service revolving fund	5,050	-4,814	3,447	-5,813	2,622	-3,355	3,762	16,313	6,120	7,862
<b>Total medical programs</b>	<b>23,052,204</b>	<b>25,179,281</b>	<b>28,158,856</b>	<b>29,433,579</b>	<b>31,308,029</b>	<b>33,704,726</b>	<b>38,396,345</b>	<b>43,400,485</b>	<b>46,923,366</b>	<b>51,127,013</b>

<b>Budget Outlays</b>											
<b>2002 - 2011 Actuals</b>											
<i>(dollar in thousands)</i>											
<b>Appropriation/Fund Account</b>	<b>2002 (Net)</b>	<b>2003 (Net)</b>	<b>2004 (Net)</b>	<b>2005 (Net)</b>	<b>2006 (Net)</b>	<b>2007 (Net)</b>	<b>2008 (Net)</b>	<b>2009 (Net)</b>	<b>2010 (Net)</b>	<b>2011 (Net)</b>	<b>2011 (Net)</b>
<b>Construction programs:</b>											
Construction, major projects	176,434	124,886	118,396	146,228	237,185	437,136	528,791	658,137	990,942	1,011,708	
Construction, minor projects	156,632	173,260	199,766	217,353	259,427	267,315	412,682	507,720	535,426	578,966	
Parking revolving fund	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	83,123	86,286	77,369	96,780	122,106	108,793	115,634	128,794	108,716	124,369	
Grants for the construction of State veterans cemeteries	28,537	25,286	39,168	22,510	37,354	25,585	31,092	29,848	36,406	49,872	
Nursing home revolving fund	0	0	0	0	0	0	0	0	0	0	
<b>Total construction programs</b>	<b>445,230</b>	<b>410,513</b>	<b>438,103</b>	<b>482,871</b>	<b>656,072</b>	<b>838,829</b>	<b>1,088,199</b>	<b>1,324,499</b>	<b>1,671,490</b>	<b>1,764,915</b>	
Information Technology				731,605	622,136	1,111,376	1,988,974	2,395,337	2,525,805	3,354,500	
National cemetery administration	119,874	125,218	135,593	150,028	148,734	156,263	167,002	209,275	250,431	254,521	
<b>General operating expenses and misc.:</b>											
General operating expenses	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		
VBA General Operating Expenses											
General Administration											
Filipino veterans equity compensation fund	0	0	0	0	0	0	0	82,438	113,131	10,099	
Franchise fund	-21,037	-17,300	-5,532	0	0	10,000	33,784	13,101	-28,243	-54,809	
Office of Inspector General	52,179	53,228	57,819	65,952	72,815	71,696	71,583	88,445	96,650	109,148	
Supply fund	-193,259	-313,041	-146,211	0	261,043	29,000	2,564	-27,367	-30,874	-45,803	
Pershing hall revolving fund	0	-264	-109	-45	-45	-45	-136	0	0	0	
<b>Total GOE and miscellaneous</b>	<b>983,248</b>	<b>943,555</b>	<b>1,158,328</b>	<b>1,359,507</b>	<b>1,878,738</b>	<b>1,586,743</b>	<b>1,735,945</b>	<b>1,996,210</b>	<b>2,047,693</b>	<b>2,656,111</b>	
<b>Total appropriations (adjusted)</b>	<b>52,982,854</b>	<b>58,357,816</b>	<b>62,560,964</b>	<b>70,922,077</b>	<b>71,676,151</b>	<b>73,975,358</b>	<b>85,684,830</b>	<b>95,857,125</b>	<b>107,911,859</b>	<b>125,449,184</b>	
DEDUCT: Proprietary receipts from the public	-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	-2,588,294	
<b>Total federal funds</b>	<b>49,776,191</b>	<b>56,871,892</b>	<b>60,863,239</b>	<b>69,053,694</b>	<b>69,681,979</b>	<b>71,748,705</b>	<b>83,207,830</b>	<b>93,090,217</b>	<b>105,490,849</b>	<b>122,860,890</b>	
<b>Trust funds:</b>											
Post-Vietnam era veterans education account	9,006	4,658	3,560	2,897	2,375	2,200	2,030	1,909	1,498	1,341	
General post fund	30,921	30,367	27,487	30,508	30,324	29,670	27,082	37,589	26,466	25,799	
National service life insurance	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	1,130,388	
U.S. Government life insurance	9,904	9,525	9,316	8,525	7,661	7,003	6,190	6,290	5,537	5,169	
Veterans special life insurance	-51,856	-43,404	-37,141	-40,256	-31,852	-25,224	-14,164	-1,582	4,434	15,322	
National cemetery gift fund	99	144	51	0	79						
<b>Total trust funds (gross)</b>	<b>1,175,595</b>	<b>1,179,494</b>	<b>1,234,718</b>	<b>1,208,525</b>	<b>1,208,330</b>	<b>1,182,388</b>	<b>1,184,202</b>	<b>1,232,229</b>	<b>1,185,014</b>	<b>1,178,019</b>	
DEDUCT: Proprietary receipts from the public	-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	-531,188	
<b>Total trust funds (net)</b>	<b>988,203</b>	<b>-103,145</b>	<b>-1,442,372</b>	<b>-266,279</b>	<b>-501,858</b>	<b>-210,922</b>	<b>-507,304</b>	<b>-134,367</b>	<b>495,430</b>	<b>646,831</b>	
DEDUCT: Intragovernmental transactions	-2,693	-1,665	-1,279	-1,670	-886	-725	-1,191	-1,303	-1,269	-1,015	
<b>Total Department of Veterans Affairs</b>	<b>\$50,881,575</b>	<b>\$56,892,300</b>	<b>\$59,555,181</b>	<b>\$69,667,378</b>	<b>\$69,950,105</b>	<b>\$72,804,697</b>	<b>\$84,855,311</b>	<b>\$95,559,159</b>	<b>\$108,761,246</b>	<b>\$127,115,727</b>	

