

DEPARTMENT OF VETERANS AFFAIRS

The 2012 Budget provides the resources to help achieve the President's vision of transforming VA into a 21st Century organization that is veteran-centric, results-driven, and forward-looking. This Budget provides \$61,853 million in gross discretionary funding for veterans health, benefits, and other services, including \$58,775 million in net discretionary budget authority and \$3,078 million in anticipated medical collections.

VETERANS HEALTH ADMINISTRATION

Federal Funds

MEDICAL SERVICES

For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment, food services, and salaries and expenses of health care employees hired under title 38, United States Code, and aid to State homes as authorized by section 1741 of title 38, United States Code; \$41,354,000,000, plus reimbursements, shall become available on October 1, 2012, and shall remain available until September 30, 2013: Provided, That, of the amount made available under this heading \$1,015,000,000 shall remain available until September 30, 2014: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for the provision of medical treatment for veterans who have service-connected disabilities, lower income, or have special needs: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: Provided further, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs.

Note.—This account receives advance appropriations; a full-year 2011 appropriation for this account was enacted in the Consolidated Appropriations Act, 2010 (P.L. 111–117).

Special and Trust Fund Receipts (in millions of dollars)

| Identification code 36–0160–0–1–703 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| 0100 Balance, start of year | 242 | 236 | 236 |
| Adjustments: | | | |
| 0191 Rounding adjustment | 3 | | |
| 0199 Balance, start of year | 245 | 236 | 236 |
| Receipts: | | | |
| 0220 Pharmaceutical Co-payments, MCCF | 698 | 702 | 652 |
| 0221 Enhanced-use Lease Proceeds, MCCF | 2 | 2 | 2 |
| 0222 First Party Collections, MCCF | 169 | 158 | 161 |
| 0223 Third Party Collections, MCCF | 1,904 | 1,954 | 2,197 |
| 0224 Parking Fees, MCCF | 4 | 4 | 4 |
| 0225 Compensated Work Therapy, MCCF | 57 | 57 | 57 |
| 0226 MCCF, Long-term Care Copayments | 3 | 3 | 3 |
| 0240 Payments from Compensation and Pension, MCCF | 2 | 2 | 2 |
| 0299 Total receipts and collections | 2,839 | 2,882 | 3,078 |
| 0400 Total: Balances and collections | 3,084 | 3,118 | 3,314 |
| Appropriations: | | | |
| 0500 Medical Care Collections Fund | –2,848 | –2,882 | –3,078 |
| 0799 Balance, end of year | 236 | 236 | 236 |

Program and Financing (in millions of dollars)

| Identification code 36–0160–0–1–703 | 2010 actual | CR | 2012 est. |
|--|-------------|---------|-----------|
| Obligations by program activity: | | | |
| 0001 Acute hospital care | 7,361 | 7,229 | 7,250 |
| 0002 Rehabilitative care | 516 | 537 | 557 |
| 0003 Psychiatric care | 3,457 | 3,828 | 3,971 |
| 0004 Nursing home care | 3,355 | 3,595 | 3,896 |
| 0005 Subacute care | 65 | 72 | 74 |
| 0006 State home domiciliary | 49 | 51 | 53 |
| 0007 Outpatient care | 20,276 | 22,962 | 25,063 |
| 0008 CHAMPVA | 1,034 | 1,121 | 1,228 |
| 0009 VA contingency fund | | | 953 |
| 0091 Total operating expenses | 36,113 | 39,395 | 43,045 |
| 0101 Acute hospital care | 203 | 185 | 132 |
| 0102 Rehabilitative care | 20 | 18 | 13 |
| 0103 Psychiatric care | 103 | 94 | 67 |
| 0104 Nursing home care | 66 | 60 | 43 |
| 0105 Subacute care | 2 | 2 | 1 |
| 0107 Outpatient care | 506 | 457 | 328 |
| 0191 Total capital investment | 900 | 816 | 584 |
| 0293 Total direct program | 37,013 | 40,211 | 43,629 |
| 0799 Total direct obligations | 37,013 | 40,211 | 43,629 |
| 0801 Reimbursable program | 377 | 228 | 241 |
| 0900 Total new obligations | 37,390 | 40,439 | 43,870 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 615 | 1,209 | 1,001 |
| 1010 Unobligated balance transferred to other accounts | –25 | | |
| 1011 Unobligated balance transferred from other accounts | 45 | | |
| 1050 Unobligated balance (total) | 635 | 1,209 | 1,001 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 34,708 | | 953 |
| 1120 Appropriations transferred to other accounts | –15 | –15 | |
| 1121 Appropriations transferred from other accounts | 2,896 | 2,882 | 3,078 |
| 1160 Appropriation, discretionary (total) | 37,589 | 2,867 | 4,031 |
| Advance appropriations, discretionary: | | | |
| 1170 Advance appropriation | | 37,136 | 39,650 |
| 1173 Advance appropriations permanently reduced | | | –552 |
| 1180 Advanced appropriation, discretionary (total) | | 37,136 | 39,098 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 370 | 228 | 241 |
| 1701 Change in uncollected payments, Federal sources | 7 | | |
| 1750 Spending auth from offsetting collections, disc (total) | 377 | 228 | 241 |
| 1900 Budget authority (total) | 37,966 | 40,231 | 43,370 |
| 1930 Total budgetary resources available | 38,601 | 41,440 | 44,371 |
| Memorandum (non-add) entries: | | | |
| 1940 Unobligated balance expiring | –2 | | |
| 1941 Unexpired unobligated balance, end of year | 1,209 | 1,001 | 501 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 4,366 | 4,916 | 5,930 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | –10 | –11 | –11 |
| 3020 Obligated balance, start of year (net) | 4,356 | 4,905 | 5,919 |
| 3030 Obligations incurred, unexpired accounts | 37,390 | 40,439 | 43,870 |
| 3031 Obligations incurred, expired accounts | 119 | | |
| 3040 Outlays (gross) | –36,959 | –39,425 | –42,394 |
| 3050 Change in uncollected pymts, Fed sources, unexpired | –7 | | |
| 3051 Change in uncollected pymts, Fed sources, expired | 6 | | |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 4,916 | 5,930 | 7,406 |
| 3091 Uncollected pymts, Fed sources, end of year | –11 | –11 | –11 |
| 3100 Obligated balance, end of year (net) | 4,905 | 5,919 | 7,395 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 37,966 | 40,231 | 43,370 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 32,573 | 34,628 | 37,359 |
| 4011 Outlays from discretionary balances | 4,386 | 4,797 | 5,035 |

MEDICAL SERVICES—Continued
Program and Financing—Continued

| Identification code 36-0160-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|--------|-----------|
| 4020 Outlays, gross (total) | 36,959 | 39,425 | 42,394 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -47 | -59 | -63 |
| 4033 Non-Federal sources | -331 | -169 | -178 |
| 4040 Offsets against gross budget authority and outlays (total) | -378 | -228 | -241 |
| Additional offsets against gross budget authority only: | | | |
| 4050 Change in uncollected pymts, Fed sources, unexpired | -7 | | |
| 4052 Offsetting collections credited to expired accounts | 8 | | |
| 4060 Additional offsets against budget authority only (total) | 1 | | |
| 4070 Budget authority, net (discretionary) | 37,589 | 40,003 | 43,129 |
| 4080 Outlays, net (discretionary) | 36,581 | 39,197 | 42,153 |
| 4180 Budget authority, net (total) | 37,589 | 40,003 | 43,129 |
| 4190 Outlays, net (total) | 36,581 | 39,197 | 42,153 |

For 2013, the Budget is requesting \$52.5 billion in advance appropriations for the three medical care appropriations: Medical Services, Medical Support and Compliance, and Medical Facilities. This request for advance appropriations fulfills the Administration's commitment to provide reliable and timely resources to support the delivery of accessible and high-quality medical services for veterans. Advance appropriations require a multi-year approach to budget planning whereby one year builds off the previous year. This funding enables timely and predictable funding for VA's medical care to prevent our Nation's veterans from being adversely affected by budget delays, and provides opportunities to more effectively use resources in a constrained fiscal environment. For example, estimated savings from management improvements to be achieved in 2011 and 2012 will be carried forward into the following years to reduce the new appropriations needed in 2012 and 2013. Without the carryover of these resources from 2011 and 2012, currently estimated at \$1.1 billion, VA would need a higher level of appropriations in 2012 and 2013.

For 2012, two administrative provisions revise the \$50.6 billion advance appropriations for the three medical care accounts both to account for the civilian pay freeze beginning in January 2011 and to propose a contingency fund to address a potential increase in demand for medical care services due to changes in economic conditions. For the civilian pay freeze, the budget is lowering the advance appropriations by \$713 million to reflect the savings from eliminating the January 2011 civilian pay raise amount requested at 1.4 percent in the 2011 President's budget submission and a January 2012 civilian pay raise amount assumed to be 2.3 percent. For the contingency fund, the budget potentially increases the advance appropriations by \$953 million to reflect the impact of economic conditions estimated by the VA's Enrollee Health Care Projection Model. The contingency fund would provide additional funds up to \$953 million to become available for obligation if the Administration determines that the additional costs due to changes in economic conditions, as estimated by the Model, materialize in 2012. The economic impact is incorporated into the Model for the first time this year. Based on experience from 2010, the need for this fund will be carefully monitored in 2012. This cautious approach recognizes the potential impact of economic conditions as estimated by the Model while acknowledging the uncertainty associated with the estimates. VA also provides funds in 2012 to support the "Caregivers and Veterans Omnibus Health Services Act of 2010" to provide supplemental help to family caregivers of the most severely wounded veterans returning from Iraq and Afghanistan.

With the resources requested for 2012 and 2013, VA will further expand health care eligibility to non-disabled veterans earning modest incomes. This expansion will bring nearly 550,000 eligible veterans into the VA health care system by 2013. The requested levels provide the resources needed to achieve this expansion while maintaining high quality and timely care for lower-income and service-disabled veterans who currently rely on VA medical care.

Medical Services.—For Medical Services, the Budget reflects the following appropriation funding: the 2011 enacted advance appropriations of \$37.1 billion; the 2012 appropriation request of \$40.1 billion; and the 2013 advance appropriations request of \$41.4 billion. This appropriation 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).

Medical Care Collections Fund (MCCF).—For 2013, VA estimates collections of nearly \$3.3 billion, representing seven percent of available resources. VA has the authority to collect inpatient and outpatient co-payments, medication co-payments, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for nonservice-connected conditions; and authority to collect revenue from enhanced use leases. These collections also include those collected from the Compensated Work Therapy Program, Compensation and Living Expenses Program, and the Parking Program.

WORKLOAD

Provision of veterans' health care.—the VA contingency fund of \$953 million is included in each of the program activities below.

Acute hospital care.—Costs for 2012 are estimated to be \$7,601 million for operating medical, neurological, surgical, contract and State home hospital beds.

Estimated operating levels are:

| | 2010 actual | 2011 est. | 2012 est. |
|----------------------------|-------------|-----------|-----------|
| Patients treated | 623,354 | 642,546 | 662,245 |
| Average daily census | 8,858 | 8,933 | 9,078 |
| Average employment | 40,767 | 41,959 | 42,065 |

Rehabilitative care.—Costs for 2012 are estimated to be \$589 million for the provision of rehabilitative care, including spinal cord injury care.

Estimated operating levels are:

| | 2010 actual | 2011 est. | 2012 est. |
|----------------------------|-------------|-----------|-----------|
| Patients treated | 15,628 | 15,909 | 16,332 |
| Average daily census | 1,130 | 1,133 | 1,140 |
| Average employment | 4,175 | 4,297 | 4,308 |

Psychiatric care.—Costs for 2012 are estimated to be \$4,162 million for the inpatient, residential, and outpatient care of veterans with problems related to mental illness, including alcohol and drug problems.

Estimated operating levels are:

| | 2010 actual | 2011 est. | 2012 est. |
|----------------------------|-------------|-----------|-----------|
| Patients treated | 156,601 | 162,351 | 168,270 |
| Average daily census | 9,940 | 10,168 | 10,378 |
| Average employment | 27,645 | 28,453 | 28,525 |

Nursing home care.—Costs for 2012 are estimated to be \$3,939 million for the care of residents in VA community living centers, contract nursing homes, and State nursing homes.

Estimated operating levels are:

| | 2010 actual | 2011 est. | 2012 est. |
|----------------------------|-------------|-----------|-----------|
| Patients treated | 100,239 | 102,677 | 106,348 |
| Average daily census | 37,057 | 37,474 | 38,133 |

| | | | |
|--------------------------|--------|--------|--------|
| Average employment | 19,260 | 19,823 | 19,873 |
|--------------------------|--------|--------|--------|

Noninstitutional extended care.—Costs for 2012 are estimated to be \$1,613 million for noninstitutional extended care programs such as adult day care; home based primary care, skilled nursing and rehabilitation care; and home health aids.

Estimated operating levels are:

| | | | |
|----------------------------|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Average daily census | 85,940 | 109,256 | 113,926 |

Subacute care.—Costs for 2012 are estimated to be \$75 million for the treatment of veterans who require a level of care between acute and long-term care, as provided in VA hospital intermediate bed sections.

Estimated operating levels are:

| | | | |
|----------------------------|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Patients treated | 4,294 | 3,383 | 2,679 |
| Average daily census | 147 | 123 | 105 |
| Average employment | 491 | 505 | 506 |

State home domiciliary care.—Costs for 2012 are estimated to be \$53 million for the care of veterans in locations other than their own homes, such as domiciliary care programs.

Estimated operating levels are:

| | | | |
|----------------------------|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Patients treated | 4,281 | 4,162 | 4,046 |
| Average daily census | 2,710 | 2,710 | 2,710 |

Outpatient care.—Costs for 2012 are estimated to be \$24,610 million for outpatient medical and dental care provided by staff, physicians, and dentists participating under a fee basis arrangement for certain eligible veterans.

Estimated operating levels are:

NUMBER OF MEDICAL VISITS AND DENTAL WORKLOADS

| | | | |
|--------------------------------|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Medical visits (in thousands): | | | |
| Staff visits | 67,878 | 71,225 | 74,553 |
| Fee visits | 11,678 | 13,183 | 14,837 |
| Readjustment counseling | 1,283 | 1,370 | 1,444 |
| Total | 80,839 | 85,778 | 90,834 |
| Dental procedures: | 3,946,188 | 4,145,636 | 4,273,457 |
| Average employment | 86,575 | 89,108 | 89,333 |

Civilian Health And Medical Program of the Department of Veterans Affairs (CHAMPVA).—Costs for 2012 are estimated to be \$1,228 million for private hospital and outpatient care for dependents and survivors of certain veterans.

Estimated operating levels are:

| | | | |
|-------------------------------------|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Average daily hospital census | 901 | 910 | 920 |
| Outpatient (in thousands) | 9,812 | 10,795 | 11,283 |

PERFORMANCE MEASURES

Provide high-quality health care.—Use of clinical practice guidelines in treating patients results in improved health of veterans and reduced use of services. The prevention index spotlights and summarizes a variety of evidence-based measures for high-quality preventive health care. VHA's strategy to monitor satisfaction through patient surveys will identify areas of improvement in all medical services.

| | | | |
|--|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Clinical Practice Guidelines Index III | 92% | 92% | 92% |
| Prevention Index IV | 91% | 93% | 93% |

Access to medical care.—VA's strategy is to improve access and timeliness of service by reducing waiting times in specialty and primary care clinics for new patient appointments in medical centers nationwide and by relying more extensively on non-institutional forms of long-term care. In 2011, VHA will begin measuring the three appointment performance measures using a 14-day standard instead of the previous 30-day standard. VA strives

to improve timely access to the delivery of primary and specialty care which is critical to providing high-quality care to veterans.

| | | | |
|--|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| New appointment performance measures for 2011 are provided below: | | | |
| Percentage of primary care appointments completed within 14 days of the desired date | 93% | 93% | 94% |
| Percentage of specialty care appointments completed within 14 days of the desired date | 93% | 93% | 94% |
| Percentage of new patient appointments completed within 14 days of the desired date | 84% | 85% | 85% |

The performance measures below have been changed from 30 days to 14 days (see new measures above):

| | | | |
|--|-----|---------|---------|
| | | Measure | Measure |
| Percentage of primary care appointments completed within 30 days of the desired date | 99% | Changed | Changed |
| Percentage of specialty care appointments completed within 30 days of the desired date | 99% | Measure | Measure |
| Percentage of new patient appointments completed within 30 days of appointment create date | 99% | Changed | Changed |

| | | | |
|---|--------|---------|---------|
| Non-institutional long-term care average daily census | 85,940 | 109,256 | 113,926 |
|---|--------|---------|---------|

VA DOD sharing.—VA's strategy is to improve collaboration and exchange with DOD.

| | | | |
|--|----------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Amount billed for health care services provided to the DOD beneficiaries at VA facilities (\$ in millions) | Not applicable | \$108 | \$113 |

Revenue cycle improvement.—VHA is seeking to improve its performance in the area of medical care collections. The revenue cycle improvement plan includes initiatives that will improve efficiency and accuracy.

| | | | |
|---|-------------|-----------|-----------|
| | 2010 actual | 2011 est. | 2012 est. |
| Gross days of revenue outstanding third-party collections | 45 | 48 | 40 |

Object Classification (in millions of dollars)

| | | | |
|--|-------------|--------|-----------|
| Identification code 36-0160-0-1-703 | 2010 actual | CR | 2012 est. |
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 12,856 | 13,437 | 13,637 |
| 11.3 Other than full-time permanent | 254 | 276 | 279 |
| 11.5 Other personnel compensation | 1,492 | 1,552 | 1,576 |
| 11.9 Total personnel compensation | 14,602 | 15,265 | 15,492 |
| 12.1 Civilian personnel benefits | 4,093 | 4,304 | 4,400 |
| 13.0 Benefits for former personnel | 11 | 11 | 11 |
| 21.0 Employee travel | 77 | 80 | 83 |
| 21.0 Beneficiary travel | 745 | 770 | 798 |
| 21.0 Interagency motor pool payments | 14 | 14 | 15 |
| 21.0 All other | 3 | 3 | 3 |
| 22.0 Transportation of things | 23 | 29 | 37 |
| 23.2 Rental payments to others | 1 | | |
| 23.3 Communications, utilities, and miscellaneous charges | 259 | 287 | 318 |
| 24.0 Printing and reproduction | 17 | 24 | 31 |
| 25.2 Other contractual services | 3,847 | 4,701 | 6,007 |
| 25.6 Outpatient dental fees | 89 | 89 | 93 |
| 25.6 Medical and nursing fees | 1,547 | 1,808 | 2,196 |
| 25.6 Community nursing homes | 537 | 574 | 629 |
| 25.6 Contract hospitalization | 1,274 | 1,432 | 1,674 |
| 25.6 Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) | 762 | 821 | 896 |
| 26.0 Medical supplies and materials | 7,375 | 8,126 | 8,911 |
| 31.0 Equipment | 900 | 817 | 858 |
| 32.0 Land and structures | 1 | | |
| 41.0 Medical grants, subsidies, and contributions | 691 | 741 | 796 |
| 41.0 Medical grants to private organizations | 145 | 315 | 381 |
| 99.0 Direct obligations | 37,013 | 40,211 | 43,629 |
| 99.0 Reimbursable obligations | 377 | 228 | 241 |
| 99.9 Total new obligations | 37,390 | 40,439 | 43,870 |

Employment Summary

| | | | |
|--|-------------|---------|-----------|
| Identification code 36-0160-0-1-703 | 2010 actual | CR | 2012 est. |
| 1001 Direct civilian full-time equivalent employment | 177,123 | 182,349 | 182,828 |
| 2001 Reimbursable civilian full-time equivalent employment | 1,790 | 1,796 | 1,782 |

MEDICAL SUPPORT AND COMPLIANCE

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); \$5,746,000,000, plus reimbursements, shall become available on October 1, 2012, and shall remain available until September 30, 2013: Provided, That, of the amount made available under this heading \$145,000,000 shall remain available until September 30, 2014.