**Total Average Employment  
2002 - 2011 Actuals**

Appropriation/Fund Account	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Medical Programs</b>										
Medical Care	183,712	186,553	*	*	*	*	*	*	*	*
Medical Services			131,140	135,283	135,186	140,491	158,263	172,338	178,913	185,064
Medical Support and Compliance			34,218	35,652	36,244	37,405	35,847	39,851	42,434	45,258
Medical Facilities			28,914	26,715	26,470	26,678	22,291	23,430	23,790	23,908
Total Medical Care Programs	183,712	186,553	194,272	197,650	197,900	204,574	216,401	235,619	245,137	254,230
Medical and Prosthetic Research	3,096	3,217	3,234	3,206	3,193	3,175	3,142	3,226	3,352	3,526
DoD-VA Health Care Sharing Incentive Fund						88	126	126	127	132
Joint DoD-VA Medical Facility Demonstration Fund										479
Canteen Service Revolving Fund	2,899	2,837	2,890	2,952	2,965	2,953	3,008	3,170	3,246	3,274
<b>Total Medical Programs</b>	<b>190,241</b>	<b>193,158</b>	<b>200,395</b>	<b>203,808</b>	<b>204,058</b>	<b>210,790</b>	<b>222,677</b>	<b>242,141</b>	<b>251,862</b>	<b>261,641</b>
<b>Construction Programs</b>										
Construction, major projects	6	6	0	6	0	0	0	0	0	0
Construction, minor projects	53	50	36	50	19	17	19	12	8	0
<b>Total Construction Programs</b>	<b>59</b>	<b>56</b>	<b>36</b>	<b>56</b>	<b>19</b>	<b>17</b>	<b>19</b>	<b>12</b>	<b>8</b>	<b>0</b>
General Operating Expenses										
Veterans Benefits Administration	13,073	13,206	12,795	12,582	12,810	13,504	14,965	17,123	19,605	19,990
General Administration	2,600	2,385	2,431	2,499	2,589	2,901	2,420	2,591	2,753	2,941
<b>Total General Operating Expenses</b>	<b>15,673</b>	<b>15,591</b>	<b>15,226</b>	<b>15,081</b>	<b>15,399</b>	<b>16,405</b>	<b>17,385</b>	<b>19,714</b>	<b>22,358</b>	<b>22,931</b>
Information Technology**	**	**	**	**	**	**	6,348	6,710	6,853	7,004
National Cemetery Administration	1,454	1,476	1,492	1,523	1,527	1,541	1,512	1,622	1,670	1,676
Office of Inspector General	393	399	434	454	480	470	448	509	553	633
Franchise Fund	670	662	706	688	688	726	702	769	822	1,054
Supply Fund	382	410	421	414	435	426	407	504	699	803
<b>Total Department of Veterans Affairs</b>	<b>208,872</b>	<b>211,752</b>	<b>218,710</b>	<b>222,024</b>	<b>222,605</b>	<b>230,375</b>	<b>249,498</b>	<b>271,981</b>	<b>284,825</b>	<b>295,742</b>

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

\*\* Reflects change in the IT appropriations structure as enacted in 2008.

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## *Estimates of Combat Theatre Obligations*

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

<i>Estimates of Combat Theatre Obligations from the National Survey of Veterans (dollars in millions)</i>			
Appropriations	2011 Obligations	Estimate of Combat Theatre Veterans *	Estimated Obligation on Combat Theatre Veterans
Employment Services			
HIRE/CETA		N/A	
EJIP/VJIP		N/A	
Compensation	49,463	58%	\$28,689
Dependency and Indemnity Compensation		N/A	
Pensions			
Veterans	3,033	27%	\$819
Survivors		N/A	
Inpatient Facilities (including long-term care)	18,206	37%	\$6,736
Outpatient Care	31,929	35%	\$11,175
Miscellaneous Medical Service	1,222	N/A	
Readjustment Counseling		N/A	
Veterans Insurance and Indemnities	80	50%	\$40
Specially Adapted Housing		N/A	
Burial Benefits	151	45%	\$68
Educational Assistance	10,001	38%	\$3,800
Vocational Rehabilitation	768	52%	\$399
Survivors' and Dependents' Educational Assistance		N/A	
Home Loan Guaranty	1,528	41%	\$627
Automobiles and Adaptive Equipment		N/A	

Combat Theatre is based on the question, "Did you ever serve in a combat or war zone?" from the 2010 National Survey of Veterans (NSV). N/A - Not available from the 2010 NSV.

NSV questions on program usage refer to current usage (2009 - 2010 time period) or in case of burial benefits anticipated usage



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## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
<b>Veterans Health Administration</b>								
<i>Medical Care Programs</i>								
<b>Performance Measures</b>								
<b>Prevention Index V</b> (The 2008 result is PI III. The 2009-2011 results are PI IV. The 2012-2014 targets are PI V.)	88%	89%	91%	92%	93%	93%	94%	95%
<b>Clinical Practice Guidelines Index IV</b> (The 2008 result is CPGI II. The 2009-2011 results are CPGI III. The 2012-2014 targets are CPGI IV.)	84%	91%	92%	91%	92%	92%	93%	94%
<b>Non-institutional, long-term care average daily census (ADC)</b> (Measure being dropped after 2013)	54,053	72,315	85,940	95,092	113,254	120,118	N/ Ap	154,152
<b>Percent of new primary care appointments completed within 14 days of the desired date for the appointment (New)</b> [1] In 2012, VHA will begin measuring the four appointment performance measures using a 14-day standard.	N/ Av	N/ Av	N/ Av	N/ Av	83%	84%	85%	90%
<b>Percent of established primary care appointments completed within 14 days of the desired date for the appointment (New)</b> (See [1] above)	N/ Av	N/ Av	N/ Av	N/ Av	94%	95%	96%	98%
<b>Percent of new specialty care appointments completed within 14 days of the desired date for the appointment (New)</b> (See [1] above)	N/ Av	N/ Av	N/ Av	N/ Av	84%	85%	86%	90%
<b>Percent of established specialty care appointments completed within 14 days of the desired date for the appointment (New)</b> (See [1] above)	N/ Av	N/ Av	N/ Av	N/ Av	95%	96%	97%	98%
<b>Percent of patients rating VA health care as 9 or 10 (on a scale from 0 to 10)</b> (VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Health Care Plans and Systems (CAHPS). 2009 was a re-baseline year to determine both annual and strategic targets. The 2009 results are not comparable with prior years and cannot be compared to 2010 due to additional changes to the survey instrument and administration protocol that were implemented in 2010.)								
<b>Inpatient</b> (1) Corrected	79%	63% (Baseline)	(1) 64%	64%	65%	66%	67%	75%
<b>Outpatient</b>	78%	57% (Baseline)	55%	55%	58%	58%	59%	70%

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
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	94%	85%	90%	90%	100%
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 <b>(Supports Agency Priority Goal)</b>	N/Av	N/Av	88%	100%	85%	90%	90%	90%
Number of Homeless Veterans on any given night <b>(Supports Agency Priority Goal)</b> (Joint VHA-OPIA measure) The 2008 number is based on Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) data. The numbers for 2009 and subsequent years are based upon the Annual Homeless Assessment Report (AHAR).	131,000	75,609	76,329	67,495	59,000	35,000	0	0
Percent of Eligible Patient Evaluations Documented within 14 days of New MH Patient Index Encounter (Measure being dropped after 2012)	N/Av	96%	96%	95%	96%	N/Av	N/Av	96%
Percent of eligible patients screened at required intervals for PTSD (Measure being dropped after 2012)	84%	96%	98%	99%	97%	N/Av	N/Av	97%
Percent of eligible patients screened at required intervals for alcohol misuse (Measure being dropped after 2012)	N/Av	N/Av	97%	97%	97%	N/Av	N/Av	98%
Percent of eligible patients screened at required intervals for depression (Measure being dropped after 2012)	N/Av	N/Av	97%	97%	97%	N/Av	N/Av	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	N/Av	N/Av	11%	15%	20%	25%	30%	60%
Percent of eligible OEF/OIF PTSD patients evaluated at required intervals for level of symptoms	N/Av	N/Av	5%	TBD	20%	40%	60%	80%