Note.—This account receives advance appropriations; a full-year 2011 appropriation for this account was enacted in the Consolidated Appropriations Act, 2010 (P.L. 111–117).

Program and Financing (in millions of dollars)

| Identification code 36–0152–0–1–703 | 2010 actual | CR | 2012 est. |
|--|-------------|--------|-----------|
| Obligations by program activity: | | | |
| 0001 Acute hospital care | 1,071 | 1,089 | 1,133 |
| 0002 Rehabilitative care | 94 | 99 | 105 |
| 0003 Psychiatric care | 664 | 727 | 785 |
| 0004 Nursing home care | 475 | 529 | 568 |
| 0005 Subacute care | 12 | 14 | 14 |
| 0006 Outpatient care | 2,511 | 2,826 | 2,651 |
| 0007 CHAMPVA | 71 | 76 | 85 |
| 0091 Total operating expenses | 4,898 | 5,360 | 5,341 |
| 0101 Acute hospital care | 20 | 17 | 18 |
| 0102 Rehabilitative care | 1 | 1 | 1 |
| 0103 Psychiatric care | 16 | 14 | 15 |
| 0104 Nursing home care | 11 | 9 | 10 |
| 0105 Outpatient care | 42 | 38 | 39 |
| 0191 Total capital investment | 90 | 79 | 83 |
| 0293 Total direct program | 4,988 | 5,439 | 5,424 |
| 0799 Total direct obligations | 4,988 | 5,439 | 5,424 |
| 0801 Reimbursable program activity | 34 | 63 | 66 |
| 0900 Total new obligations | 5,022 | 5,502 | 5,490 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 226 | 132 | ..... |
| 1010 Unobligated balance transferred to other accounts | –1 | ..... | ..... |
| 1011 Unobligated balance transferred from other accounts | 14 | ..... | ..... |
| 1050 Unobligated balance (total) | 239 | 132 | ..... |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 4,930 | ..... | ..... |
| 1120 Appropriations transferred to other accounts | –48 | ..... | ..... |
| 1160 Appropriation, discretionary (total) | 4,882 | ..... | ..... |
| Advance appropriations, discretionary: | | | |
| 1170 Advance appropriation ..... | ..... | 5,307 | 5,535 |
| 1173 Advance appropriations permanently reduced ..... | ..... | ..... | –111 |
| 1180 Advanced appropriation, discretionary (total) ..... | ..... | 5,307 | 5,424 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 33 | 63 | 66 |
| 1701 Change in uncollected payments, Federal sources | 1 | ..... | ..... |
| 1750 Spending auth from offsetting collections, disc (total) | 34 | 63 | 66 |
| 1900 Budget authority (total) | 4,916 | 5,370 | 5,490 |
| 1930 Total budgetary resources available | 5,155 | 5,502 | 5,490 |
| Memorandum (non-add) entries: | | | |
| 1940 Unobligated balance expiring | –1 | ..... | ..... |
| 1941 Unexpired unobligated balance, end of year | 132 | ..... | ..... |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 833 | 1,043 | 1,294 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | –1 | –1 | –1 |
| 3020 Obligated balance, start of year (net) | 832 | 1,042 | 1,293 |
| 3030 Obligations incurred, unexpired accounts | 5,022 | 5,502 | 5,490 |
| 3031 Obligations incurred, expired accounts | –66 | ..... | ..... |
| 3040 Outlays (gross) | –4,746 | –5,251 | –5,396 |
| 3050 Change in uncollected pymts, Fed sources, unexpired | –1 | ..... | ..... |
| 3051 Change in uncollected pymts, Fed sources, expired | 1 | ..... | ..... |

| | | | |
|---|-------|-------|-------|
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 1,043 | 1,294 | 1,388 |
| 3091 Uncollected pymts, Fed sources, end of year | –1 | –1 | –1 |
| 3100 Obligated balance, end of year (net) | 1,042 | 1,293 | 1,387 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 4,916 | 5,370 | 5,490 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 4,001 | 4,755 | 4,862 |
| 4011 Outlays from discretionary balances | 745 | 496 | 534 |
| 4020 Outlays, gross (total) | 4,746 | 5,251 | 5,396 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | –32 | –59 | –62 |
| 4033 Non-Federal sources | –2 | –4 | –4 |
| 4040 Offsets against gross budget authority and outlays (total) ... | –34 | –63 | –66 |
| Additional offsets against gross budget authority only: | | | |
| 4050 Change in uncollected pymts, Fed sources, unexpired | –1 | ..... | ..... |
| 4052 Offsetting collections credited to expired accounts | 1 | ..... | ..... |
| 4060 Additional offsets against budget authority only (total) ..... | ..... | ..... | ..... |
| 4070 Budget authority, net (discretionary) | 4,882 | 5,307 | 5,424 |
| 4080 Outlays, net (discretionary) | 4,712 | 5,188 | 5,330 |
| 4180 Budget authority, net (total) | 4,882 | 5,307 | 5,424 |
| 4190 Outlays, net (total) | 4,712 | 5,188 | 5,330 |

For 2013, the Budget is requesting \$5.7 billion in advance appropriations for Medical Support and Compliance. This request for advance appropriations fulfills the Administration's commitment to provide reliable and timely resources to support the delivery of accessible and high-quality medical services for veterans.

For Medical Support and Compliance, the Budget reflects the following appropriation funding: the 2011 enacted advance appropriations of \$5.3 billion; the 2012 appropriations request of \$5.4 billion; and the 2013 advance appropriations request of \$5.7 billion. The Medical Support and Compliance appropriation finances the expenses of management, security, and administration of the VA health care system through the operation of VA medical centers, other facilities, Veterans Integrated Service Network 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.

Object Classification (in millions of dollars)

| Identification code 36–0152–0–1–703 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 2,411 | 2,487 | 2,493 |
| 11.3 Other than full-time permanent | 48 | 48 | 47 |
| 11.5 Other personnel compensation | 279 | 289 | 290 |
| 11.9 Total personnel compensation | 2,738 | 2,824 | 2,830 |
| 12.1 Civilian personnel benefits | 789 | 829 | 847 |
| 13.0 Benefits for former personnel | 3 | 3 | 3 |
| 21.0 Employee travel | 77 | 79 | 82 |
| 21.0 All other | 4 | 4 | 4 |
| 22.0 Transportation of things | 10 | 11 | 13 |
| 23.3 Communications, utilities, and miscellaneous charges | 101 | 106 | 112 |
| 24.0 Printing and reproduction | 14 | 15 | 16 |
| 25.2 Other contractual services | 1,047 | 1,370 | 1,303 |
| 25.6 Medical and nursing fees | 4 | 4 | 4 |
| 26.0 Medical supplies and materials | 110 | 115 | 127 |
| 26.0 Provisions | 1 | ..... | ..... |
| 31.0 Equipment | 89 | 79 | 83 |
| 32.0 Land and structures | 1 | ..... | ..... |
| 99.0 Direct obligations | 4,988 | 5,439 | 5,424 |
| 99.0 Reimbursable obligations | 34 | 63 | 66 |
| 99.9 Total new obligations | 5,022 | 5,502 | 5,490 |

Employment Summary

| Identification code 36-0152-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|--------|-----------|
| 1001 Direct civilian full-time equivalent employment | 41,611 | 43,178 | 43,234 |
| 2001 Reimbursable civilian full-time equivalent employment | 823 | 828 | 831 |

DOD-VA HEALTH CARE SHARING INCENTIVE FUND

Program and Financing (in millions of dollars)

| Identification code 36-0165-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0001 DOD-VA health care sharing incentive fund | 79 | 75 | 45 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 124 | 126 | 81 |
| 1011 Unobligated balance transferred from other accounts | 25 | | |
| 1021 Recoveries of prior year unpaid obligations | 1 | | |
| 1050 Unobligated balance (total) | 150 | 126 | 81 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1121 Appropriations transferred from other accounts | 55 | 30 | |
| 1930 Total budgetary resources available | 205 | 156 | 81 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 126 | 81 | 36 |

Change in obligated balance:

| | | | |
|---|-----|-----|-----|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 33 | 64 | 87 |
| 3030 Obligations incurred, unexpired accounts | 79 | 75 | 45 |
| 3040 Outlays (gross) | -47 | -52 | -30 |
| 3080 Recoveries of prior year unpaid obligations, unexpired | -1 | | |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 64 | 87 | 102 |

Budget authority and outlays, net:

| | | | |
|---|----|----|----|
| Discretionary: | | | |
| 4000 Budget authority, gross | 55 | 30 | |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | | 8 | |
| 4011 Outlays from discretionary balances | 47 | 44 | 30 |
| 4020 Outlays, gross (total) | 47 | 52 | 30 |
| 4180 Budget authority, net (total) | 55 | 30 | |
| 4190 Outlays, net (total) | 47 | 52 | 30 |

The purpose of the Joint Incentive Fund (JIF) is 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. The JIF promotes collaboration and new approaches to problem solving to enable the Departments to more effectively service veterans. The Departments have established the fund and developed processes and criteria to solicit and select projects. Section 721 of the 2003 National Defense Authorization Act, Public Law 107-314, established the fund and requires VA and Department of Defense (DOD) to establish a joint incentive program. In 2012, each Secretary shall contribute a minimum of \$15 million to the fund after the appropriation is enacted.

Object Classification (in millions of dollars)

| Identification code 36-0165-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|----|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 11 | 11 | 11 |
| 12.1 Civilian personnel benefits | 5 | 2 | 2 |
| 25.1 Advisory and assistance services | 43 | 44 | 26 |
| 26.0 Supplies and materials | 5 | 6 | 2 |
| 31.0 Equipment | 14 | 11 | 3 |
| 32.0 Land and structures | 1 | 1 | 1 |
| 99.9 Total new obligations | 79 | 75 | 45 |

Employment Summary

| Identification code 36-0165-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| 1001 Direct civilian full-time equivalent employment | 127 | 127 | 127 |

MEDICAL FACILITIES

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities and other necessary facilities of the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction, and renovation of any facility under the jurisdiction or for the use of the Department; for oversight, engineering, and architectural activities not charged to project costs; for repairing, altering, improving, or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry services, \$5,441,000,000, plus reimbursements, shall become available on October 1, 2012, and shall remain available until September 30, 2013: Provided, That, of the amount made available under this heading \$145,000,000 shall remain available until September 30, 2014.

Note.—This account receives advance appropriations; a full-year 2011 appropriation for this account was enacted in the Consolidated Appropriations Act, 2010 (P.L. 111-117).

Program and Financing (in millions of dollars)

| Identification code 36-0162-0-1-703 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Obligations by program activity: | | | |
| 0001 Acute hospital care | 736 | 965 | 1,063 |
| 0002 Rehabilitative care | 69 | 87 | 98 |
| 0003 Psychiatric care | 480 | 683 | 784 |
| 0004 Nursing home care | 342 | 471 | 542 |
| 0005 Subacute care | 10 | 13 | 14 |
| 0007 Outpatient care | 1,747 | 2,010 | 1,674 |
| 0008 CHAMPVA | 6 | 5 | 5 |
| 0091 Total operating expenses | 3,390 | 4,234 | 4,180 |
| 0101 Acute hospital care | 538 | 341 | 292 |
| 0102 Rehabilitative care | 46 | 29 | 25 |
| 0103 Psychiatric care | 363 | 230 | 197 |
| 0104 Nursing home care | 266 | 168 | 144 |
| 0105 Subacute care | 6 | 4 | 3 |
| 0107 Outpatient care | 1,170 | 743 | 635 |
| 0191 Total capital investment | 2,389 | 1,515 | 1,296 |
| 0293 Total direct program | 5,779 | 5,749 | 5,476 |
| 0799 Total direct obligations | 5,779 | 5,749 | 5,476 |
| 0801 Reimbursable program | 25 | 35 | 36 |
| 0900 Total new obligations | 5,804 | 5,784 | 5,512 |

Budgetary Resources:

| | | | |
|--|-------|-------|-------|
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 1,024 | 108 | 99 |
| 1011 Unobligated balance transferred from other accounts | 6 | | |
| 1050 Unobligated balance (total) | 1,030 | 108 | 99 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 4,859 | | |
| Advance appropriations, discretionary: | | | |
| 1170 Advance appropriation | | 5,740 | 5,426 |
| 1173 Advance appropriations permanently reduced | | | -50 |
| 1180 Advanced appropriation, discretionary (total) | | 5,740 | 5,376 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 25 | 35 | 37 |
| 1900 Budget authority (total) | 4,884 | 5,775 | 5,413 |
| 1930 Total budgetary resources available | 5,914 | 5,883 | 5,512 |
| Memorandum (non-add) entries: | | | |
| 1940 Unobligated balance expiring | -2 | | |
| 1941 Unexpired unobligated balance, end of year | 108 | 99 | |

MEDICAL FACILITIES—Continued
Program and Financing—Continued

| Identification code 36-0162-0-1-703 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 2,334 | 3,030 | 2,969 |
| 3030 Obligations incurred, unexpired accounts | 5,804 | 5,784 | 5,512 |
| 3031 Obligations incurred, expired accounts | -24 | | |
| 3040 Outlays (gross) | -5,084 | -5,845 | -5,493 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 3,030 | 2,969 | 2,988 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 4,884 | 5,775 | 5,413 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 3,084 | 4,353 | 4,080 |
| 4011 Outlays from discretionary balances | 2,000 | 1,492 | 1,413 |
| 4020 Outlays, gross (total) | 5,084 | 5,845 | 5,493 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -10 | -14 | -16 |
| 4033 Non-Federal sources | -17 | -21 | -21 |
| 4040 Offsets against gross budget authority and outlays (total) ... | -27 | -35 | -37 |
| Additional offsets against gross budget authority only: | | | |
| 4052 Offsetting collections credited to expired accounts | 2 | | |
| 4070 Budget authority, net (discretionary) | 4,859 | 5,740 | 5,376 |
| 4080 Outlays, net (discretionary) | 5,057 | 5,810 | 5,456 |
| 4180 Budget authority, net (total) | 4,859 | 5,740 | 5,376 |
| 4190 Outlays, net (total) | 5,057 | 5,810 | 5,456 |

For 2013, the Budget is requesting advance appropriations of \$5.4 billion for 2013 for Medical Facilities. This request for advance appropriations fulfills the Administration's commitment to provide reliable and timely resources to support the delivery of accessible and high-quality medical services for veterans.

For Medical Facilities, the Budget reflects the following appropriation funding: the 2011 enacted advance appropriations of \$5.7 billion; the 2012 appropriations request of \$5.4 billion; and the 2013 advance appropriations request of \$5.4 billion. Medical Facilities provides for the operations and maintenance of the 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.

Object Classification (in millions of dollars)

| Identification code 36-0162-0-1-703 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 1,054 | 1,064 | 1,062 |
| 11.3 Other than full-time permanent | 21 | 21 | 21 |
| 11.5 Other personnel compensation | 122 | 124 | 124 |
| 11.9 Total personnel compensation | 1,197 | 1,209 | 1,207 |
| 12.1 Civilian personnel benefits | 361 | 372 | 379 |
| 13.0 Benefits for former personnel | 1 | 1 | 1 |
| 21.0 Employee travel | 10 | 10 | 10 |
| 21.0 All other | 21 | 22 | 23 |
| 22.0 Transportation of things | 13 | 13 | 13 |
| 23.1 Rental payments to GSA | 17 | 18 | 19 |
| 23.2 Rental payments to others | 287 | 462 | 551 |
| 23.3 Communications, utilities, and miscellaneous charges | 550 | 568 | 577 |
| 25.2 Other contractual services | 644 | 1,251 | 1,067 |
| 26.0 Medical supplies and materials | 288 | 307 | 332 |
| 31.0 Equipment | 94 | 89 | 93 |
| 32.0 Medical land and structures | 2,295 | 1,427 | 1,204 |
| 43.0 Interest and dividends | 1 | | |
| 99.0 Direct obligations | 5,779 | 5,749 | 5,476 |
| 99.0 Reimbursable obligations | 25 | 35 | 36 |
| 99.9 Total new obligations | 5,804 | 5,784 | 5,512 |

Employment Summary

| Identification code 36-0162-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|--------|-----------|
| 1001 Direct civilian full-time equivalent employment | 23,307 | 23,666 | 23,666 |
| 2001 Reimbursable civilian full-time equivalent employment | 483 | 478 | 478 |

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by chapter 73 of title 38, United States Code, \$508,774,000, plus reimbursements, shall remain available until September 30, 2013.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0161-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0001 Bio-medical laboratory science research | 234 | 265 | 252 |
| 0002 Rehabilitation research | 83 | 95 | 81 |
| 0003 Health services research | 87 | 95 | 80 |
| 0004 Clinical science research | 84 | 100 | 79 |
| 0091 Total operating expenses | 488 | 555 | 492 |
| 0101 Bio-medical laboratory science research | 30 | 35 | 32 |
| 0102 Rehabilitation research | 6 | 11 | 10 |
| 0103 Health services research | 1 | 7 | 5 |
| 0104 Clinical science research | 4 | 9 | 5 |
| 0191 Total capital investment | 41 | 62 | 52 |
| 0192 Total direct program | 529 | 617 | 544 |
| 0799 Total direct obligations | 529 | 617 | 544 |
| 0801 Reimbursable program | 34 | 40 | 40 |
| 0900 Total new obligations | 563 | 657 | 584 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 61 | 106 | 70 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 581 | 581 | 509 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 34 | 40 | 40 |
| 1900 Budget authority (total) | 615 | 621 | 549 |
| 1930 Total budgetary resources available | 676 | 727 | 619 |
| Memorandum (non-add) entries: | | | |
| 1940 Unobligated balance expiring | -7 | | |
| 1941 Unexpired unobligated balance, end of year | 106 | 70 | 35 |

Change in obligated balance:

| | | | |
|---|------|------|------|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 198 | 204 | 252 |
| 3030 Obligations incurred, unexpired accounts | 563 | 657 | 584 |
| 3031 Obligations incurred, expired accounts | -2 | | |
| 3040 Outlays (gross) | -555 | -609 | -561 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 204 | 252 | 275 |

Budget authority and outlays, net:

| | | | |
|---|-----|-----|-----|
| Discretionary: | | | |
| 4000 Budget authority, gross | 615 | 621 | 549 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 345 | 443 | 391 |
| 4011 Outlays from discretionary balances | 210 | 166 | 170 |
| 4020 Outlays, gross (total) | 555 | 609 | 561 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -22 | -40 | -40 |
| 4033 Non-Federal sources | -12 | | |
| 4040 Offsets against gross budget authority and outlays (total) ... | -34 | -40 | -40 |
| 4070 Budget authority, net (discretionary) | 581 | 581 | 509 |
| 4080 Outlays, net (discretionary) | 521 | 569 | 521 |
| 4180 Budget authority, net (total) | 581 | 581 | 509 |

| | | | |
|---------------------------------|-----|-----|-----|
| 4190 Outlays, net (total) | 521 | 569 | 521 |
|---------------------------------|-----|-----|-----|

For 2012, the total budgetary resources of \$1.7 billion comprise \$509 million in direct appropriations, \$509 million in medical care support, and \$710 million in Federal and private sector grants. The research program will support 3,220 full time equivalents through direct appropriation and a total of over 15,000 research staff through all funding sources.

This account is an intramural program and VA R&D has had significant success developing research leading to clinical achievements that improve the health and quality of life for veterans and the Nation. VA is at the forefront of producing new transformational approaches and technologies for preventing, diagnosing, and treating disease. VA research transforms medicine by uniquely engaging veterans both as clinical patients and as research volunteers. Through technology, advancements, and information, research helps transform VA's health care into a leading example of medicine in the 21st Century.

High priority research programs in 2012 will provide Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF) and Operation New Dawn (OND) veterans and rural veterans with critical needs research activity. VA will focus on key areas affecting OEF/OIF/OND veterans including Homelessness/Access to Care and Rural Health, Personalized Medicine and Military Exposure-Related Illnesses. Homelessness is a top priority for VA, and research will focus on interventions, risk factors and health care usage patterns in an effort to eliminate homelessness. With regard to Access to Care, 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. Current studies address new telemedicine and telehealth initiatives, community based outpatient clinics (CBOCs), collaborative care models, access for OEF/OIF/OND veterans, and access to specialized care such as VA rehabilitation services. 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. Emphasis will also be placed on personalized medicine where using information on a patients' genetic make-up can lead to a more tailored, precise and effective level of care. The Million Veteran Program, with the goal of collecting one million genetic samples, will be a significant initial undertaking in 2012 as VA expects to continue investigating whether genetic influences in disease and/or responses to medications can be used to further advance personalized care with the ultimate goal to develop an evidence base for treatments that are optimized to each veteran's genetic makeup.

VA core research priorities in 2012 will include Mental Health, Gulf War Veterans' Illnesses and Exposures, Prosthetics, Traumatic Brain Injury and Spinal Cord Injury.

VA scientists who partner with colleagues from other Federal agencies, academic medical centers, nonprofit organizations, and commercial entities nationwide further expand the reach and scope of VA research. Through VA's academic affiliations as well as collaborations with other Federal agencies, it is fully integrated with the larger biomedical research community.

Veterans' health issues are addressed comprehensively in the following four program divisions and the medical care research support required for these programs:

Biomedical laboratory.—Supports preclinical research to understand life processes from a molecular, genomic, and physiological level in regard to diseases affecting veterans.

Clinical science.—Administers investigations (i.e., human subject research such as drug, surgical, single subject, pilot and multi-center cooperative studies as well as feasibility trials) aimed at instituting new, more effective clinical care.

Health services.—Supports studies to identify and promote effective and efficient strategies to improve the delivery of health care to veterans.

Rehabilitation.—Develops novel approaches to restoring veterans with traumatic amputation, central nervous system injuries, loss of sight and/or hearing, or other physical and cognitive impairments to full and productive lives.

VA's Medical and Prosthetic Research programs are included in the Federal Science & Technology (FS&T) budget.

Performance Measure

| | 2010 Actual | 2011 est. | 2012 est. |
|--|-------------|-----------|-----------|
| Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) - Measure will be dropped after 2011 | 80% | 100% | N/A |

SUMMARY OF PROGRAM RESOURCES

(in millions of dollars)

| | 2010 actual | 2011 est. | 2012 est. |
|--|--------------|--------------|--------------|
| Medical and prosthetic research appropriation | 581 | 581 | 509 |
| Federal resources (includes VA Medical Care support funding) | 996 | 1,096 | 1,024 |
| Other non-federal resources | 184 | 195 | 195 |
| Total program resources | 1,761 | 1,872 | 1,728 |

Object Classification (in millions of dollars)

| Identification code 36-0161-0-1-703 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 164 | 158 | 147 |
| 11.3 Other than full-time permanent | 19 | 19 | 19 |
| 11.5 Other personnel compensation | 37 | 37 | 37 |
| 11.9 Total personnel compensation | 220 | 214 | 203 |
| 12.1 Civilian personnel benefits | 69 | 75 | 83 |
| 21.0 Employee travel | 4 | 6 | 8 |
| 23.1 Rental payments to GSA | 2 | 3 | 2 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 24.0 Printing and reproduction | 1 | 1 | 1 |
| 25.2 Other services from non-federal sources | 158 | 203 | 147 |
| 26.0 Supplies and materials | 36 | 54 | 49 |
| 31.0 Equipment | 38 | 60 | 50 |
| 99.0 Direct obligations | 529 | 617 | 544 |
| 99.0 Reimbursable obligations | 34 | 40 | 40 |
| 99.9 Total new obligations | 563 | 657 | 584 |

Employment Summary

| Identification code 36-0161-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| 1001 Direct civilian full-time equivalent employment | 2,871 | 2,864 | 2,739 |
| 2001 Reimbursable civilian full-time equivalent employment | 481 | 481 | 481 |

MEDICAL CARE COLLECTIONS FUND

Program and Financing (in millions of dollars)

| Identification code 36-5287-0-2-703 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Budgetary Resources: | | | |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1101 Appropriation (special fund) | 2,848 | 2,882 | 3,078 |
| 1120 Appropriations transferred to other accounts | -2,848 | -2,882 | -3,078 |
| 1160 Appropriation, discretionary (total) | | | |
| 1930 Total budgetary resources available | | | |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | | | |

MEDICAL CARE COLLECTIONS FUND—Continued
Program and Financing—Continued

| Identification code 36-5287-0-2-703 | 2010 actual | CR | 2012 est. |
|--|-------------|----|-----------|
| 4180 Budget authority, net (total) | | | |
| 4190 Outlays, net (total) | | | |

VA has the authority to collect co-payments which are deposited into the Medical Care Collections Fund (MCCF) receipt account. As allowed by the provisions of the appropriations Act, these receipts are transferred to the Medical Services appropriation where they remain available until expended for the purposes of this account. In 2010, \$2.8 billion was collected in the MCCF receipt account and transferred to the Medical Services appropriation to provide health care to our veterans. These collections consist of co-payments from veterans for inpatient, outpatient, and nursing home care and prescribed medications; third-party insurance payments from veterans for nonservice-connected conditions; and collections from enhanced-use leases, the Compensated Work Therapy Program, Compensation and Living Expensed Program, and the Parking Program.

CANTEEN SERVICE REVOLVING FUND
Program and Financing (in millions of dollars)

| Identification code 36-4014-0-3-705 | 2010 actual | CR | 2012 est. |
|--|-------------|------|-----------|
| Obligations by program activity: | | | |
| 0801 Reimbursable operating expenses | 213 | 250 | 274 |
| 0802 Reimbursable direct operations | 142 | 166 | 183 |
| 0810 Reimbursable capital investment: Sales program: Purchase of equipment and leasehold | 16 | 17 | 17 |
| 0900 Total new obligations | 371 | 433 | 474 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 6 | 3 | 7 |
| Budget authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 368 | 437 | 479 |
| 1930 Total budgetary resources available | 374 | 440 | 486 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 3 | 7 | 12 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 14 | 11 | 10 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | -2 | -2 | -2 |
| 3020 Obligated balance, start of year (net) | 12 | 9 | 8 |
| 3030 Obligations incurred, unexpired accounts | 371 | 433 | 474 |
| 3040 Outlays (gross) | -374 | -434 | -482 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 11 | 10 | 2 |
| 3091 Uncollected pymts, Fed sources, end of year | -2 | -2 | -2 |
| 3100 Obligated balance, end of year (net) | 9 | 8 | |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 368 | 437 | 479 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 368 | 432 | 473 |
| 4101 Outlays from mandatory balances | 6 | 2 | 9 |
| 4110 Outlays, gross (total) | 374 | 434 | 482 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4123 Non-Federal sources | -368 | -437 | -479 |
| 4160 Budget authority, net (mandatory) | | | |
| 4170 Outlays, net (mandatory) | 6 | -3 | 3 |
| 4180 Budget authority, net (total) | | | |
| 4190 Outlays, net (total) | 6 | -3 | 3 |

The Veterans Canteen Service was established to furnish, at reasonable prices, meals, merchandise, and services necessary for the comfort and well-being of veterans in VA medical facilities. *Financing.*—Operations will be financed from current revenues.

Object Classification (in millions of dollars)

| Identification code 36-4014-0-3-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Reimbursable obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 69 | 71 | 73 |
| 11.3 Other than full-time permanent | 29 | 30 | 31 |
| 11.9 Total personnel compensation | 98 | 101 | 104 |
| 12.1 Civilian personnel benefits | 28 | 28 | 29 |
| 21.0 Travel and transportation of persons | 2 | 2 | 2 |
| 25.2 Other services from non-federal sources | 5 | 6 | 6 |
| 26.0 Supplies and materials | 222 | 279 | 315 |
| 31.0 Equipment | 16 | 17 | 18 |
| 99.0 Reimbursable obligations | 371 | 433 | 474 |
| 99.9 Total new obligations | 371 | 433 | 474 |

Employment Summary

| Identification code 36-4014-0-3-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| 2001 Reimbursable civilian full-time equivalent employment | 3,246 | 3,260 | 3,285 |

MEDICAL CENTER RESEARCH ORGANIZATIONS
Program and Financing (in millions of dollars)

| Identification code 36-4026-0-3-703 | 2010 actual | CR | 2012 est. |
|---|-------------|------|-----------|
| Obligations by program activity: | | | |
| 0801 Operating expenses | 237 | 252 | 267 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 85 | 96 | 96 |
| Budget authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 248 | 252 | 267 |
| 1930 Total budgetary resources available | 333 | 348 | 363 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 96 | 96 | 96 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 11 | | |
| 3030 Obligations incurred, unexpired accounts | 237 | 252 | 267 |
| 3040 Outlays (gross) | -248 | -252 | -267 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | | | |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 248 | 252 | 267 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 248 | 252 | 267 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4123 Non-Federal sources | -248 | -252 | -267 |
| 4160 Budget authority, net (mandatory) | | | |
| 4170 Outlays, net (mandatory) | | | |
| 4180 Budget authority, net (total) | | | |
| 4190 Outlays, net (total) | | | |

These nonprofit corporations provide a flexible funding mechanism for the conduct of approved research at Department of Veterans Affairs medical centers. These organizations will derive funds to operate various research activities from Federal and non-Federal sources. No appropriation is required to support these activities.

Object Classification (in millions of dollars)

| Identification code 36-4026-0-3-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Reimbursable obligations: | | | |
| 21.0 Travel and transportation of persons | 8 | 8 | 8 |
| 25.2 Other services from non-federal sources | 202 | 211 | 226 |
| 26.0 Supplies and materials | 18 | 24 | 24 |
| 31.0 Equipment | 9 | 9 | 9 |
| 99.0 Reimbursable obligations | 237 | 252 | 267 |
| 99.9 Total new obligations | 237 | 252 | 267 |

Trust Funds

GENERAL POST FUND, NATIONAL HOMES

Special and Trust Fund Receipts (in millions of dollars)

| Identification code 36-8180-0-7-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| 0100 Balance, start of year | 1 | | |
| Receipts: | | | |
| 0220 General Post Fund, National Homes, Deposits | 25 | 26 | 27 |
| 0240 General Post Fund, National Homes, Interest on Investments | 1 | 2 | 2 |
| 0299 Total receipts and collections | 26 | 28 | 29 |
| 0400 Total: Balances and collections | 27 | 28 | 29 |
| Appropriations: | | | |
| 0500 General Post Fund, National Homes | -27 | -28 | -29 |
| 0599 Total appropriations | -27 | -28 | -29 |
| 0799 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 36-8180-0-7-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0001 Religious, recreational, and entertainment activities | 27 | 25 | 25 |
| 0003 Therapeutic residence maintenance | | 2 | 2 |
| 0900 Total new obligations | 27 | 27 | 27 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 77 | 77 | 78 |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1202 [-8180] | 27 | 28 | 29 |
| 1930 Total budgetary resources available | 104 | 105 | 107 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 77 | 78 | 80 |

Change in obligated balance:

| | | | |
|---|-----|-----|-----|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 5 | 6 | 6 |
| 3030 Obligations incurred, unexpired accounts | 27 | 27 | 27 |
| 3040 Outlays (gross) | -26 | -27 | -28 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 6 | 6 | 5 |

Budget authority and outlays, net:

| | | | |
|---|----|----|----|
| Mandatory: | | | |
| 4090 Budget authority, gross | 27 | 28 | 29 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | | 27 | 28 |
| 4101 Outlays from mandatory balances | 26 | | |
| 4110 Outlays, gross (total) | 26 | 27 | 28 |
| 4180 Budget authority, net (total) | 27 | 28 | 29 |
| 4190 Outlays, net (total) | 26 | 27 | 28 |

Memorandum (non-add) entries:

| | | | |
|--|----|----|----|
| 5000 Total investments, SOY: Federal securities: Par value | 78 | 79 | 79 |
| 5001 Total investments, EOY: Federal securities: Par value | 79 | 79 | 79 |

This fund consists of gifts, bequests, and proceeds from the sale of property left in the care of the facilities by former beneficiaries; patients' fund balances; and proceeds from the sale of effects of

beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of veterans at hospitals, nursing homes, and domiciliaries where no general appropriation is available. Public Law 102-54 authorizes compensation work therapy and therapeutic transitional housing and loan programs to be funded from the General Post Fund. (38 U.S.C. chs. 83 and 85.)

Object Classification (in millions of dollars)

| Identification code 36-8180-0-7-705 | 2010 actual | CR | 2012 est. |
|--|-------------|----|-----------|
| Direct obligations: | | | |
| 25.2 Other services from non-federal sources | 9 | 9 | 9 |
| 26.0 Supplies and materials | 14 | 14 | 14 |
| 31.0 Equipment | 3 | 3 | 3 |
| 32.0 Land and structures | 1 | 1 | 1 |
| 99.9 Total new obligations | 27 | 27 | 27 |

BENEFITS PROGRAMS

Federal Funds

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by section 107 and chapters 11, 13, 18, 51, 53, 55, and 61 of title 38, United States Code; pension benefits to or on behalf of veterans as authorized by chapters 15, 51, 53, 55, and 61 of title 38, United States Code; and burial benefits, the Reinstated Entitlement Program for Survivors, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of title IV of the Servicemembers Civil Relief Act (50 U.S.C. App. 541 et seq.) and for other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code, \$58,067,319,000, to remain available until expended: Provided, That not to exceed \$32,187,000 of the amount appropriated under this heading shall be reimbursed to "General operating expenses", "Medical support and compliance", and "Information technology systems" for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the "Compensation and pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical care collections fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0102-0-1-701 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Obligations by program activity: | | | |
| 0101 Veterans | 38,095 | 53,928 | 46,323 |
| 0102 Survivors | 5,198 | 8,773 | 6,273 |
| 0191 Compensation sub-total | 43,293 | 62,701 | 52,596 |
| 0200 Other compensation expenses | 43,293 | 62,701 | 52,596 |
| 0201 Chapter 18 | 20 | 20 | 20 |
| 0202 Clothing allowance | 64 | 68 | 71 |
| 0203 Misc assistance (EAI, SAFD) | 12 | 12 | 12 |
| 0204 Medical exam pilot program | 144 | 170 | 205 |
| 0205 OBRA payment to VBA and IT | | 1 | |
| 0206 Reinstated entitlement program for survivors | 7 | 7 | 8 |
| 0207 Health and human services | | 4 | |
| 0291 Total other compensation expenses | 247 | 282 | 316 |
| 0293 Total compensation | 43,540 | 62,983 | 52,912 |
| 0302 Veterans | 3,187 | 3,246 | 3,348 |

COMPENSATION AND PENSIONS—Continued
Program and Financing—Continued

| Identification code 36-0102-0-1-701 | 2010 actual | CR | 2012 est. |
|--|-------------|---------|-----------|
| 0303 Survivors | 1,158 | 1,368 | 1,595 |
| 0391 Pensions sub total | 4,345 | 4,614 | 4,943 |
| 0401 Reimbursements to GOE, ITand VHA | 20 | 30 | 2 |
| 0492 Total pensions | 4,365 | 4,644 | 4,945 |
| 0502 Burial allowance | 26 | 26 | 42 |
| 0503 Burial plots | 9 | 10 | 23 |
| 0504 Service-connected deaths | 30 | 31 | 33 |
| 0505 Burial flags | 14 | 14 | 14 |
| 0506 Headstones and markers | 59 | 71 | 76 |
| 0507 Graveliners/Pre-placed crypts | 29 | 22 | 22 |
| 0591 Total burial program | 167 | 174 | 210 |
| 0900 Total new obligations (object class 42.0) | 48,072 | 67,801 | 58,067 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 424 | 14,056 | 233 |
| 1011 Unobligated balance transferred from other accounts | 527 | | |
| 1050 Unobligated balance (total) | 951 | 14,056 | 233 |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1200 Appropriation | 60,773 | 53,978 | 58,067 |
| 1221 Appropriations transferred from other accounts | 404 | | |
| 1260 Appropriations, mandatory (total) | 61,177 | 53,978 | 58,067 |
| 1930 Total budgetary resources available | 62,128 | 68,034 | 58,300 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 14,056 | 233 | 233 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 3,754 | 3,925 | 122 |
| 3030 Obligations incurred, unexpired accounts | 48,072 | 67,801 | 58,067 |
| 3040 Outlays (gross) | -47,901 | -71,604 | -53,349 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 3,925 | 122 | 4,840 |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 61,177 | 53,978 | 58,067 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 43,958 | 53,858 | 53,229 |
| 4101 Outlays from mandatory balances | 3,943 | 17,746 | 120 |
| 4110 Outlays, gross (total) | 47,901 | 71,604 | 53,349 |
| 4180 Budget authority, net (total) | 61,177 | 53,978 | 58,067 |
| 4190 Outlays, net (total) | 47,901 | 71,604 | 53,349 |

Summary of Budget Authority and Outlays (in millions of dollars)

| | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Enacted/requested: | | | |
| Budget Authority | 61,177 | 53,978 | 58,067 |
| Outlays | 47,901 | 71,604 | 53,349 |
| Legislative proposal, subject to PAYGO: | | | |
| Budget Authority | | | 23 |
| Outlays | | | 23 |
| Total: | | | |
| Budget Authority | 61,177 | 53,978 | 58,090 |
| Outlays | 47,901 | 71,604 | 53,372 |

WORKLOAD

| | 2010 actual | 2011 CR | 2012 est. |
|------------------------------|-------------|-----------|-----------|
| Compensation: | | | |
| Rating-Related Actions | 1,081,116 | 1,354,459 | 1,185,692 |
| Non Rating Actions | 372,176 | 420,931 | 468,496 |
| Pension: | | | |
| Rating-Related Actions | 111,230 | 125,801 | 140,017 |
| Non Rating Actions | 347,131 | 392,605 | 436,970 |

This appropriation provides for the payment of compensation, pension, and burial benefits to veterans and survivors.