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
Percent of patients seen within 7 days of discharge <b>(New)</b> ** Mental Health discharges with a face-to-face, telehealth, or telephone encounter within 7 days of the patient treatment file (PTF) discharge date with a mental health treatment coordinator	N/Av	N/Av	N/Av	N/Av	N/Av	68%	75%	85%
Percent of mental health patients with a mental health treatment coordinator identified in the electronic health record <b>(New)</b>	N/Av	N/Av	N/Av	N/Av	N/Av	74%	84%	94%
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	76%	79%	74%	78%	75%	76%	77%	85%
Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans	N/Av	N/Av	13%	22%	12%	TBD	TBD	10%
Percent of VHA clinical health care professionals who have had VA training prior to employment	N/Av	27% (Baseline)	29%	29%	29%	29%	30%	33%
Obligations per unique patient user Results/Future Targets are expressed in constant dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The CPI for all Urban Consumers (CPI-U) released in the OMB November 2011 Economic Assumptions was used for the 2008-2011 results and for the 2012-2014 targets.	\$5,891	\$6,317	\$6,551	\$6,417	\$6,429	\$6,428	\$6,312	TBD
Gross Days Revenue Outstanding (GDRO) for 3rd party collections (VHA)	56	55	45	48	46	40	38	37
Total amount expended for health care services rendered to VA beneficiaries at a DoD facility (\$ Millions)	N/Av	N/Av	N/Av	\$84.0	\$85.7	\$86.4	\$88.1	\$92.0
Amount billed for health care services provided to DoD beneficiaries at VA facilities (\$ Millions) (1) Corrected	N/Av	N/Av	N/Av	(1) \$183.6	\$187.3	\$191.0	\$194.9	\$198.8
Dollar value of 1st party and 3rd party collections (VHA):								
1st Party (\$ Millions)	\$922	\$892	\$870	\$911	\$877	\$951	\$1,018	\$952
3rd Party (\$ Millions)	\$1,497	\$1,843	\$1,904	\$1,800	\$1,825	\$1,825	\$1,839	\$1,807
Percent of NonVA claims paid in 30 days (VHA) (1) Corrected	N/Av	N/Av	N/Av	(1) 79%	95%	97%	98%	98%

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient Surveys of the Health Experiences of Patients (SHEP) (2011 was a re-baseline year after measure validation was completed in 2010.)	N/Av	N/Av	71%	72%	71%	72%	73%	75%
Percent of Milestones completed towards development of AViVA infrastructure and User Interface (UI) functionality to modernize VA's Electronic Health Record ( <b>New</b> )	N/Av	N/Av	N/Av	N/Av	95%	95%	95%	100%
Percent of Milestones completed towards Increasing Informatics and Analytics literacy in healthcare delivery workforce ( <b>New</b> )	N/Av	N/Av	N/Av	N/Av	95%	95%	95%	100%
<b>Medical Research</b>								
<b>Performance Measures</b>								
Percent of milestones completed leading to the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patients with mental illness (including PTSD, schizophrenia, and mood disorders)	N/Av	N/Av	25%	35%	45%	55%	64%	100%
Percent of milestones completed towards development of one new objective method to diagnose mild Traumatic Brain Injury (TBI)	N/Av	N/Av	N/Av	22%	55%	66%	77%	100%
Progress toward researching, developing, and implementing innovations in clinical practice that ensure improved access to health care for Veterans, especially in rural areas	N/Av	N/Av	N/Av	42%	63%	84%	95%	100%
Percent increase in number of enrolled Veterans participating in telehealth This focus is on the following Office of Telehealth Services only: Home Telehealth and Store and Forward Telehealth services.	N/Av	N/Av	N/Av	24%	45%	TBD	TBD	75%

# Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
<b>Veterans Benefits Administration</b>								
<i>Compensation</i>								
<b>Performance Measures</b>								
<b>National accuracy rate - compensation entitlement claims (Supports Agency Priority Goal)</b>	86%	84%	84%	84%	87%	90%		98%
Compensation maintenance claims - average days to complete	N/Av	N/Av	99	106	85	80		60
Percentage of Compensation maintenance claims pending inventory that is more than 90 days old	N/Av	N/Av	N/Av	N/Av	Baseline	TBD		0%
Burial claims processed - average days to complete (Compensation)	84	78	76	113	70	65		21
Percentage of burial claims pending inventory that is more than 60 days old (Compensation)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD		0
National accuracy rate -- compensation maintenance claims	95%	95%	96%	97%	97%	97%		98%
National accuracy rate - burial claims processed (Compensation)	96%	93%	96%	97%	98%	98%		98%
Overall satisfaction rate (%) (Compensation) (1) Targets are TBD as this measure will be captured by customer satisfaction surveys under development.	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD
<i>Pension</i>								
<b>Performance Measures</b>								
<b>National accuracy rate - pension maintenance claims</b>	93%	95%	96%	97%	97%	97%		98%
<b>Percent of pension maintenance claims pending inventory that is more than 90 days old</b>	N/Av	N/Av	N/Av	N/Av	Baseline	TBD		0%
National accuracy rate - pension entitlement claims	87%	95%	96%	98%	98%	98%		98%
Overall satisfaction rate (%) (Pension) (1) Targets are TBD as this measure will be captured by customer satisfaction surveys under development.	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
<b>Combined Compensation and Pension Measures</b>								
<b>Percent of Compensation and Pension pending inventory that is more than 125 days old (Supports Agency Priority Goal)</b>	N/Av	N/Av	36%	60%	60%	40%		0%
Number of registered eBenefits users <b>(Supports Agency Priority Goal)</b>	N/Av	N/Av	N/Av	1M (Baseline)	1.65M	2.5M		3.5M
Compensation and Pension entitlement claims - average days to complete <b>(Supports Agency Priority Goal)</b>	179	161	166	188	230	200		90
Compensation and Pension National accuracy rate - fiduciary work	81%	82%	85%	89%	92%	92%		98%
Appeals resolution time (From NOD to Final Decision) (Average Number of Days) (Joint BVA-VBA Compensation and Pension measure)	645	709	656	747	675	650		400
Average days to complete Income Verification Matches <b>(New)</b>	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline		TBD
Average days to complete original death pension <b>(New)</b>	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline		TBD
Percent of claims where a portion of the required forms were filed electronically (1) VONAPP Direct Connect, a Web-based program for Veterans to file claims electronically, is being developed. Nationwide deployment is expected in 2012. The baseline year has been changed to 2013.	N/Av	N/Av	N/Av	N/Av	N/Av	(1) Baseline		75%
Percentage of separating Servicemembers who are provided with VA and DoD benefit information within 6 months of the expiration of their term of service (ETS) through the eBenefits portal (1) The Department of Defense is currently working on an implementation plan that will mandate all Servicemembers obtain a DS Logon for the purposes of accessing the eBenefits portal. This will not be fully achieved until 2013 at which time a baseline for this measurement can be established.	N/Av	N/Av	N/Av	N/Av	N/Av	(1) Baseline		TBD
National Call Center Successful Call Rate (1) This measure applies to all VBA business lines but is placed within the C&P performance plan because most of the calls are C&P related. The baseline year has been changed to 2012 because a full year of new technology and appropriate staffing will be in place at the call centers in 2012.	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD
Percent of IDES participants who will be awarded benefits within 30 days of discharge (1) The baseline year has been changed to 2012 pending the full deployment of the Integrated Disability Evaluation System (IDES) in 2012.	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD

# Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
<b>Education</b>								
Average days to complete original Education claims	19	26	39	24	23	18		10
Average days to complete supplemental Education claims	9	13	16	12	12	10		7
Percent of claims processed through the automated claims processing system (Education) (1) Baseline is 2012 because the requisite level of automation within VA's long-term processing solution will not be reached until 2012.	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD
Percent of Montgomery GI Bill or Post 9/11 GI Bill participants who successfully completed an education or training program (See (1) above)	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD
Percent of Eligible Applicants who use the Post-9/11 GI Bill	N/Av	N/Av	N/Av	N/Av	Baseline	TBD		TBD
Education Claims Completed Per FTE (See (1) above)	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD
Payment accuracy rate (Education)	96%	96%	95%	98%	96%	97%		97%
Education Call Center - Abandoned call rate	5%	11%	17%	20%	15%	6%		5%
Percent of beneficiaries very satisfied or somewhat satisfied with the way VA handled their education claim (2) Targets are TBD as this measure will be captured by customer satisfaction surveys under development.	N/Av	N/Av	N/Av	N/Av	(2) 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 (See (2) above)	N/Av	N/Av	N/Av	N/Av	(2) Baseline	TBD		TBD
<b>Vocational Rehabilitation and Employment</b>								
<b>Performance Measures</b>								
Rehabilitation Rate (General)	76%	74%	76%	77%	77%	77%		80%
Serious Employment Handicap (SEH) Rehabilitation Rate (1) Corrected	76%	74%	(1) 75%	77%	77%	77%		80%
Employment Rehabilitation Rate	N/Av	Baseline	73%	74%	75%	77%		80%
Independent Living Rehabilitation Rate	N/Av	Baseline	93%	95%	94%	94%		96%