Compensation is paid to veterans for disabilities incurred in or aggravated during active military service. Dependency and Indemnity Compensation is paid to survivors of servicepersons or

veterans whose death occurred while on active duty or as a result of service-connected disabilities. Compensation and vocational rehabilitation is provided to the children of Vietnam veterans who were born with certain birth defects. The Secretary may pay a clothing allowance to each veteran who uses a prescribed medication for a service-connected skin condition or wears a prosthetic or orthopedic appliance (including a wheelchair) which, in the judgment of the Secretary, tends to damage or tear the clothing of such veteran.

Miscellaneous benefits provided for are:

(a) payments for claims made pursuant to the provision of the World War Adjusted Compensation Act of 1924, as amended;

(b) a special allowance (38 U.S.C. 1312) to dependents of certain Veterans who died after December 31, 1956, but who were not fully and currently insured under the Social Security Act; and

(c) payments authorized by the Equal Access to Justice Act.

The appropriation also provides for a program to allow VA to perform income matches for certain compensation recipients.

In accordance with Public Law 97-377, the Reinstated Entitlement Program for Survivors (REPS) program restores Social Security benefits to certain surviving spouses or children of veterans who died of service-connected causes.

Legislation is proposed to provide a cost-of-living adjustment comparable to the annual social security increase to recipients of disability compensation, dependency and indemnity compensation, and clothing allowances. The increase, effective with payments made on January 1, 2012, is expected to be 0.9 percent.

AVERAGE NUMBER OF COMPENSATION CASES AND PAYMENTS

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|-----------|-----------|
| Veterans: | | | |
| Cases | 3,154,727 | 3,458,818 | 3,588,315 |
| Average payment per case, per year | \$12,075 | \$15,592 | \$12,909 |
| Total obligations (in millions) | \$38,094 | \$53,928 | \$46,323 |
| Survivors: | | | |
| Cases | 343,039 | 386,281 | 388,214 |
| Average payment per case, per year | \$15,152 | \$22,711 | \$16,157 |
| Total obligations (in millions) | \$5,198 | \$8,773 | \$6,273 |
| Chapter 18: | | | |
| Children | 1,184 | 1,185 | 1,186 |
| Average payment per case, per year | \$16,598 | \$16,598 | \$16,747 |
| Total obligations (in millions) | \$20 | \$20 | \$20 |
| Clothing allowance: | | | |
| Number of veterans | 89,960 | 95,142 | 98,730 |
| Average payment per case, per year | \$716 | \$716 | \$722 |
| Total obligations (in millions) | \$64 | \$68 | \$71 |
| Other compensation caseload: | | | |
| Special allowance dependents | 471 | 471 | 471 |
| Equal Access to Justice payments | 2,828 | 2,828 | 2,828 |
| REPS: | | | |
| Cases | 278 | 329 | 335 |
| Average benefit | \$26,104 | \$22,140 | \$22,214 |
| Obligations (in millions) | \$7 | \$7 | \$7 |

Pension benefits may be paid to veterans or their survivors. A veteran's entitlement is based on active duty service of a specific length (normally 90 days or more) during a designated war period, disabilities considered permanent and total, and countable income below established levels. There is no disability requirement for survivor cases or veterans age 65 or older. Income support is provided at established benefit levels.

An automatic annual cost-of-living increase comparable to the annual social security increase is provided for those pensioners

in the improved program and to parents receiving dependency and indemnity compensation. The increase, effective with payments made on January 1, 2012, is expected to be 0.9 percent.

AVERAGE NUMBER OF PENSION CASES AND PAYMENTS

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|----------|-----------|
| Veterans: | | | |
| Cases | 311,648 | 307,690 | 303,783 |
| Average payment per case, per year | \$10,225 | \$10,550 | \$11,005 |
| Total obligations (in millions) | \$3,187 | \$3,246 | \$3,343 |
| Survivors: | | | |
| Cases | 194,675 | 200,256 | 203,178 |
| Average payment per case, per year | \$5,947 | \$6,831 | \$7,846 |
| Total obligations (in millions) | \$1,158 | \$1,368 | \$1,594 |

Burial benefits provide for: (a) the payment of an allowance of \$700 (plus transportation charges where death occurs under VA care) to reimburse, in part, the burial and funeral expense of an eligible deceased veteran; (b) the payment of \$700 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to \$2,000 when a veteran dies as a result of a service-connected disability; (d) furnishing a flag to drape the casket of each deceased veteran entitled thereto; (e) furnishing a headstone or marker for the grave of a veteran and, in certain cases, eligible dependents; and (f) authority to provide outer burial receptacles in the National Cemetery Administration.

NUMBER OF BURIAL BENEFITS

| | 2010 actual | 2011 CR | 2012 est. |
|--------------------------------|-------------|---------|-----------|
| Burial allowance | 56,180 | 58,151 | 59,731 |
| Burial plot | 31,181 | 32,275 | 33,152 |
| Service-connected deaths | 16,032 | 16,695 | 17,495 |
| Burial flags | 489,574 | 500,002 | 500,002 |
| Headstones and markers | 353,851 | 347,149 | 347,983 |
| Graveliners | 18,259 | 18,075 | 17,895 |
| Preplaced crypts | 31,955 | 34,689 | 35,000 |

COMPENSATION AND PENSIONS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 36-0102-4-1-701 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Obligations by program activity: | | | |
| 0101 Veterans | | | 4 |
| 0293 Total compensation | | | 4 |
| 0302 Veterans | | | 19 |
| 0492 Total pensions | | | 19 |
| 0900 Total new obligations (object class 42.0) | | | 23 |
| Budgetary Resources: | | | |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1200 Appropriation | | | 23 |
| 1930 Total budgetary resources available | | | 23 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | | | |
| 3030 Obligations incurred, unexpired accounts | | | 23 |
| 3040 Outlays (gross) | | | -23 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | | | |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | | | 23 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | | | 23 |
| 4180 Budget authority, net (total) | | | 23 |

| | |
|---------------------------------|----|
| 4190 Outlays, net (total) | 23 |
|---------------------------------|----|

Legislation will be proposed to extend the use of data matching records with the IRS and HHS and to adjust the eligibility requirements for Special Monthly Pension.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by chapters 21, 30, 31, 33, 34, 35, 36, 39, 51, 53, 55, and 61 of title 38, United States Code, \$11,011,086,000, to remain available until expended: Provided, That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under subsection (a) of section 3104 of title 38, United States Code, other than under paragraphs (1), (2), (5), and (11) of that subsection, shall be charged to this account.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0137-0-1-702 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Obligations by program activity: | | | |
| 0101 Sons and daughters | 441 | 465 | 482 |
| 0102 Spouses | 66 | 72 | 72 |
| 0191 Total education and training | 507 | 537 | 554 |
| 0201 Vocational rehabilitation training | 463 | 495 | 532 |
| 0202 Subsistence allowance | 297 | 301 | 308 |
| 0203 Automobiles and adaptive equipment | 75 | 85 | 95 |
| 0204 Housing grants | 68 | 72 | 79 |
| 0291 Total special assistance to disabled veterans | 903 | 953 | 1,014 |
| 0301 Work study | 26 | 26 | 25 |
| 0302 Payments to States | 19 | 19 | 19 |
| 0303 All-volunteer assistance: Basic benefits and all other | 7,102 | 9,127 | 9,392 |
| 0304 Tuition Assistance | 15 | | |
| 0305 Licensing and Certification | 1 | 1 | |
| 0306 Reporting fees | 4 | 6 | 6 |
| 0309 Reimbursement to GOE | 1 | 3 | 1 |
| 0391 Total All-volunteer assistance and other | 7,168 | 9,182 | 9,443 |
| 0393 Total Readjustment benefits direct program | 8,578 | 10,672 | 11,011 |
| 0799 Total direct obligations | 8,578 | 10,672 | 11,011 |
| 0801 Veterans and servicepersons basic benefits | 2 | 3 | 3 |
| 0802 Veterans and servicepersons supplementary benefits | 99 | 115 | 126 |
| 0803 Chapter 1606 reservists benefits | 104 | 123 | 134 |
| 0804 Chapter 1606 reservists supplementary benefits | 93 | 109 | 119 |
| 0805 Chapter 1607 reservists benefits | 109 | 91 | 88 |
| 0809 Reimbursable program activities, subtotal | 407 | 441 | 470 |
| 0899 Total reimbursable obligations | 407 | 441 | 470 |
| 0900 Total new obligations | 8,985 | 11,113 | 11,481 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 560 | 276 | |
| 1010 Unobligated balance transferred to other accounts | -527 | | |
| 1050 Unobligated balance (total) | 33 | 276 | |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1200 Appropriation | 9,232 | 10,396 | 11,011 |
| 1220 Appropriations transferred to other accounts | -411 | | |
| 1260 Appropriations, mandatory (total) | 8,821 | 10,396 | 11,011 |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 407 | 441 | 470 |
| 1900 Budget authority (total) | 9,228 | 10,837 | 11,481 |
| 1930 Total budgetary resources available | 9,261 | 11,113 | 11,481 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 276 | | |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 154 | 415 | 320 |
| 3030 Obligations incurred, unexpired accounts | 8,985 | 11,113 | 11,481 |

READJUSTMENT BENEFITS—Continued
Program and Financing—Continued

| Identification code 36-0137-0-1-702 | | 2010 actual | CR | 2012 est. |
|---|---|-------------|---------|-----------|
| 3040 | Outlays (gross) | -8,724 | -11,208 | -11,381 |
| | Obligated balance, end of year (net): | | | |
| 3090 | Unpaid obligations, end of year (gross) | 415 | 320 | 420 |
| Budget authority and outlays, net: | | | | |
| Mandatory: | | | | |
| 4090 | Budget authority, gross | 9,228 | 10,837 | 11,481 |
| Outlays, gross: | | | | |
| 4100 | Outlays from new mandatory authority | 8,009 | 10,515 | 11,059 |
| 4101 | Outlays from mandatory balances | 715 | 693 | 322 |
| 4110 | Outlays, gross (total) | 8,724 | 11,208 | 11,381 |
| Offsets against gross budget authority and outlays: | | | | |
| Offsetting collections (collected) from: | | | | |
| 4120 | Federal sources | -407 | -441 | -470 |
| 4160 | Budget authority, net (mandatory) | 8,821 | 10,396 | 11,011 |
| 4170 | Outlays, net (mandatory) | 8,317 | 10,767 | 10,911 |
| 4180 | Budget authority, net (total) | 8,821 | 10,396 | 11,011 |
| 4190 | Outlays, net (total) | 8,317 | 10,767 | 10,911 |

WORKLOAD - Vocational Rehabilitation and Employment

| | 2010 actual | 2011 CR | 2012 est. |
|---|-------------|---------|-----------|
| Evaluation and planning | 74,692 | 76,186 | 76,948 |
| Rehabilitation services | 74,462 | 75,951 | 76,711 |
| Employment services status | 18,567 | 18,938 | 19,128 |
| Vocational/educational counseling | 14,541 | 14,832 | 14,980 |

WORKLOAD - Education

| | 2010 actual | 2011 CR | 2012 est. |
|---------------------------------------|-------------|-----------|-----------|
| Original claims | 668,286 | 428,955 | 442,575 |
| Adjustments/supplemental claims | 2,140,559 | 2,430,743 | 2,507,922 |

This appropriation finances educational assistance allowances for certain service persons, veterans, and for eligible dependents of those: (a) veterans who died from service-connected causes or have a total and permanent rated service-connected disability; and (b) servicepersons who were captured or missing in action. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the associated approved adaptive equipment. Voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense are included in the Post-Vietnam Era Veterans Education Account.

The Post 9-11 GI Bill (Chapter 33).—Public Law 110-252, greatly expanded education benefits beginning on August 1, 2009. Based on length of active duty service and training rate, trainees may be entitled to benefits including: tuition and fees, housing allowance, books and supplies stipend, kickers, and Yellow Ribbon matching payments. Certain active duty members of the Armed Forces may transfer benefits to a spouse or children.

All volunteer force educational assistance (Montgomery GI Bill).—Public Law 98-525, enacted October 19, 1984, established two new educational programs: an assistance program for veterans who enter active duty during the period beginning July 1, 1985; and an assistance program for certain members of the Selected Reserve. Public Law 108-375 established a program to provide educational assistance to members of the reserve components called or ordered to active service in response to a war or national emergency declared by the President or the Congress, in recognition of the sacrifices that those members make in answering the call to duty. The Readjustment Benefit appropriation pays the basic benefit allowance for veterans, except for certain Post-Vietnam Era Veterans Education participants who transferred to the Montgomery GI Bill program. Supplementary educational assistance, Post-Vietnam Era Veterans Education converters, reservists, and the National Call to Service Program are financed by payments from Department of Defense.

Survivors and Dependents Educational Assistance program (Chapter 35).—This program provides benefits to children and spouses of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. In addition, dependents of servicepersons missing in action or interned by a hostile foreign government for more than 90 days are also eligible. The following table provides a comparison of trainees and costs for the Dependents Educational Assistance program.

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

CASELOAD AND AVERAGE COST DATA

| | 2010 actual | 2011 CR | 2012 est. |
|---|-------------|----------|-----------|
| Chapter 33: | | | |
| Number of trainees | 365,640 | 492,773 | 512,752 |
| Average cost per trainee | \$14,466 | \$16,096 | \$16,527 |
| Total cost (in millions) | \$5,289 | \$7,932 | \$8,474 |
| Chapter 30: | | | |
| Number of trainees | 247,075 | 178,595 | 129,153 |
| Average cost per trainee | \$6,717 | \$7,309 | \$8,061 |
| Total cost (in millions) | \$1,660 | \$1,305 | \$1,041 |
| Chapter 1606: | | | |
| Number of trainees | 67,381 | 78,666 | 84,427 |
| Average cost per trainee | \$2,897 | \$2,932 | \$2,970 |
| Total cost (in millions) | \$195 | \$231 | \$251 |
| Chapter 1607: | | | |
| Number of trainees | 30,281 | 24,929 | 23,785 |
| Average cost per trainee | \$3,600 | \$3,644 | \$3,691 |
| Total cost (in millions) | \$109 | \$91 | \$88 |
| Chapter 35 Sons and Daughters: | | | |
| Number of trainees | 75,437 | 75,775 | 77,545 |
| Average cost per trainee (in dollars) | \$5,850 | \$6,135 | \$6,214 |
| Total cost (in millions) | \$441 | \$465 | \$482 |
| Chapter 35 Wives and Widow(ers): | | | |
| Number of trainees | 14,374 | 15,337 | 15,337 |
| Average cost per trainee (in dollars) | \$4,591 | \$4,664 | \$4,725 |
| Total cost (in millions) | \$66 | \$72 | \$72 |

Special Assistance to Disabled Veterans (chapter 31).—Service-disabled veterans requiring vocational rehabilitation receive assistance to cover the costs of subsistence, tuition, books, supplies, and equipment. In addition to monetary benefits, individuals may also receive rehabilitation evaluation, planning, and delivery services designed to move the veteran into a suitable job.

CASELOAD AND AVERAGE COST DATA

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|---------|-----------|
| Chapter 31: | | | |
| Rehabilitation, Evaluation, Planning and Service cases | 21,416 | 21,844 | 23,103 |
| Number of trainees | 80,589 | 81,097 | 81,842 |
| Average cost per trainee (in dollars) | \$9,436 | \$9,826 | \$10,258 |
| Total cost (in millions) | \$760 | \$797 | \$840 |

Specially Adapted Housing Grants.—Specially adapted housing grants, up to a maximum of \$63,780, are provided to certain severely disabled veterans. In 2011, the maximum grant amount was \$63,870 and is projected to increase, based on a cost of construction index, to \$66,841 in 2012. Veterans who suffer service-connected blindness or who have lost the use of both upper extremities can receive up to \$12,756 in 2010. The maximum grant amount is projected to increase to \$13,368 in 2012.

Automobile Grants and Adaptive Equipment.—Certain disabled veterans are provided with automobile grants with the associated approved adaptive equipment. An allowance, up to a maximum

of \$11,000, is provided to certain service-disabled veterans and servicepersons toward the purchase price of an automobile. Adaptive equipment and the maintenance and replacement of such equipment is also provided.

CASELOAD AND AVERAGE COST DATA

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|----------|-----------|
| Housing grants: | | | |
| Number of housing grants | 1,811 | 1,878 | 1,948 |
| Average cost per grant | \$37,724 | \$38,140 | \$40,397 |
| Total cost (in millions) | \$68 | \$72 | \$79 |
| Automobiles or other conveyances: | | | |
| Number of conveyances | 1,834 | 1,834 | 1,834 |
| Average benefit | \$10,891 | \$11,000 | \$11,000 |
| Obligations (in millions) | \$20 | \$20 | \$20 |
| Adaptive equipment (including maintenance, repair, and installation for automobiles): | | | |
| Number of items | 7,319 | 7,319 | 7,319 |
| Average benefit | \$7,573 | \$8,787 | \$10,196 |
| Obligations (in millions) | \$55 | \$64 | \$75 |

Tuition Assistance.—Public Law 106–398, enacted October 30, 2000, allows the military services to pay up to 100 percent of tuition and expenses charged by a school for service members. If a service department pays less than 100 percent, a service member eligible for the Montgomery GI Bill Active-duty (MGIB) or the Post 9–11 GI Bill (Chapter 33) can elect to receive VA benefits for all or a portion of the remaining expenses. Public Law 108–454 established a program that provides availability of education benefits for payment for national admissions exams and national exams for credit at institutions of higher education.

The National Exams.—The benefit allows VA to reimburse for the fee charged for national tests for admission to institutions of higher learning and national tests providing an opportunity for course credit at institutions of higher learning.

Licensing and Certification Test Payments.—Under Public Law 106–419, veterans and other eligible persons may receive up to \$2,000 to pay fees required for civilian occupational licensing and certification examinations needed to enter, maintain, or advance in employment in a vocation or profession, effective March 1, 2001.

National Call to Service.—The 2003 National Defense Authorization Act directs the Department of Defense to offer an active duty enlistment option of 15 months plus training time to facilitate interest in National Service. Program participants will be given the opportunity to select one of the following incentives: a \$5,000 enlistment bonus, repayment of student loans up to \$18,000, or one of two education allowances.

Work-Study.—Certain veterans, reservists, and dependents pursuing a program of rehabilitation, education or training, who are enrolled as full-time students, can work up to 250 hours per semester, receiving the Federal (\$7.25 as of July 24, 2009) or state minimum wage rate, whichever is higher.

Payments to States.—State approving agencies are reimbursed for the costs of inspecting, approving, and supervising programs of education and training offered by educational institutions and training establishments in which veterans, dependents, and reservists are enrolled or are about to enter.

Reporting Fees.—Reporting fees are paid to education and training institutions to help defray the costs of certifying education enrollment for veterans enrolled in training during a calendar year.

Object Classification (in millions of dollars)

| Identification code 36–0137–0–1–702 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| 41.0 Direct obligations: Grants, subsidies, and contributions | 8,578 | 10,672 | 11,011 |
| 99.0 Reimbursable obligations: reimbursable obligations | 407 | 441 | 470 |
| 99.9 Total new obligations | 8,985 | 11,113 | 11,481 |

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by title 38, United States Code, chapters 19 and 21, \$100,252,000, to remain available until expended.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111–242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36–0120–0–1–701 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0010 VMLI death claims | 13 | 11 | 17 |
| 0012 Payment to service-disabled veterans insurance | 46 | 67 | 83 |
| 0100 Total direct expenses | 59 | 78 | 100 |
| 0801 Reimbursable program activity | 3 | 3 | 5 |
| 0809 Reimbursable program activities, subtotal | 3 | 3 | 5 |
| 0900 Total new obligations | 59 | 81 | 105 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 1 | 1 | 1 |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1200 Appropriation | 49 | 78 | 100 |
| 1221 Appropriations transferred from other accounts | 7 | 3 | 3 |
| 1260 Appropriations, mandatory (total) | 56 | 78 | 100 |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 3 | 3 | 5 |
| 1900 Budget authority (total) | 59 | 81 | 105 |
| 1930 Total budgetary resources available | 60 | 82 | 106 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 1 | 1 | 1 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 1 | 5 | 5 |
| 3030 Obligations incurred, unexpired accounts | 59 | 81 | 105 |
| 3040 Outlays (gross) | –55 | –86 | –105 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 5 | 5 | 5 |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 59 | 81 | 105 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 54 | 81 | 105 |
| 4101 Outlays from mandatory balances | 1 | 5 | 5 |
| 4110 Outlays, gross (total) | 55 | 86 | 105 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4123 Non-Federal sources | –3 | –3 | –5 |
| 4160 Budget authority, net (mandatory) | 56 | 78 | 100 |
| 4170 Outlays, net (mandatory) | 52 | 83 | 100 |
| 4180 Budget authority, net (total) | 56 | 78 | 100 |
| 4190 Outlays, net (total) | 52 | 83 | 100 |

WORKLOAD

| | 2010 actual | 2011 CR | 2012 est. |
|------------------------------|-------------|-----------|-----------|
| Policy service actions | 907,710 | 972,330 | 931,659 |
| Collections | 1,140,316 | 1,117,600 | 1,027,400 |
| Disability claims | 42,898 | 64,030 | 66,620 |
| Insurance awards | 231,612 | 209,800 | 198,450 |

VETERANS INSURANCE AND INDEMNITIES—Continued

Note.—Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

The insurance business line administers six life insurance programs, including two trust funds, two public enterprise funds, a trust revolving fund, and Veterans' Mortgage Life Insurance (VMLI), and supervises four additional programs for the benefit of servicepersons, veterans, and their beneficiaries through contracts with a commercial company. All programs are operated on a commercial basis, to the extent possible, consistent with all applicable statutes. The insurance appropriation is the supplemental funding mechanism for the following Government life insurance activities: National Service Life Insurance (NSLI); Service-Disabled Veterans Insurance Fund (S-DVI); and Veterans' Mortgage Life Insurance.

National Service Life Insurance.—Payments are made to the NSLI fund for certain World War II veterans for: (a) extra hazards of service; (b) gratuitous insurance granted to certain persons unable to apply for National Service Life Insurance; and (c) death claims on policies under the waiver of a premium while the insured was on active duty.

Payment to Service-Disabled Veterans Insurance Fund.—Payments are made to the S-DVI fund to supplement the premiums and other receipts of the fund in amounts necessary to pay claims on insurance policies issued to veterans with service-connected disabilities.

Veterans' Mortgage Life Insurance.—Payments are made to mortgage holders under this program, which provides mortgage protection life insurance to veterans who have received a grant for specially adapted housing due to severe disabilities. The general decline in the number of policies and the amount of insurance in force is expected to continue in 2011 as indicated in the following table.

POLICIES AND INSURANCE IN FORCE

| VMLI Policies | 2010 actual | 2011 CR | 2012 est. |
|---|-------------|---------|-----------|
| Number of Policies | 2,381 | 2,400 | 2,400 |
| Amount of Insurance (dollars in millions) | \$177 | \$181 | \$312 |

Object Classification (in millions of dollars)

| Identification code 36-0120-0-1-701 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| 42.0 Direct obligations: Insurance claims and indemnities | 56 | 78 | 100 |
| 99.0 Reimbursable obligations: reimbursable obligations | 3 | 3 | 5 |
| 99.9 Total new obligations | 59 | 81 | 105 |

FILIPINO VETERANS EQUITY COMPENSATION FUND

Program and Financing (in millions of dollars)

| Identification code 36-1121-0-1-701 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Obligations by program activity: | | | |
| 0001 Filipino veterans equity compensation fund | 113 | 70 | ..... |
| 0900 Total new obligations (object class 42.0) | 113 | 70 | ..... |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 116 | 70 | ..... |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1121 Appropriations transferred from other accounts | 67 | ..... | ..... |
| 1930 Total budgetary resources available | 183 | 70 | ..... |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 70 | ..... | ..... |

| | | | |
|---|------|-------|-------|
| Change in obligated balance: | | | |
| 3030 Obligations incurred, unexpired accounts | 113 | 70 | ..... |
| 3040 Outlays (gross) | -113 | -70 | ..... |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 67 | ..... | ..... |
| Outlays, gross: | | | |
| 4011 Outlays from discretionary balances | 113 | 70 | ..... |
| 4180 Budget authority, net (total) | 67 | ..... | ..... |
| 4190 Outlays, net (total) | 113 | 70 | ..... |

This fund was established under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 (PL 110-329), to make payments to eligible persons who served in the Philippines during World War II. Payments were subsequently authorized by Congress in the American Recovery and Reinvestment Act of 2009 (PL 111-5). Original funding of \$198,000,000 was supplemented by a transfer of \$67,000,000 authorized by PL 111-212 that remains available until expended. Payments to citizens of the United States are \$15,000. Payments to non-U.S. citizens are \$9,000.

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing (in millions of dollars)

| Identification code 36-4012-0-3-701 | 2010 actual | CR | 2012 est. |
|---|-------------|------|-----------|
| Obligations by program activity: | | | |
| 0801 Capital investment | 19 | 19 | 20 |
| 0802 Death claims | 80 | 103 | 116 |
| 0803 All other | 7 | 7 | 8 |
| 0804 Payments to GOE and IT | 6 | 9 | 10 |
| 0900 Total new obligations | 112 | 138 | 154 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 12 | 9 | 5 |
| Budget authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 109 | 134 | 154 |
| 1900 Budget authority (total) | 109 | 134 | 154 |
| 1930 Total budgetary resources available | 121 | 143 | 159 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 9 | 5 | 5 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 12 | 9 | 9 |
| 3030 Obligations incurred, unexpired accounts | 112 | 138 | 154 |
| 3040 Outlays (gross) | -115 | -138 | -154 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 9 | 9 | 9 |

| | | | |
|--|-------|-------|-------|
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 109 | 134 | 154 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 109 | 134 | 154 |
| 4101 Outlays from mandatory balances | 6 | 4 | ..... |
| 4110 Outlays, gross (total) | 115 | 138 | 154 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 Federal sources | -46 | -67 | -83 |
| 4123 Non-Federal sources | -63 | -67 | -71 |
| 4130 Offsets against gross budget authority and outlays (total) | -109 | -134 | -154 |
| 4160 Budget authority, net (mandatory) ..... | ..... | ..... | ..... |
| 4170 Outlays, net (mandatory) | 6 | 4 | ..... |
| 4180 Budget authority, net (total) ..... | ..... | ..... | ..... |
| 4190 Outlays, net (total) | 6 | 4 | ..... |

The Insurance Act of 1951 established the Service-Disabled Veterans Insurance (S-DVI) program for veterans with service-connected disabilities. S-DVI is open to veterans who separated

from the service on or after April 25, 1951. This fund finances the payment of claims on existing life insurance policies and remains open for new issues at standard rates to veterans having service-connected disabilities.

OPERATING COSTS

Death claims.—Represents payments to designated beneficiaries.

All other.—Represents payments to policyholders who surrender their policies for their cash value and hold endowment policies which have matured.

Capital investment.—A policyholder may borrow up to 94 percent of the value of his or her policy.

Payments to General Operating Expenses (GOE).—Represents the administrative costs of claims processing and account maintenance.

The trend in the number and amount of policies in force is indicated in the following table.

POLICIES AND INSURANCE IN FORCE

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|---------|-----------|
| Number of policies (EOY) | 213,295 | 239,914 | 256,143 |
| Insurance in force (dollars in millions) (EOY) | \$2,179 | \$2,479 | \$2,667 |

Financing.—Operations are financed from premiums and other receipts. Additional funds are received by transfer from the Veterans Insurance and Indemnities appropriation, instead of direct appropriations to this fund.

Operating results and financial condition.—Since premium and other receipts are insufficient to cover operations, the fund continues to project liabilities in excess of assets. The deficit is expected to reach an estimated \$1,225 million by September 30, 2012.

Object Classification (in millions of dollars)

| Identification code 36-4012-0-3-701 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Reimbursable obligations: | | | |
| 33.0 Investments and loans | 19 | 19 | 20 |
| 42.0 Insurance claims and indemnities | 93 | 119 | 134 |
| 99.0 Reimbursable obligations | 112 | 138 | 154 |
| 99.9 Total new obligations | 112 | 138 | 154 |

VETERANS REOPENED INSURANCE FUND

Program and Financing (in millions of dollars)

| Identification code 36-4010-0-3-701 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0801 Death claims | 33 | 35 | 34 |
| 0802 Dividends | 7 | 6 | 5 |
| 0803 All other | 5 | 5 | 4 |
| 0804 Capital investment: policy loans | 2 | 2 | 2 |
| 0900 Total new obligations | 47 | 48 | 45 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 283 | 262 | 237 |
| Budget authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 26 | 24 | 19 |
| 1801 Change in uncollected payments, Federal sources | | -1 | |
| 1850 Spending auth from offsetting collections, mand (total) | 26 | 23 | 19 |
| 1930 Total budgetary resources available | 309 | 285 | 256 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 262 | 237 | 211 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 53 | 51 | 47 |

| | | | | |
|--|--|-----|-----|-----|
| 3010 | Uncollected pymts, Fed sources, brought forward, Oct 1 | -5 | -5 | -4 |
| 3020 | Obligated balance, start of year (net) | 48 | 46 | 43 |
| 3030 | Obligations incurred, unexpired accounts | 47 | 48 | 45 |
| 3040 | Outlays (gross) | -49 | -52 | -48 |
| 3050 | Change in uncollected pymts, Fed sources, unexpired | | 1 | |
| Obligated balance, end of year (net): | | | | |
| 3090 | Unpaid obligations, end of year (gross) | 51 | 47 | 44 |
| 3091 | Uncollected pymts, Fed sources, end of year | -5 | -4 | -4 |
| 3100 | Obligated balance, end of year (net) | 46 | 43 | 40 |

Budget authority and outlays, net:

| | | | | |
|--|--|-----|-----|-----|
| Mandatory: | | | | |
| 4090 | Budget authority, gross | 26 | 23 | 19 |
| Outlays, gross: | | | | |
| 4100 | Outlays from new mandatory authority | 26 | 23 | 19 |
| 4101 | Outlays from mandatory balances | 23 | 29 | 29 |
| 4110 | Outlays, gross (total) | 49 | 52 | 48 |
| Offsets against gross budget authority and outlays: | | | | |
| Offsetting collections (collected) from: | | | | |
| 4121 | Interest on Federal securities | -18 | -17 | -13 |
| 4123 | Non-Federal sources | -8 | -7 | -6 |
| 4130 | Offsets against gross budget authority and outlays (total) | -26 | -24 | -19 |
| Additional offsets against gross budget authority only: | | | | |
| 4140 | Change in uncollected pymts, Fed sources, unexpired | | 1 | |
| 4160 | Budget authority, net (mandatory) | | | |
| 4170 | Outlays, net (mandatory) | 23 | 28 | 29 |
| 4180 | Budget authority, net (total) | | | |
| 4190 | Outlays, net (total) | 23 | 28 | 29 |

Memorandum (non-add) entries:

| | | | | |
|------|---|-----|-----|-----|
| 5000 | Total investments, SOY: Federal securities: Par value | 331 | 308 | 279 |
| 5001 | Total investments, EOY: Federal securities: Par value | 308 | 279 | 250 |

Note.—Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund pays claims and administrative costs on participating life insurance policies issued during the period May 1, 1965, through May 2, 1966, under three life insurance programs: (1) service-disabled standard insurance; (2) service-disabled rated insurance; and (3) nonservice-disabled insurance availing disabled World War II and Korean conflict veterans an opportunity to acquire life insurance coverage who were no longer eligible for other Government insurance.

Budget program:

Death claims.—Represents payments to designated beneficiaries.

Dividends.—Policyholders participate in the distribution of annual dividends.

All other.—This represents resources for the administrative costs of processing claims and maintaining the accounts, and to those policyholders who: (a) surrender their policies for cash value; (b) hold endowment policies which have matured; and (c) have purchased total disability income coverage and subsequently become disabled.

Policy loans made.—A policyholder may borrow up to 94 percent of the cash value of his policy at an interest rate adjusted to reflect private sector borrowing costs.

The following table reflects the decrease in the number of policies and the amount of insurance in force:

POLICIES AND INSURANCE IN FORCE

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|---------|-----------|
| Number of policies | 31,425 | 27,735 | 24,175 |
| Insurance in force (dollars in millions) | \$317 | \$281 | \$247 |

Financing.—Operations are financed from premiums collected from policyholders and interest on investments. Excess earnings of the fund are distributed to the policyholders in the form of an annual dividend.

VETERANS REOPENED INSURANCE FUND—Continued
Object Classification (in millions of dollars)

| Identification code 36-4010-0-3-701 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Reimbursable obligations: | | | |
| 33.0 Investments and loans | 2 | 2 | 2 |
| 42.0 Insurance claims and indemnities | 35 | 38 | 37 |
| 43.0 Interest and dividends | 10 | 8 | 6 |
| 99.0 Reimbursable obligations | 47 | 48 | 45 |
| 99.9 Total new obligations | 47 | 48 | 45 |

SERVICEMEMBERS' GROUP LIFE INSURANCE FUND
Program and Financing (in millions of dollars)

| Identification code 36-4009-0-3-701 | 2010 actual | CR | 2012 est. |
|--|-------------|--------|-----------|
| Obligations by program activity: | | | |
| 0801 Premium payments | 822 | 836 | 834 |
| 0802 Payments to carrier | 297 | 270 | ..... |
| 0803 Payment to GOE | 2 | 3 | 3 |
| 0900 Total new obligations (object class 41.0) | 1,121 | 1,109 | 837 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 1 | 1 | 1 |
| Budget authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 1,121 | 1,109 | 837 |
| 1930 Total budgetary resources available | 1,122 | 1,110 | 838 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 1 | 1 | 1 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 11 | ..... | ..... |
| 3030 Obligations incurred, unexpired accounts | 1,121 | 1,109 | 837 |
| 3040 Outlays (gross) | -1,132 | -1,109 | -837 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) ..... | ..... | ..... | ..... |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 1,121 | 1,109 | 837 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 1,121 | 1,109 | 837 |
| 4101 Outlays from mandatory balances | 11 | ..... | ..... |
| 4110 Outlays, gross (total) | 1,132 | 1,109 | 837 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4123 Non-Federal sources | -1,121 | -1,109 | -837 |
| 4160 Budget authority, net (mandatory) ..... | ..... | ..... | ..... |
| 4170 Outlays, net (mandatory) | 11 | ..... | ..... |
| 4180 Budget authority, net (total) ..... | ..... | ..... | ..... |
| 4190 Outlays, net (total) | 11 | ..... | ..... |
| Memorandum (non-add) entries: | | | |
| 5000 Total investments, SOY: Federal securities: Par value | 1 | 1 | 1 |
| 5001 Total investments, EOY: Federal securities: Par value | 1 | 1 | 1 |

This fund finances the payment of group life insurance premiums to private insurance companies under the Servicemembers' Group Life Insurance (SGLI) Act of 1965, as amended. SGLI is a program for servicemembers on active duty, ready reservists, members of the National Guard, members of the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service, cadets and midshipmen of the four service academies, and members of the Reserve Officer Training Corps. SGLI coverage is available in \$50,000 increments up to the maximum of \$400,000. Veterans' Group Life Insurance (VGLI) is a program of post-separation insurance which allows service members to convert their SGLI coverage to renewable term insurance. Family Servicemembers' Group Life Insurance

(FSGLI) is a program extended to the spouses and dependent children of members insured under the SGLI program. FSGLI provides up to a maximum of \$100,000 of insurance coverage for spouses, not to exceed the amount of SGLI the insured member has in force, and \$10,000 of free coverage for dependent children. Spousal coverage is issued in increments of \$10,000.