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
Speed of Entitlement Decisions in average days (VR&E)	48	51	49	44	44	44		40
Accuracy Rate of Decisions (Services) (VR&E)	82%	80%	81%	82%	87%	89%		96%
Accuracy Rate of Vocational Rehabilitation Program Completion Decisions	96%	96%	97%	97%	97%	97%		99%
Veterans' satisfaction with the Vocational Rehabilitation and Employment Program (1) Targets are TBD as this measure will be captured by customer satisfaction surveys under development	N/Av	N/Av	N/Av	N/Av	(1) Baseline	TBD		TBD
<b>Housing</b>								
<b>Performance Measures</b>								
<b>Default Resolution Rate</b>	N/Av	71.5%	76.3%	83.0%	81.0%	82.0%		85.0%
Program Review Accuracy Rate (Housing)	N/Av	N/Av	N/Av	Baseline	TBD	TBD		TBD
Rate of homeownership for Veterans compared to that of the general population	115.2%	117.2%	117.2%	122.98%	120.0%	120.5%		122.0%
Default Resolution Efficiency Ratio	N/Av	32.0:1	55.7:1	68.3:1	66.0:1	67.0:1		70.0:1
Success Rate of Automated Certificate of Eligibility (ACE) System (Housing)	N/Av	N/Av	Baseline	54.98%	62.5%	63.0%		75.0%
Lender Satisfaction with VA Loan Guaranty Program (1) The Lender Satisfaction Survey will be conducted on a biennial basis starting in 2012.	N/Av	95.0%	94.5%	N/Av	96.5%	(1) N/Av		97.0%
Veterans' Satisfaction Level with the VA Loan Guaranty Program (1) Targets are TBD as this measure will be captured by customer satisfaction surveys under development.	N/Av	92.3%	N/Av	N/Av	(1) Baseline	TBD		TBD

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
<b>Insurance</b>								
<b>Performance Measures</b>								
<b>Rate of high client satisfaction ratings on Insurance services delivered</b>	95%	96%	95%	95%	95%	95%		95%
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance) (1) Insurance processed slightly more disbursements with fewer FTE than projected in 2011. FTE dedicated to processing disbursements were less than projected due to losses realized during the year. Future targets of the number of disbursements processed per FTE are based on the optimal FTE level necessary to process disbursements Insurance projects to receive.	1,756	1,755	1,714	(1) 1,808	1,750	1,750		1,750
Conversion rate of disabled SGLI members to VGLI (Insurance) (1) Insurance created a new outreach unit in 2011 to supplement our existing outreach to disabled Servicemembers eligible to convert their SGLI coverage to VGLI. The initial outreach results from this new unit were very successful. VA is currently in the process of determining the baseline results for this new outreach effort to determine if adjustments in future targets are needed.	45%	32%	37%	(1) 55%	40%	40%		50%
<b>National Cemetery Administration</b>								
<b>Burial Program</b>								
<b>Performance Measures</b>								
<b>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</b>	95%	93%	74%	93%	90%	90%		90%
<b>Percent of graves in national cemeteries marked within 60 days of interment</b>	93%	95%	94%	93%	95%	95%		95%
<b>Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence</b>	84.2%	87.4%	88.1%	89.0%	89.6%	89.6%		94.0%
<b>Percent of respondents who rate the quality of service provided by the national cemeteries as excellent</b>	94%	95%	95%	95%	98%	98%		100%
<b>Percent of respondents who rate national cemetery appearance as excellent</b>	98%	98%	98%	98%	99%	99%		100%
<b>Percent of respondents who would recommend the national cemetery to Veteran families during their time of need</b>	98%	98%	98%	98%	99%	99%		100%

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
Percent of gravesites that have grades that are level and blend with adjacent grade levels	86%	90%	89%	91%	90%	87%		95%
Percent of headstones and markers that are delivered undamaged and correctly inscribed	96%	96%	96%	95%	96%	97%		98%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	84%	82%	85%	82%	83%	83%		95%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	65%	64%	67%	70%	71%	71%		90%
Percent of national cemetery buildings and structures that are assessed as "acceptable" according to annual Facility Condition Assessments (1) In 2011, NCA began implementation of a new, more stringent methodology to assess the condition of buildings and structures at VA national cemeteries. This approach resulted in dramatically different results than in previous years. NCA feels that the new methodology has provided more accurate assessments and, upon full implementation in 2012, will provide better information on facility conditions. As a result, NCA will establish a new baseline for this measure in 2012.	N/Av	84%	84%	74%	(1) TBD	(1) TBD		90%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	72%	73%	77%	81%	84%	85%		93%
Percent of Presidential Memorial Certificate applications that are processed within 20 days of receipt	N/Av	N/Av	17%	91%	70%	85%		90%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically	46%	52%	56%	61%	65%	67%		75%
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	94%	95%	95%	96%		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	96%	94%	97%	97%		100%

# Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
<b>Board of Veterans' Appeals</b>								
<b>Performance Measures</b>								
Appeals resolution time (From NOD to Final Decision) (Average Number of Days) (Joint BVA-VBA Compensation and Pension measure)	645	709	656	747	675	650		400
BVA Cycle Time (Excludes Representative Time) (Average Number of Days)	155	100	99	119	140	140		104
Appeals decided per Veteran Law Judge	754	813	818	784	752	752		800
Percent of Total Hearings that are Conducted via Video Conference	N/Av	N/Av	N/Av	29%	35%	46%		46%
BVA Appeals Backlog ( <b>New</b> )	N/Av	17,713	21,112	20,287	39,283	65,611		21,000
<b>Departmental Management</b>								
<b>Performance Measures</b>								
Percent of total procurement dollars awarded to service-disabled Veteran-owned small businesses (OSDBU) (1) VA's data reported may differ from data reported by the Small Business Administration (SBA) due to the timing of when SBA runs the report.	12.09%	(1) 16.96%	20.0%	18.3%	10.0%	10.0%		10.0%
Percent of total procurement dollars awarded to Veteran-owned small businesses (OSDBU) (See (1) above)	15.27%	(1) 19.30%	23.0%	20.5%	12.0%	12.0%		12.0%
Number of Homeless Veterans on any given night ( <b>Supports Agency Priority Goal</b> ) (Joint VHA-OPIA measure) The 2008 number is based on Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) data. The numbers for 2009 and subsequent years are based upon the Annual Homeless Assessment Report (AHAR).	131,000	75,609	76,329	67,495	59,000	35,000		0
Percent of federally recognized Native American tribes contacted by VA for outreach purposes (OPIA)	1%	1%	80%	85%	90%	95%		100%
Percent of milestones achieved towards deployment and implementation of a paperless disability claims processing system ( <b>Supports Agency Priority Goal</b> ) (OIT)	N/Av	N/Av	N/Av	100%	100%	100%		100%
Percent of milestones achieved in deploying and implementing the Veterans Relationship Management System (VRMS) ( <b>Supports Agency Priority Goal</b> ) (OIT)	N/Av	N/Av	N/Av	30%	70%	100%		100%

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER) <b>(Supports Agency Priority Goal)</b> (OIT)	N/Av	N/Av	N/Av	88%	60%	100%		100%
Annual percent growth in VA IT systems that automatically reuse all redundant client information in other systems (OIT)	N/Av	N/Av	N/Av	9.5%	25%	10%		15%
Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA)	57%	75%	12%	90%	85%	90%		90%
Percentage of testimony submitted to Congress within the required timeframe (OCLA)	58%	80%	62%	98%	90%	90%		90%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	59%	76%	63%	33%	85%	85%		85%
Percent of employees in mission critical and key occupations who participated in a competency-based training program within the last 12 months (HRA) *HRA will continue working with customers to determine which occupations are considered mission critical	N/Av	N/Av	20%	45%	65%	75%		95%
Percent of training participants who agreed during the post-training evaluation that the training session will help improve job performance (HRA)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD		80%
Alternative Dispute Resolution (ADR) participation rate in the informal stage of the Equal Employment Opportunity (EEO) complaint process (HRA)	46%	48%	52%	54%	53%	54%		55%
Percentage of VA employees who are Veterans (HRA)	30%	30%	31%	32%	35%	38%		40%
Workers' Compensation Lost Time Case Rate (LTCR) (HRA) *This rate indicates the number of injuries and illnesses that have resulted in days away from work or have been documented as lost time cases adjusted for employment changes, per 100 employees. This target meets Department of Labor standards; however, the goal for 2012 has not been issued yet.	1.81	1.82	1.71	1.64	1.57	1.51		1.51

## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
Average number of months to process VA regulations (OGC) * These targets are "stretch goals" because they accelerate individual project completion dates from Departmental standards of 22.4 months and 10.8 months, respectively. The strategic and interim goals are identical because actual processing times cover multi-years and are measured as performance data only when rulemakings are completed.								
-Requiring advance notice and public comment (2-stage)	21.7	19.4	19.6	19.5	*19.6	*19.6		*19.6
-Without advance notice and public comment (1-stage)	7.4	7.8	7.5	7.4	*7.5	*7.5		*7.5
Number of material weaknesses (OM)	3	4	1	1	1	1		0
Percent Condition Index (Owned Buildings) (OAEM) *(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.	66%	74%	71%	78%	78%	80%		87%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (1) Corrected (See * above)	113%	(1) 114%	(1) 122%	(1) 116%	110%	104%		100%
Ratio of non-mission dependent assets to total assets (OAEM) (1) Corrected (See * above)	12%	12%	9%	(1) 10%	10%	10%		10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (1) Corrected (See * above)	\$6.47	\$6.95	\$7.64	(1) \$7.94	\$7.23	\$6.04		\$6.41
Percent of Capital Improvement Projects Reviewed Through SCIP (OAEM) (New)	N/Av	N/Av	N/Av	N/Av	N/Av	95%		98%
Number of Capital Investment and Planning Staff who Receive SCIP Process Training (OAEM) (New)	N/Av	N/Av	N/Av	N/Av	N/Av	95%		97%
Cumulative percent reduction of vacant square feet through public-private partnerships via Enhanced Use Lease(s) (OAEM) (New)	N/Av	N/Av	N/Av	N/Av	TBD	TBD		25%
Cumulative Number of Enhanced Use Leases Executed (OAEM) (New)	N/Av	N/Av	N/Av	N/Av	TBD	TBD		50 projects

## *Performance Measures by Program*

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
Percent of current year (CY) electricity consumption generated with renewable energy sources (OAEM) <i>**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.</i>	4%	3%	7%	12%	5%	15%		15% by 2013
Cumulative percent decrease in greenhouse gas (GHG) emissions (OAEM) (See ** above) (1) Corrected	N/Av	N/Av	(1) 0%	3%	6%	9%		30% by 2020
Percent of annual major construction operating plan executed (OALC)	N/Av	N/Av	N/Av	82%	90%	90%		90%
Percentage of contracts competitively awarded (Supply Fund)	N/Av	N/Av	74%	75%	65%	65%		65%

# Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				Fiscal Year Targets			Strategic Targets
	2008	2009	2010	2011	2012 (Final)	2013 (Request)	2014 (Adv. Approp. Request)	
<b>Office of Inspector General</b>								
<b>Performance Measures</b>								
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action	212	235	263	301	275	275		300
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions	1,884	2,250	1,929	1,939	1,900	1,900		2,300
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations	\$500	\$2,931	\$1,914	\$7,122	\$1,200	\$1,200		\$1,500
Return on investment (monetary benefits divided by cost of operations in dollars) <small>Beginning in 2009, the cost of operations for the Office of Healthcare Inspections, whose oversight mission results in improving the health care provided to Veterans rather than saving dollars, is not included in the return on investment calculation (see OIG's September 2011 <i>Semiannual Report to Congress</i>, page 5, <a href="http://www.va.gov/oig/publications/semiannual-reports.asp">www.va.gov/oig/publications/semiannual-reports.asp</a>)</small>	6 to 1	38 to 1	20 to 1	76 to 1	12 to 1	12 to 1		15 to 1
Percentage of:								
Prosecutions successfully completed	94%	94%	97%	99%	94%	94%		95%
Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA	88%	94%	86%	87%	90%	90%		95%
Recommended recoveries achieved from postaward contract reviews	N/Av	N/Av	N/Av	100%	95%	96%		98%
OIG Customer satisfaction survey scores (based on a scale of 1 - 5, where 5 is high):								
Investigations	4.6	4.9	4.9	4.9	4.5	4.5		5.0
Audits and Evaluations	4.0	4.0	4.0	4.4	4.0	4.0		5.0
Healthcare Inspections	4.7	4.7	4.6	4.6	4.3	4.3		5.0
Contract Review	N/Av	4.6	4.7	4.8	4.2	4.2		5.0



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## *Selected Facilities by Type*

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### *Selected VA Facilities by Type* (as of December 2011)

<b>Type of Facility</b>	<b>Number</b>
Domiciliary Rehabilitation Treatment Programs - As of September 30, 2011	107
Geriatric Research, Education, and Clinical Centers - As of December 2011	20
Health Administration Management Center	1
Independent Outpatient Clinics	6
Insurance Center	1
Memorial Service Networks	5
Mobile Clinics	11
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 Management Centers	3
Regional Education Processing Offices	4
VA Hospitals	152
VA National Cemeteries	131
VA Outpatient Clinics - As of September 30, 2011	802
Vet Centers - As of September 30, 2011	300
Mobile Vet Centers - As of September 30, 2011	70
Veterans Benefits Administration Area Offices	4
Veterans Integrated Service Networks (VISNS)	21

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