The Servicemembers' Group Life Insurance Traumatic Injury Protection Program (TSGLI) became effective December 1, 2005. TSGLI provides for payment between \$25,000 and \$100,000 (depending on the type of injury) to any member of the uniformed services covered by SGLI who sustains a traumatic injury that results in certain serious losses.

Object Classification (in millions of dollars)

| Identification code 36-4009-0-3-701 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Reimbursable obligations: | | | |
| 41.0 Grants, subsidies, and contributions | 1,121 | 1,109 | 837 |
| 99.0 Reimbursable obligations | 1,121 | 1,109 | 837 |

VETERANS HOUSING BENEFIT PROGRAM FUND

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by subchapters I through III of chapter 37 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That during fiscal year 2012, within the resources available, not to exceed \$500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$154,698,000.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-1119-0-1-704 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Obligations by program activity: | | | |
| Credit program obligations: | | | |
| 0701 Direct loan subsidy ..... | ..... | ..... | 5 |
| 0702 Loan guarantee subsidy | 5 | 20 | 314 |
| 0705 Reestimates of direct loan subsidy | 72 | 53 | ..... |
| 0706 Interest on reestimates of direct loan subsidy | 43 | 35 | ..... |
| 0707 Reestimates of loan guarantee subsidy | 642 | 1,091 | ..... |
| 0708 Interest on reestimates of loan guarantee subsidy | 46 | 205 | ..... |
| 0709 Administrative expenses | 144 | 165 | 155 |
| 0900 Total new obligations | 952 | 1,569 | 474 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 43 | 43 | 42 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 165 | 165 | 155 |
| Appropriations, mandatory: | | | |
| 1200 Appropriation | 808 | 1,403 | 319 |
| 1900 Budget authority (total) | 973 | 1,568 | 474 |
| 1930 Total budgetary resources available | 1,016 | 1,611 | 516 |
| Memorandum (non-add) entries: | | | |
| 1940 Unobligated balance expiring | -21 | ..... | ..... |
| 1941 Unexpired unobligated balance, end of year | 43 | 42 | 42 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) ..... | ..... | ..... | 1 |
| 3030 Obligations incurred, unexpired accounts | 952 | 1,569 | 474 |
| 3040 Outlays (gross) | -952 | -1,568 | -474 |

| | | | |
|---|---|-----|-------|
| Obligated balance, end of year (net): | | | |
| 3090 | Unpaid obligations, end of year (gross) | 1 | 1 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 | Budget authority, gross | 165 | 165 |
| Outlays, gross: | | | |
| 4010 | Outlays from new discretionary authority | 144 | 165 |
| Mandatory: | | | |
| 4090 | Budget authority, gross | 808 | 1,403 |
| Outlays, gross: | | | |
| 4100 | Outlays from new mandatory authority | 808 | 1,403 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 | Federal sources | -6 | |
| Additional offsets against gross budget authority only: | | | |
| 4142 | Offsetting collections credited to expired accounts | 6 | |
| 4160 | Budget authority, net (mandatory) | 808 | 1,403 |
| 4170 | Outlays, net (mandatory) | 802 | 1,403 |
| 4180 | Budget authority, net (total) | 973 | 1,568 |
| 4190 | Outlays, net (total) | 946 | 1,568 |

Summary of Budget Authority and Outlays (in millions of dollars)

| | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Enacted/requested: | | | |
| Budget Authority | 973 | 1,568 | 474 |
| Outlays | 946 | 1,568 | 474 |
| Legislative proposal, subject to PAYGO: | | | |
| Budget Authority | | | -86 |
| Outlays | | | -86 |
| Total: | | | |
| Budget Authority | 973 | 1,568 | 388 |
| Outlays | 946 | 1,568 | 388 |

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

| Identification code 36-1119-0-1-704 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Acquired Direct Loans | 6 | 101 | 122 |
| 115004 Vendee Direct Loans | 245 | 981 | 1,114 |
| 115999 Total direct loan levels | 251 | 1,082 | 1,236 |
| Direct loan subsidy (in percent): | | | |
| 132001 Acquired Direct Loans | -10.15 | -0.13 | 4.09 |
| 132004 Vendee Direct Loans | -4.45 | -2.42 | -2.12 |
| 132999 Weighted average subsidy rate | -4.59 | -2.21 | -1.51 |
| Direct loan subsidy budget authority: | | | |
| 133001 Acquired Direct Loans | -1 | | 5 |
| 133004 Vendee Direct Loans | -10 | -24 | -24 |
| 133999 Total subsidy budget authority | -11 | -24 | -19 |
| Direct loan subsidy outlays: | | | |
| 134001 Acquired Direct Loans | -1 | | 5 |
| 134004 Vendee Direct Loans | -11 | -24 | -24 |
| 134999 Total subsidy outlays | -12 | -24 | -19 |
| Direct loan upward reestimates: | | | |
| 135001 Acquired Direct Loans | 9 | 7 | |
| 135004 Vendee Direct Loans | | 5 | |
| 135005 Acquired and Vendee Loan Reestimates | 106 | 76 | |
| 135999 Total upward reestimate budget authority | 115 | 88 | |
| Direct loan downward reestimates: | | | |
| 137001 Acquired Direct Loans | | -2 | |
| 137004 Vendee Direct Loans | -3 | -8 | |
| 137005 Acquired and Vendee Loan Reestimates | | -2 | |
| 137999 Total downward reestimate budget authority | -3 | -12 | |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Housing Guaranteed Loans | 63,140 | 68,407 | 57,469 |
| 215002 Guaranteed Loan Sale Securities—Vendee | 227 | 990 | 1,046 |
| 215999 Total loan guarantee levels | 63,367 | 69,397 | 58,515 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Housing Guaranteed Loans | -0.17 | -0.31 | 0.35 |
| 232002 Guaranteed Loan Sale Securities—Vendee | 2.42 | 2.00 | 10.75 |
| 232999 Weighted average subsidy rate | -0.16 | -0.28 | 0.54 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Housing Guaranteed Loans | -107 | -212 | 201 |
| 233002 Guaranteed Loan Sale Securities—Vendee | 5 | 20 | 112 |
| 233999 Total subsidy budget authority | -102 | -192 | 314 |

| | | | |
|---|------|-------|-----|
| Guaranteed loan subsidy outlays: | | | |
| 234001 Housing Guaranteed Loans | -111 | -212 | 201 |
| 234002 Guaranteed Loan Sale Securities—Vendee | 5 | 20 | 112 |
| 234999 Total subsidy outlays | -106 | -192 | 313 |
| Guaranteed loan upward reestimates: | | | |
| 235001 Housing Guaranteed Loans | 674 | 1,264 | |
| 235002 Guaranteed Loan Sale Securities—Vendee | 14 | 33 | |
| 235999 Total upward reestimate budget authority | 688 | 1,297 | |
| Guaranteed loan downward reestimates: | | | |
| 237001 Housing Guaranteed Loans | -243 | -17 | |
| 237002 Guaranteed Loan Sale Securities—Vendee | -22 | -1 | |
| 237999 Total downward reestimate subsidy budget authority | -265 | -18 | |
| Administrative expense data: | | | |
| 3510 Budget authority | 171 | 165 | 155 |
| 3590 Outlays from new authority | 144 | 165 | 155 |

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

Veterans housing program account.—The housing program helps eligible veterans, active duty personnel, surviving spouses, and members of the Reserves and National Guard purchase homes by substituting the Federal Government's guaranty for a down payment that might otherwise be required when purchasing a home. Under 38 U.S.C. 3703 and Public Law 110-389 501, the guaranty amount from January 1, 2009 through December 31, 2011 for a borrower with full entitlement is as follows:

(a) 50 percent for loans of \$45,000 or less; \$22,500 for loans greater than \$45,000, but no more than \$56,250;

(b) The lesser of \$36,000 or 40 percent of the loan amount for loans greater than \$56,250, but not more than \$144,000;

(c) 25 percent for loans in excess of \$144,000 up to \$417,000 or;

(d) The lesser of 25 percent of the loan amount or the maximum guaranty amount for loans greater than \$417,000.

The maximum guaranty amount varies depending on the location of the property.

1) For all locations in the United States other than Alaska, Guam, Hawaii, and the U.S. Virgin Islands, the maximum guaranty amount is the greater of 25 percent of (a) \$417,000 or (b) 125 percent of the area median price for a single-family residence, but in no case will the guaranty exceed \$273,656.25.

2) In Alaska, Guam, Hawaii, and the U.S. Virgin Islands, the maximum guaranty amount is the greater of 25 percent of (a) \$625,500 or (b) 125 percent of the area median price for a single-family residence, but in no case will the guaranty exceed \$410,484.38.

3) The maximum guaranty amounts set forth above will be adjusted October 1, 2011 and will affect loans closed on October 1, 2011 through December 31, 2011.

4) Beginning with loans closed on January 1, 2012, the maximum guaranty amounts will be based on the Freddie Mac county loan limits as determined under 12 U.S.C. 1454(a)(2).

This appropriation provides for the corporate leadership and operational support to VA's housing business line.

The housing program facilitates the extension of private capital, on more liberal terms than generally available to nonveterans, to assist veterans and servicepersons in obtaining housing credit, and assist veterans in retaining their homes during periods of temporary economic difficulty through intensive supplemental mortgage loan servicing.

VETERANS HOUSING BENEFIT PROGRAM FUND—Continued

Guaranteed transitional housing loans for homeless veterans.—Established as a pilot project by the Veterans Benefits Improvement Act of 1998, Public Law 105–368, this program will not execute any new loans. The existing loan will continue to be serviced within the financing account and no further funds will be required from the program account.

WORKLOAD

[In thousands]

| | 2010 actual | 2011 CR | 2012 est. |
|----------------------------------|-------------|---------|-----------|
| Construction and valuation | 328 | 334 | 275 |
| Loan processing | 732 | 744 | 614 |
| Loan service and claims | 91 | 101 | 101 |

Object Classification (in millions of dollars)

| Identification code 36–1119–0–1–704 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| Direct obligations: | | | |
| 25.2 Other services from non-federal sources | 144 | 165 | 155 |
| 41.0 Grants, subsidies, and contributions | 808 | 1,404 | 319 |
| 99.9 Total new obligations | 952 | 1,569 | 474 |

VETERANS HOUSING BENEFIT PROGRAM FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 36–1119–4–1–704 | 2010 actual | CR | 2012 est. |
|--|-------------|----|-----------|
| Obligations by program activity: | | | |
| Credit program obligations: | | | |
| 0702 Loan guarantee subsidy | | | -86 |
| 0900 Total new obligations (object class 41.0) | | | -86 |
| Budgetary Resources: | | | |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1200 Appropriation | | | -86 |
| 1930 Total budgetary resources available | | | -86 |
| Change in obligated balance: | | | |
| 3030 Obligations incurred, unexpired accounts | | | -86 |
| 3040 Outlays (gross) | | | 86 |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | | | -86 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | | | -86 |
| 4180 Budget authority, net (total) | | | -86 |
| 4190 Outlays, net (total) | | | -86 |

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

| Identification code 36–1119–4–1–704 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Housing Guaranteed Loans | | | 106 |
| 215002 Guaranteed Loan Sale Securities—Vendee | | | 1,046 |
| 215999 Total loan guarantee levels | | | 1,152 |
| Guaranteed loan subsidy (in percent): | | | |
| 232002 Guaranteed Loan Sale Securities—Vendee | | | -8.22 |
| 232999 Weighted average subsidy rate | | | -0.47 |
| Guaranteed loan subsidy budget authority: | | | |
| 233002 Guaranteed Loan Sale Securities—Vendee | | | -86 |
| 233999 Total subsidy budget authority | | | -86 |
| Guaranteed loan subsidy outlays: | | | |
| 234002 Guaranteed Loan Sale Securities—Vendee | | | -86 |
| 234999 Total subsidy outlays | | | -86 |

HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 36–4127–0–3–704 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Obligations by program activity: | | | |
| 0003 Property sales expense | 9 | 3 | 3 |
| 0004 Property management/other expense | 6 | 15 | 9 |
| 0091 Subtotal | 15 | 18 | 12 |
| Credit program obligations: | | | |
| 0710 Direct loan obligations | 252 | 1,082 | 1,236 |
| 0713 Payment of interest to Treasury | 106 | 90 | 95 |
| 0740 Negative subsidy obligations | 11 | 24 | 24 |
| 0742 Downward reestimate paid to receipt account | 3 | 8 | |
| 0743 Interest on downward reestimates | | 4 | |
| 0791 Direct program activities, subtotal | 372 | 1,208 | 1,355 |
| 0900 Total new obligations | 387 | 1,226 | 1,367 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | -33 | 153 | 153 |
| 1020 Adjustment of unobligated bal brought forward, Oct 1 | 33 | | |
| 1050 Unobligated balance (total) | | 153 | 153 |
| Financing authority: | | | |
| Borrowing authority, mandatory: | | | |
| 1400 Borrowing authority | 1,297 | 1,226 | 1,363 |
| 1421 Borrowing authority applied to repay debt | -757 | | |
| 1440 Borrowing authority, mandatory (total) | 540 | 1,226 | 1,363 |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 477 | 1,172 | 1,170 |
| 1801 Change in uncollected payments, Federal sources | -1 | | |
| 1825 Spending authority from offsetting collections applied to repay debt | -476 | -1,172 | -1,165 |
| 1850 Spending auth from offsetting collections, mand (total) | | | 5 |
| 1900 Financing authority (total) | 540 | 1,226 | 1,368 |
| 1930 Total budgetary resources available | 540 | 1,379 | 1,521 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 153 | 153 | 154 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 43 | 16 | 23 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | -1 | | |
| 3020 Obligated balance, start of year (net) | 42 | 16 | 23 |
| 3030 Obligations incurred, unexpired accounts | 387 | 1,226 | 1,367 |
| 3040 Financing disbursements (gross) | -414 | -1,219 | -1,365 |
| 3050 Change in uncollected pymts, Fed sources, unexpired | 1 | | |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 16 | 23 | 25 |
| 3091 Uncollected pymts, Fed sources, end of year | | | |
| 3100 Obligated balance, end of year (net) | 16 | 23 | 25 |
| Financing authority and disbursements, net: | | | |
| Mandatory: | | | |
| 4090 Financing authority, gross | 540 | 1,226 | 1,368 |
| Financing disbursements: | | | |
| 4110 Financing disbursements, gross | 414 | 1,219 | 1,365 |
| Offsets against gross financing authority and disbursements: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 Federal sources: Payments from program account | -115 | -87 | -5 |
| 4120 Reimbursements from DLFA | -227 | -995 | -1,051 |
| 4120 Transfer of loan sales from loan sale security | -5 | -3 | -4 |
| 4122 Interest on uninvested funds | -35 | | |
| 4123 Repayments of principal | -44 | -25 | -29 |
| 4123 Interest received on loans | -31 | -34 | -37 |
| 4123 Fees | -2 | -8 | -9 |
| 4123 Cash sale of properties | -17 | -20 | -35 |
| 4123 Other | -1 | | |
| 4130 Offsets against gross financing auth and disbursements (total) | -477 | -1,172 | -1,170 |
| Additional offsets against financing authority only (total): | | | |
| 4140 Change in uncollected pymts, Fed sources, unexpired | 1 | | |
| 4160 Financing authority, net (mandatory) | 64 | 54 | 198 |
| 4170 Financing disbursements, net (mandatory) | -63 | 47 | 195 |
| 4180 Financing authority, net (total) | 64 | 54 | 198 |
| 4190 Financing disbursements, net (total) | -63 | 47 | 195 |

Status of Direct Loans (in millions of dollars)

| Identification code 36-4127-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1131 Direct loan obligations exempt from limitation | 252 | 1,082 | 1,236 |
| 1150 Total direct loan obligations | 252 | 1,082 | 1,236 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 696 | 639 | 663 |
| 1231 Disbursements: Direct loan disbursements | 251 | 1,082 | 1,236 |
| Repayments: | | | |
| 1251 Repayments and prepayments | -44 | -25 | -29 |
| 1253 Proceeds from loan asset sales to the public with recourse | -227 | -995 | -1,051 |
| Write-offs for default: | | | |
| 1263 Direct loans | -61 | -38 | -28 |
| 1264 Other adjustments, Data Reconciliation | 24 | | |
| 1290 Outstanding, end of year | 639 | 663 | 791 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 36-4127-0-3-704 | 2009 actual | 2010 actual |
|--|-------------|-------------|
| ASSETS: | | |
| Federal assets: | | |
| 1101 Fund balances with Treasury | 9 | 168 |
| Investments in US securities: | | |
| 1106 Receivables, net | 101 | 63 |
| Net value of assets related to post-1991 direct loans receivable: | | |
| 1401 Direct loans receivable, gross | 696 | 639 |
| 1402 Interest receivable | 1 | 8 |
| 1404 Foreclosed property | 18 | 22 |
| 1405 Allowance for subsidy cost | 713 | 714 |
| 1499 Net present value of assets related to direct loans | 1,428 | 1,383 |
| 1999 Total assets | 1,538 | 1,614 |
| LIABILITIES: | | |
| Federal liabilities: | | |
| 2103 Debt | 1,491 | 1,587 |
| 2105 Other | 47 | 19 |
| 2207 Non-Federal liabilities: Other | | 8 |
| 2999 Total liabilities | 1,538 | 1,614 |
| 4999 Total upward reestimate subsidy BA [36-1119] | 1,538 | 1,614 |

HOUSING GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 36-4129-0-3-704 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| Obligations by program activity: | | | |
| 0002 Losses on defaulted loans | 988 | 604 | 444 |
| 0004 Reimburse DLFA for loan sales | 270 | 994 | 1,052 |
| 0005 Payment to trustee reserve | 22 | 2 | 2 |
| 0006 Reimburse liquidating for subordination certificate | | 1 | |
| 0009 Property sales expense | 137 | 106 | 104 |
| 0010 Property management expense | 64 | 79 | 75 |
| 0011 Property improvement expense | 9 | 28 | 26 |
| 0012 Loans acquired | 6 | 122 | 141 |
| 0091 Subtotal | 1,496 | 1,936 | 1,844 |
| Credit program obligations: | | | |
| 0711 Default claim payments on principal | 1,806 | 1,251 | 1,413 |
| 0712 Default claim payments on interest | | 1 | 1 |
| 0713 Payment of interest to Treasury | 3 | | |
| 0740 Negative subsidy obligations | 107 | 212 | |
| 0742 Downward reestimate paid to receipt account | 148 | 7 | |
| 0743 Interest on downward reestimates | 118 | 11 | |
| 0791 Direct program activities, subtotal | 2,182 | 1,482 | 1,414 |

| | | | |
|----------------------------------|-------|-------|-------|
| 0900 Total new obligations | 3,678 | 3,418 | 3,258 |
|----------------------------------|-------|-------|-------|

Budgetary Resources:

| | | | |
|---|-------|-------|-------|
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 2,600 | 2,213 | 3,596 |
| Financing authority: | | | |
| Borrowing authority, mandatory: | | | |
| 1400 Borrowing authority | 99 | 212 | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 3,325 | 4,801 | 3,469 |
| 1801 Change in uncollected payments, Federal sources | -34 | | |
| 1825 Spending authority from offsetting collections applied to repay debt | -99 | -212 | |
| 1850 Spending auth from offsetting collections, mand (total) | 3,192 | 4,589 | 3,469 |
| 1900 Financing authority (total) | 3,291 | 4,801 | 3,469 |
| 1930 Total budgetary resources available | 5,891 | 7,014 | 7,065 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 2,213 | 3,596 | 3,807 |

Change in obligated balance:

| | | | |
|---|--------|--------|--------|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 51 | 269 | 50 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | -40 | -6 | -6 |
| 3020 Obligated balance, start of year (net) | 11 | 263 | 44 |
| 3030 Obligations incurred, unexpired accounts | 3,678 | 3,418 | 3,258 |
| 3040 Financing disbursements (gross) | -3,460 | -3,637 | -3,258 |
| 3050 Change in uncollected pymts, Fed sources, unexpired | 34 | | |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 269 | 50 | 50 |
| 3091 Uncollected pymts, Fed sources, end of year | -6 | -6 | -6 |
| 3100 Obligated balance, end of year (net) | 263 | 44 | 44 |

Financing authority and disbursements, net:

| | | | |
|---|--------|--------|--------|
| Mandatory: | | | |
| 4090 Financing authority, gross | 3,291 | 4,801 | 3,469 |
| Financing disbursements: | | | |
| 4110 Financing disbursements, gross | 3,460 | 3,637 | 3,258 |
| Offsets against gross financing authority and disbursements: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 Payments from program account | -694 | -1,316 | -314 |
| 4120 Recoveries from DLFA | -279 | -940 | -957 |
| 4122 Interest on uninvested funds | -105 | -65 | -73 |
| 4123 Funding fees | -877 | -936 | -611 |
| 4123 Cash sale of properties | -1,140 | -545 | -544 |
| 4123 Redemption of properties and other | -1 | | |
| 4123 Loan sale proceeds | -229 | -999 | -970 |
| 4130 Offsets against gross financing auth and disbursements (total) | -3,325 | -4,801 | -3,469 |
| Additional offsets against financing authority only (total): | | | |
| 4140 Change in uncollected pymts, Fed sources, unexpired | 34 | | |
| 4160 Financing authority, net (mandatory) | | | |
| 4170 Financing disbursements, net (mandatory) | 135 | -1,164 | -211 |
| 4180 Financing authority, net (total) | | | |
| 4190 Financing disbursements, net (total) | 135 | -1,164 | -211 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 36-4129-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|---------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2131 Guaranteed loan commitments exempt from limitation | 63,140 | 68,407 | 57,469 |
| 2132 Guaranteed loan commitments for loan asset sales with recourse | 227 | 990 | 1,046 |
| 2150 Total guaranteed loan commitments | 63,367 | 69,397 | 58,515 |
| 2199 Guaranteed amount of guaranteed loan commitments | 17,653 | 19,870 | 16,908 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 192,945 | 224,306 | 286,043 |
| 2231 Disbursements of new guaranteed loans | 63,140 | 68,407 | 57,469 |
| 2232 Guarantees of loans sold to the public with recourse | 227 | 990 | 1,046 |
| 2251 Repayments and prepayments | -4,834 | -5,681 | -6,530 |
| Adjustments: | | | |
| 2262 Terminations for default that result in acquisition of property | -1,806 | -1,251 | -1,413 |
| 2263 Terminations for default that result in claim payments | -1,017 | -728 | -588 |
| 2264 Other adjustments, net | -24,349 | | |
| 2290 Outstanding, end of year | 224,306 | 286,043 | 336,027 |

HOUSING GUARANTEED LOAN FINANCING ACCOUNT—Continued
Status of Guaranteed Loans—Continued

| Identification code 36-4129-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 68,057 | 85,165 | 99,110 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond, including modifications of guaranteed loans that resulted from commitments in any year, and from the guarantee of loans sold through the securitization programs. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 36-4129-0-3-704 | 2009 actual | 2010 actual |
|--|-------------|-------------|
| ASSETS: | | |
| Federal assets: | | |
| 1101 Fund balances with Treasury | 2,579 | 2,477 |
| Investments in US securities: | | |
| 1106 Receivables, net | 718 | 1,483 |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | |
| 1504 Accounts receivable from foreclosed property | 9 | |
| 1504 Foreclosed property | 890 | 1,200 |
| 1505 Allowance for subsidy cost (-) | 33 | |
| 1599 Net present value of assets related to defaulted guaranteed loans | 932 | 1,200 |
| 1999 Total assets | 4,229 | 5,160 |
| LIABILITIES: | | |
| Federal liabilities: Other liabilities | | |
| 2105 Federal liabilities: Other liabilities | 299 | 10 |
| Non-Federal liabilities: | | |
| 2201 Accounts payable | 19 | 15 |
| 2203 Debt | | 254 |
| 2204 Non-federal liabilities for loan guarantees | 3,911 | 4,881 |
| 2999 Total liabilities | 4,229 | 5,160 |
| 4999 Total upward reestimate subsidy BA [36-1119] | 4,229 | 5,160 |

HOUSING GUARANTEED LOAN FINANCING ACCOUNT
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 36-4129-4-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Financing authority and disbursements, net: | | | |
| Mandatory: | | | |
| Offsets against gross financing authority and disbursements: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 Federal sources | | | 86 |
| 4123 Non-Federal sources | | | -86 |
| 4130 Offsets against gross financing auth and disbursements (total) | | | |
| 4180 Financing authority, net (total) | | | |
| 4190 Financing disbursements, net (total) | | | |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 36-4129-4-3-704 | 2010 actual | CR | 2012 est. |
|--|-------------|----|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2131 Guaranteed loan commitments exempt from limitation | | | 106 |
| 2132 Guaranteed loan commitments for loan asset sales with recourse | | | 1,046 |
| 2150 Total guaranteed loan commitments | | | 1,152 |
| 2199 Guaranteed amount of guaranteed loan commitments | | | 288 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | | | |
| 2231 Disbursements of new guaranteed loans | | | 106 |

| | | | |
|---|--|--|-------|
| 2232 Guarantees of loans sold to the public with recourse | | | 1,046 |
| 2262 Adjustments: Terminations for default that result in acquisition of property | | | |
| 2290 Outstanding, end of year | | | 1,152 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | | | 288 |

HOUSING LIQUIDATING ACCOUNT
Program and Financing (in millions of dollars)

| Identification code 36-4025-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0104 Claims processed and repaid default claims | 2 | 2 | 2 |
| 0105 Other operating expenses | 3 | 3 | 3 |
| 0191 Total operating expenses | 5 | 5 | 5 |
| Credit program obligations: | | | |
| 0711 Default claim payments on principal | 8 | 5 | 4 |
| 0900 Total new obligations | 13 | 10 | 9 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 5 | 2 | |
| 1022 Capital transfer of unobligated balances to general fund | -5 | -2 | |
| 1050 Unobligated balance (total) | | | |
| Budget authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 22 | 17 | 15 |
| 1820 Capital transfer of spending authority from offsetting collections to general fund | -7 | -7 | -6 |
| 1850 Spending auth from offsetting collections, mand (total) | 15 | 10 | 9 |
| 1930 Total budgetary resources available | 15 | 10 | 9 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 2 | | |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 1 | 2 | |
| 3030 Obligations incurred, unexpired accounts | 13 | 10 | 9 |
| 3040 Outlays (gross) | -12 | -12 | -9 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 2 | | |

| | | | |
|---|-----|-----|-----|
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 15 | 10 | 9 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 12 | 10 | 9 |
| 4101 Outlays from mandatory balances | | 2 | |
| 4110 Outlays, gross (total) | 12 | 12 | 9 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 Federal sources | -1 | -1 | -1 |
| 4120 Federal sources | -1 | | |
| 4123 Loan repayments and prepayments | -3 | -3 | -3 |
| 4123 Sale of homes, cash | -6 | -3 | -3 |
| 4123 Interest on loans | -2 | -1 | -1 |
| 4123 Interest on subordinate certificates | -1 | -1 | -1 |
| 4123 Principal collection of Veteran liability debts | -3 | -3 | -2 |
| 4123 Principal collection on Veteran liability debts | -4 | -4 | -3 |
| 4123 Other revenues (including adjustments) | -1 | -1 | -1 |
| 4130 Offsets against gross budget authority and outlays (total) | -22 | -17 | -15 |
| 4160 Budget authority, net (mandatory) | -7 | -7 | -6 |
| 4170 Outlays, net (mandatory) | -10 | -5 | -6 |
| 4180 Budget authority, net (total) | -7 | -7 | -6 |
| 4190 Outlays, net (total) | -10 | -5 | -6 |

| | | | |
|---|-----|-----|-----|
| Memorandum (non-add) entries: | | | |
| 5010 Total investments, SOY: non-Fed securities: Market value | 140 | 140 | 140 |
| 5011 Total investments, EOY: non-Fed securities: Market value | 140 | 140 | 140 |

Status of Direct Loans (in millions of dollars)

| Identification code 36-4025-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 21 | 17 | 14 |
| 1251 Repayments: Repayments and prepayments | -4 | -3 | -3 |
| 1290 Outstanding, end of year | 17 | 14 | 11 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 36-4025-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 831 | 696 | 586 |
| 2251 Repayments and prepayments | -124 | -104 | -88 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | -1 | -1 | |
| 2262 Terminations for default that result in acquisition of property | -8 | -5 | -5 |
| 2263 Terminations for default that result in claim payments | -2 | | |
| 2290 Outstanding, end of year | 696 | 586 | 493 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 299 | 251 | 211 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 33 | 21 | 12 |
| 2331 Disbursements for guaranteed loan claims | 1 | | |
| 2351 Repayments of loans receivable | -4 | -3 | -2 |
| 2361 Write-offs of loans receivable | -9 | -6 | -4 |
| 2390 Outstanding, end of year | 21 | 12 | 6 |

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

Balance Sheet (in millions of dollars)

| Identification code 36-4025-0-3-704 | 2009 actual | 2010 actual |
|---|-------------|-------------|
| ASSETS: | | |
| 1101 Federal assets: Fund balances with Treasury | 6 | 5 |
| 1201 Non-Federal assets: Investments in non-Federal securities, net | 140 | 140 |
| 1601 Direct loans, gross | 20 | 17 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -2 | -2 |
| 1604 Direct loans and interest receivable, net | 18 | 15 |
| 1606 Foreclosed property direct loans | 10 | 9 |
| 1699 Value of assets related to direct loans | 28 | 24 |
| 1701 Defaulted guaranteed loans, gross | 33 | 21 |
| 1703 Allowance for estimated uncollectible loans and interest (-) | -26 | -18 |
| 1704 Defaulted guaranteed loans and interest receivable, net | 7 | 3 |
| 1706 Foreclosed property | 8 | 7 |
| 1799 Value of assets related to loan guarantees | 15 | 10 |
| 1999 Total assets | 189 | 179 |
| LIABILITIES: | | |
| 2103 Federal liabilities: Debt | 189 | 177 |
| 2207 Non-Federal liabilities: Other | | 2 |
| 2999 Total liabilities | 189 | 179 |
| NET POSITION: | | |
| 3999 Total net position | | |
| 4999 Total liabilities and net position | 189 | 179 |

Object Classification (in millions of dollars)

| Identification code 36-4025-0-3-704 | 2010 actual | CR | 2012 est. |
|---------------------------------------|-------------|----|-----------|
| Direct obligations: | | | |
| 32.0 Land and structures | 8 | 5 | 5 |
| 33.0 Investments and loans | 3 | 5 | 4 |
| 42.0 Insurance claims and indemnities | 2 | | |

| | | | |
|----------------------------|----|----|---|
| 99.0 Direct obligations | 13 | 10 | 9 |
| 99.9 Total new obligations | 13 | 10 | 9 |

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, \$1,116,000.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$19,000, as authorized by chapter 31 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$3,019,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$343,000, which may be paid to the appropriation for "General operating expenses".

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-1120-0-1-704 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Obligations by program activity: | | | |
| Credit program obligations: | | | |
| 0705 Reestimates of direct loan subsidy | 1 | 5 | |
| 0706 Interest on reestimates of direct loan subsidy | 1 | | |
| 0709 Administrative expenses | 1 | 1 | 1 |
| 0900 Total new obligations (object class 25.2) | 3 | 6 | 1 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 2 | 2 | 2 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 1 | 1 | 1 |
| Appropriations, mandatory: | | | |
| 1200 Appropriation | 2 | 5 | 1 |
| 1900 Budget authority (total) | 3 | 6 | 2 |
| 1930 Total budgetary resources available | 5 | 8 | 4 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 2 | 2 | 3 |
| Change in obligated balance: | | | |
| 3030 Obligations incurred, unexpired accounts | 3 | 6 | 1 |
| 3040 Outlays (gross) | -3 | -6 | -2 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 1 | 1 | 1 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 1 | 1 | 1 |
| Mandatory: | | | |
| 4090 Budget authority, gross | 2 | 5 | 1 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 2 | 5 | 1 |
| 4180 Budget authority, net (total) | 3 | 6 | 2 |
| 4190 Outlays, net (total) | 3 | 6 | 2 |

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

| Identification code 36-1120-0-1-704 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115002 Native American Direct Loans | 16 | 22 | 9 |
| 115003 Vocational Rehabilitation | 2 | 2 | 3 |
| 115999 Total direct loan levels | 18 | 24 | 12 |
| Direct loan subsidy (in percent): | | | |
| 132002 Native American Direct Loans | -32.78 | -13.65 | -11.97 |
| 132003 Vocational Rehabilitation | 1.27 | 1.57 | 0.63 |
| 132999 Weighted average subsidy rate | -29.00 | -12.38 | -8.82 |

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT—Continued
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program—Continued

| Identification code 36-1120-0-1-704 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Direct loan subsidy budget authority: | | | |
| 133002 Native American Direct Loans | -5 | -3 | -1 |
| 133999 Total subsidy budget authority | -5 | -3 | -1 |
| Direct loan subsidy outlays: | | | |
| 134002 Native American Direct Loans | -5 | -3 | -1 |
| 134999 Total subsidy outlays | -5 | -3 | -1 |
| Direct loan upward reestimates: | | | |
| 135002 Native American Direct Loans | 1 | 5 | |
| 135999 Total upward reestimate budget authority | 1 | 5 | |
| Direct loan downward reestimates: | | | |
| 137002 Native American Direct Loans | -2 | -3 | |
| 137999 Total downward reestimate budget authority | -2 | -3 | |
| Administrative expense data: | | | |
| 3510 Budget authority | 1 | 1 | 1 |
| 3590 Outlays from new authority | 1 | 1 | 1 |

The Native American Veterans Housing Loan program provides direct loans to veterans living on trust lands under 38 U.S.C. chapter 37, section 3761. These loans are available to purchase, construct, or improve homes to be occupied as the veteran's residence. This program began as a pilot in 1993 and was made permanent on June 15, 2006 through Public Law 109-233.

The Vocational Rehabilitation Loan Program provides additional funding assistance to cover the costs of subsistence, tuition, books, supplies, and equipment in conjunction with service connected disability benefits provided to Veterans participating in VA's Vocational Rehabilitation and Counseling Program as authorized by chapter 31 of title 38, United States Code. Repayment of these loans is made in monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retired pay.

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

| Identification code 36-4130-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Obligations by program activity: | | | |
| Credit program obligations: | | | |
| 0710 Direct loan obligations | 16 | 22 | 9 |
| 0713 Payment of interest to Treasury | 3 | 1 | 2 |
| 0740 Negative subsidy obligations | 5 | 3 | 1 |
| 0742 Downward reestimate paid to receipt account | 1 | 3 | |
| 0743 Interest on downward reestimates | 1 | 1 | |
| 0900 Total new obligations | 26 | 30 | 12 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 4 | 2 | |
| 1023 Unobligated balances applied to repay debt | -4 | -2 | |
| 1050 Unobligated balance (total) | | | |
| Financing authority: | | | |
| Borrowing authority, mandatory: | | | |
| 1400 Borrowing authority | 24 | 30 | 12 |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 14 | 6 | 4 |
| 1825 Spending authority from offsetting collections applied to repay debt | -10 | -6 | -4 |
| 1850 Spending auth from offsetting collections, mand (total) | 4 | | |
| 1900 Financing authority (total) | 28 | 30 | 12 |
| 1930 Total budgetary resources available | 28 | 30 | 12 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 2 | | |

Change in obligated balance:

| | | | |
|---|-----|-----|-----|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 1 | 4 | |
| 3030 Obligations incurred, unexpired accounts | 26 | 30 | 12 |
| 3040 Financing disbursements (gross) | -25 | -27 | -13 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 1 | 4 | 3 |

Financing authority and disbursements, net:

| | | | |
|---|-----|----|----|
| Mandatory: | | | |
| 4090 Financing authority, gross | 28 | 30 | 12 |
| Financing disbursements: | | | |
| 4110 Financing disbursements, gross | 25 | 27 | 13 |
| Offsets against gross financing authority and disbursements: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 Federal sources | -1 | -5 | |
| 4122 Interest on uninvested funds | -1 | | |
| 4123 Non-federal sources - Repayments and prepayments of principal | -10 | | -2 |
| 4123 Non-Federal sources - Interest received on loans | -2 | -1 | -2 |
| 4130 Offsets against gross financing auth and disbursements (total) | -14 | -6 | -4 |
| 4160 Financing authority, net (mandatory) | 14 | 24 | 8 |
| 4170 Financing disbursements, net (mandatory) | 11 | 21 | 9 |
| 4180 Financing authority, net (total) | 14 | 24 | 8 |
| 4190 Financing disbursements, net (total) | 11 | 21 | 9 |

Status of Direct Loans (in millions of dollars)

| Identification code 36-4130-0-3-704 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1131 Direct loan obligations exempt from limitation | 16 | 22 | 9 |
| 1150 Total direct loan obligations | 16 | 22 | 9 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 47 | 58 | 78 |
| 1231 Disbursements: Direct loan disbursements | 15 | 20 | 10 |
| 1251 Repayments: Repayments and prepayments | -10 | | -2 |
| 1264 Write-offs for default: Adjustments other | 6 | | |
| 1290 Outstanding, end of year | 58 | 78 | 86 |

The account preceding this section contains information on the Native American Veterans Housing Loan program, and the account following this section contains information on the Guaranteed Transitional Housing Loans for Homeless Veterans program. The Transitional Housing loans are 100% guaranteed and use the Federal Financing Bank (FFB) as the lending institution. For budget purposes, all FFB loans shall be treated as direct loans.

As required by the Federal Credit Reform Act of 1990, these non-budgetary accounts record all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in the accounts are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 36-4130-0-3-704 | 2009 actual | 2010 actual |
|--|-------------|-------------|
| ASSETS: | | |
| 1101 Federal assets: Fund balances with Treasury | 4 | 3 |
| Net value of assets related to post-1991 direct loans receivable: | | |
| 1401 Direct loans receivable, gross | 48 | 58 |
| 1402 Interest receivable | | 1 |
| 1499 Net present value of assets related to direct loans | 48 | 59 |
| 1901 Other Federal assets: Other assets | 1 | 2 |
| 1999 Total assets | 53 | 64 |
| LIABILITIES: | | |
| Federal liabilities: | | |
| 2103 Federal liabilities debt | 52 | 63 |
| 2105 Other liabilities | 1 | 1 |
| 2999 Total liabilities | 53 | 64 |

| | | | |
|------|--|----|----|
| 4999 | Total liabilities and net position | 53 | 64 |
|------|--|----|----|

TRANSITIONAL HOUSING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 36-4258-0-3-704 | 2010 actual | CR | 2012 est. |
|--|--|----|-----------|
| Obligations by program activity: | | | |
| 0005 | Transitional housing direct loan financing account | 1 | |
| 0900 | Total new obligations | 1 | |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 | Unobligated balance brought forward, Oct 1 | 5 | 5 |
| Financing authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 | Collected | 1 | |
| 1930 | Total budgetary resources available | 6 | 5 |
| Memorandum (non-add) entries: | | | |
| 1941 | Unexpired unobligated balance, end of year | 5 | 5 |
| Change in obligated balance: | | | |
| 3030 | Obligations incurred, unexpired accounts | 1 | |
| 3040 | Financing disbursements (gross) | -1 | |
| Financing authority and disbursements, net: | | | |
| Mandatory: | | | |
| 4090 | Financing authority, gross | 1 | |
| Financing disbursements: | | | |
| 4110 | Financing disbursements, gross | 1 | |
| Offsets against gross financing authority and disbursements: | | | |
| Offsetting collections (collected) from: | | | |
| 4122 | Interest on uninvested funds | -1 | |
| 4160 | Financing authority, net (mandatory) | | |
| 4170 | Financing disbursements, net (mandatory) | | |
| 4180 | Financing authority, net (total) | | |
| 4190 | Financing disbursements, net (total) | | |

Status of Direct Loans (in millions of dollars)

| Identification code 36-4258-0-3-704 | 2010 actual | CR | 2012 est. |
|--|---|-----|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1121 | Limitation available from carry-forward | 95 | 95 |
| 1143 | Unobligated limitation carried forward | -95 | -95 |
| 1150 | Total direct loan obligations | | |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 | Outstanding, start of year | 5 | 1 |
| 1263 | Write-offs for default: Direct loans | | -4 |
| 1290 | Outstanding, end of year | 5 | 1 |

Balance Sheet (in millions of dollars)

| Identification code 36-4258-0-3-704 | 2009 actual | 2010 actual |
|---|---|-------------|
| ASSETS: | | |
| Federal assets: Fund balances with Treasury | | |
| 1101 | | 5 |
| 1401 | Net value of assets related to post-1991 direct loans receivable: | 5 |
| Direct loans receivable, gross | | |
| 1999 | Total assets | 10 |
| LIABILITIES: | | |
| Federal liabilities: | | |
| 2103 | Debt | 5 |
| 2105 | Other | 5 |
| 2999 | Total liabilities | 10 |
| 4999 | Total liabilities and net position | 10 |

VOCATIONAL REHABILITATION DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 36-4112-0-3-702 | 2010 actual | CR | 2012 est. |
|--|--|----|-----------|
| Obligations by program activity: | | | |
| Credit program obligations: | | | |
| 0710 | Direct loan obligations | 2 | 3 |
| 0900 | Total new obligations | 2 | 3 |
| Budgetary Resources: | | | |
| Financing authority: | | | |
| Borrowing authority, mandatory: | | | |
| 1400 | Authority to borrow (indefinite) | 2 | 3 |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 | Collected | 3 | 3 |
| 1825 | Spending authority from offsetting collections applied to repay debt | -3 | -3 |
| 1850 | Spending auth from offsetting collections, mand (total) | | |
| 1900 | Financing authority (total) | 2 | 3 |
| 1930 | Total budgetary resources available | 2 | 3 |
| Change in obligated balance: | | | |
| 3030 | Obligations incurred, unexpired accounts | 2 | 3 |
| 3040 | Financing disbursements (gross) | -3 | -3 |
| Financing authority and disbursements, net: | | | |
| Mandatory: | | | |
| 4090 | Financing authority, gross | 2 | 3 |
| Financing disbursements: | | | |
| 4110 | Financing disbursements, gross | 3 | 3 |
| Offsets against gross financing authority and disbursements: | | | |
| Offsetting collections (collected) from: | | | |
| 4123 | Repayments and prepayments of principal | -3 | -3 |
| 4160 | Financing authority, net (mandatory) | -1 | |
| 4170 | Financing disbursements, net (mandatory) | | |
| 4180 | Financing authority, net (total) | -1 | |
| 4190 | Financing disbursements, net (total) | | |

Status of Direct Loans (in millions of dollars)

| Identification code 36-4112-0-3-702 | 2010 actual | CR | 2012 est. |
|--|--|----|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 | Limitation on direct loans | 2 | 3 |
| 1150 | Total direct loan obligations | 2 | 3 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 | Outstanding, start of year | 2 | 1 |
| 1231 | Disbursements: Direct loan disbursements | 2 | 3 |
| 1251 | Repayments: Repayments and prepayments | -3 | -3 |
| 1290 | Outstanding, end of year | 1 | 1 |

Balance Sheet (in millions of dollars)

| Identification code 36-4112-0-3-702 | 2009 actual | 2010 actual |
|---|---|-------------|
| ASSETS: | | |
| Federal assets: Investments in US securities: | | |
| 1104 | Agency securities, par | 1 |
| Net value of assets related to post-1991 direct loans receivable: | | |
| 1401 | Direct loans receivable, gross | 1 |
| 1499 | Net present value of assets related to direct loans | 1 |
| 1999 | Total assets | 2 |
| LIABILITIES: | | |
| 2103 | Federal liabilities: Debt | 2 |
| 2999 | Total liabilities | 2 |
| 4999 | Total liabilities and net position | 2 |

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT

Special and Trust Fund Receipts (in millions of dollars)

| Identification code 36-8133-0-7-702 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| 0100 Balance, start of year | 1 | | |
| Adjustments: | | | |
| 0191 Adjustment - Treasury reconciliation | -1 | | |
| 0199 Balance, start of year | | | |
| Receipts: | | | |
| 0240 Contributions, Post-Vietnam Era Veterans Education Account | 1 | 1 | 1 |
| 0400 Total: Balances and collections | 1 | 1 | 1 |
| Appropriations: | | | |
| 0500 Post-Vietnam Era Veterans Education Account | -1 | -1 | -1 |
| 0799 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 36-8133-0-7-702 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Obligations by program activity: | | | |
| 0001 Payment to post-Vietnam era trainees | 1 | 1 | 1 |
| 0003 Participant disenrollments | 1 | 1 | 1 |
| 0900 Total new obligations | 2 | 2 | 2 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 65 | 64 | 63 |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1202 Appropriation (trust fund) | 1 | 1 | 1 |
| 1930 Total budgetary resources available | 66 | 65 | 64 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 64 | 63 | 62 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 1 | 2 | 3 |
| 3030 Obligations incurred, unexpired accounts | 2 | 2 | 2 |
| 3040 Outlays (gross) | -1 | -1 | -1 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 2 | 3 | 4 |
| Budget authority and outlays, net: | | | |
| Mandatory: | | | |
| 4090 Budget authority, gross | 1 | 1 | 1 |
| Outlays, gross: | | | |
| 4101 Outlays from mandatory balances | 1 | 1 | 1 |
| 4180 Budget authority, net (total) | 1 | 1 | 1 |
| 4190 Outlays, net (total) | 1 | 1 | 1 |

This account consists of voluntary contributions by eligible servicepersons and matching contributions provided by the Department of Defense. The fund provides educational assistance payments to participants who entered the service after December 31, 1976, and are pursuing training under chapter 32, title 38, U.S.C. Section 901 is a non-contributory program with educational assistance provided by the Department of Defense. Public Law 99-576, enacted October 28, 1986, closed the program permanently for new enrollments effective March 31, 1987. Public Law 106-419, enacted November 1, 2000, provides qualified participants in this program another opportunity (through October 31, 2001) to convert to the All-Volunteer Force Educational Assistance program (Montgomery GI Bill). The estimated activity in the fund follows:

CONTRIBUTIONS, PARTICIPANTS, DISENROLLMENTS, REFUNDS AND TRAINEES

[dollars in millions]

| | 2010 actual | 2011 CR | 2012 est. |
|---|-------------|---------|-----------|
| Total budget authority | \$1 | \$1 | \$1 |
| Servicepersons contributions | \$0 | \$0 | \$0 |
| Transferred from Department of Defense (bonus) | \$0 | \$0 | \$0 |
| Transferred from Department of Defense (matching) | \$0 | \$0 | \$0 |

| | | | |
|--|---------|---------|---------|
| Transferred from Department of Defense (section 901) | \$0 | \$0 | \$0 |
| Total participants (end of year) | 193,912 | 193,152 | 192,456 |
| | | | |
| Number of disenrollments | 548 | 498 | 448 |
| Total refunds | \$1 | \$1 | \$1 |
| Total trainees | 286 | 277 | 264 |
| Total trainee cost | \$1 | \$1 | \$1 |
| Average cost per trainee (actual dollars) | \$939 | \$939 | \$939 |
| Section 901 trainees | 22 | 21 | 20 |

Object Classification (in millions of dollars)

| Identification code 36-8133-0-7-702 | 2010 actual | CR | 2012 est. |
|---|-------------|----|-----------|
| Direct obligations: | | | |
| 41.0 Grants, subsidies, and contributions | 1 | 1 | 1 |
| 44.0 Refunds | 1 | 1 | 1 |
| 99.9 Total new obligations | 2 | 2 | 2 |

NATIONAL SERVICE LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

| Identification code 36-8132-0-7-701 | 2010 actual | CR | 2012 est. |
|--|-------------|--------|-----------|
| 0100 Balance, start of year | 7,404 | 6,901 | 6,314 |
| Adjustments: | | | |
| 0191 Adjustment - Treasury reconciliation | 1 | | |
| 0199 Balance, start of year | 7,405 | 6,901 | 6,314 |
| Receipts: | | | |
| 0220 NSLI Fund, Premium and Other Receipts | 108 | 95 | 84 |
| 0240 NSLI Fund, Interest | 466 | 412 | 358 |
| 0299 Total receipts and collections | 574 | 507 | 442 |
| 0400 Total: Balances and collections | 7,979 | 7,408 | 6,756 |
| Appropriations: | | | |
| 0500 National Service Life Insurance Fund | -574 | -507 | -442 |
| 0501 National Service Life Insurance Fund | -504 | -587 | -601 |
| 0599 Total appropriations | -1,078 | -1,094 | -1,043 |
| 0799 Balance, end of year | 6,901 | 6,314 | 5,713 |

Program and Financing (in millions of dollars)

| Identification code 36-8132-0-7-701 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Obligations by program activity: | | | |
| 0001 Death claims | 724 | 747 | 723 |
| 0002 Disability claims | 7 | 6 | 5 |
| 0003 Matured endowments | 25 | 35 | 42 |
| 0004 Cash surrenders | 29 | 28 | 27 |
| 0005 Dividends | 182 | 163 | 135 |
| 0006 Interest paid on dividend credits and deposits | 50 | 46 | 43 |
| 0007 Payment to insurance account | 20 | 23 | 23 |
| 0091 Total operating expenses | 1,037 | 1,048 | 998 |
| 0201 Capital investment: Policy loans | 41 | 46 | 45 |
| 0799 Total direct obligations | 1,078 | 1,094 | 1,043 |
| 0801 Death claims | 153 | 140 | 129 |
| 0802 Disability claims | 1 | 1 | 1 |
| 0803 Matured endowments | 5 | 7 | 7 |
| 0804 Cash surrenders | 6 | 5 | 5 |
| 0805 Dividends | 38 | 31 | 24 |
| 0806 Interest paid on dividend credits and deposits | 11 | 9 | 8 |
| 0807 Payment to insurance account | 4 | 4 | 4 |
| 0899 Total reimbursable obligations | 218 | 197 | 178 |
| 0900 Total new obligations | 1,296 | 1,291 | 1,221 |

Budgetary Resources:

| | | | |
|---|-------|-------|-------|
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | | 1 | 1 |
| Budget authority: | | | |
| Appropriations, mandatory: | | | |
| 1202 Appropriation (trust fund) | 574 | 507 | 442 |
| 1203 Appropriation (previously unavailable) | 504 | 587 | 601 |
| 1260 Appropriations, mandatory (total) | 1,078 | 1,094 | 1,043 |

| | | | | |
|--|---|--------|--------|--------|
| Spending authority from offsetting collections, mandatory: | | | | |
| 1800 | Collected | 219 | 197 | 178 |
| 1900 | Budget authority (total) | 1,297 | 1,291 | 1,221 |
| 1930 | Total budgetary resources available | 1,297 | 1,292 | 1,222 |
| Memorandum (non-add) entries: | | | | |
| 1941 | Unexpired unobligated balance, end of year | 1 | 1 | 1 |
| Change in obligated balance: | | | | |
| Obligated balance, start of year (net): | | | | |
| 3000 | Unpaid obligations, brought forward, Oct 1 (gross) | 1,338 | 1,268 | 1,191 |
| 3030 | Obligations incurred, unexpired accounts | 1,296 | 1,291 | 1,221 |
| 3040 | Outlays (gross) | -1,366 | -1,368 | -1,306 |
| Obligated balance, end of year (net): | | | | |
| 3090 | Unpaid obligations, end of year (gross) | 1,268 | 1,191 | 1,106 |
| Budget authority and outlays, net: | | | | |
| Mandatory: | | | | |
| 4090 | Budget authority, gross | 1,297 | 1,291 | 1,221 |
| Outlays, gross: | | | | |
| 4100 | Outlays from new mandatory authority | 793 | 704 | 620 |
| 4101 | Outlays from mandatory balances | 573 | 664 | 686 |
| 4110 | Outlays, gross (total) | 1,366 | 1,368 | 1,306 |
| Offsets against gross budget authority and outlays: | | | | |
| Offsetting collections (collected) from: | | | | |
| 4123 | Non-Federal sources | -219 | -197 | -178 |
| 4160 | Budget authority, net (mandatory) | 1,078 | 1,094 | 1,043 |
| 4170 | Outlays, net (mandatory) | 1,147 | 1,171 | 1,128 |
| 4180 | Budget authority, net (total) | 1,078 | 1,094 | 1,043 |
| 4190 | Outlays, net (total) | 1,147 | 1,171 | 1,128 |
| Memorandum (non-add) entries: | | | | |
| 5000 | Total investments, SOY: Federal securities: Par value | 8,735 | 8,161 | 7,497 |
| 5001 | Total investments, EOY: Federal securities: Par value | 8,161 | 7,497 | 6,812 |

Note.—Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund was established in 1940. It is for the World War II servicemen's and veterans' insurance program. Over 22 million policies were issued under this program. Activity of the fund reflects a declining claim workload. The trend in the number and amount of policies in force is shown as follows:

POLICIES AND INSURANCE IN FORCE

| | | | |
|--|-------------|---------|-----------|
| | 2010 actual | 2011 CR | 2012 est. |
| Number of policies | 748,895 | 665,775 | 587,765 |
| Insurance in force (dollars in millions) | \$8,924 | \$8,050 | \$7,186 |

This fund is operated on a commercial basis to the extent possible. The income of the fund is derived from premium receipts, interest on investments, and payments which are made to the fund from the Veterans Insurance and Indemnities appropriation.

Assets of the fund, which are largely invested in special interest-bearing Treasury securities and in policy loans, are expected to decrease from an estimated \$7,902 million as of September 30, 2011 to \$7,195 million as of September 30, 2012. The actuarial estimate of policy obligations as of September 30, 2012, totals \$6,947 million, leaving a balance of \$248 million for contingency reserves.

The status of the fund, excluding noncash transactions, is as follows:

Status of Funds (in millions of dollars)

| | | | | |
|--|---|-------|-----------|-------|
| Identification code 36-8132-0-7-701 | | | | |
| | 2010 actual | CR | 2012 est. | |
| Unexpended balance, start of year: | | | | |
| 0100 | Balance, start of year | 8,743 | 8,170 | 7,506 |
| 0199 | Total balance, start of year | 8,743 | 8,170 | 7,506 |
| Cash income during the year: | | | | |
| Current law: | | | | |
| Offsetting receipts (proprietary): | | | | |
| 1220 | NSLI Fund, Premium and Other Receipts | 108 | 95 | 84 |
| Offsetting receipts (intragovernmental): | | | | |
| 1240 | NSLI Fund, Interest | 466 | 412 | 358 |
| Offsetting collections: | | | | |
| 1280 | National Service Life Insurance Fund | 219 | 197 | 178 |

| | | | | |
|--|---|--------|--------|--------|
| 1299 | Income under present law | 793 | 704 | 620 |
| Proposed legislation: | | | | |
| 2299 | Income under proposed legislation | | | |
| 3299 | Total cash income | 793 | 704 | 620 |
| Cash outgo during year: | | | | |
| Current law: | | | | |
| 4500 | National Service Life Insurance Fund | -1,366 | -1,368 | -1,306 |
| 4599 | Outgo under current law (-) | -1,366 | -1,368 | -1,306 |
| Proposed legislation: | | | | |
| 5599 | Outgo under proposed legislation (-) | | | |
| 6599 | Total cash outgo (-) | -1,366 | -1,368 | -1,306 |
| 7699 | Total adjustments | | | |
| Unexpended balance, end of year: | | | | |
| 8700 | Uninvested balance (net), end of year | 9 | 9 | 8 |
| 8701 | Invested balance, end of year | 8,161 | 7,497 | 6,812 |
| 8799 | Total balance, end of year | 8,170 | 7,506 | 6,820 |
| Commitments against unexpended balance, end of year: | | | | |
| 9899 | Total commitments (-) | | | |

Object Classification (in millions of dollars)

| | | | | |
|-------------------------------------|--|-------|-----------|-------|
| Identification code 36-8132-0-7-701 | | | | |
| | 2010 actual | CR | 2012 est. | |
| Direct obligations: | | | | |
| 33.0 | Investments and loans | 41 | 46 | 45 |
| 42.0 | Insurance claims and indemnities | 785 | 816 | 797 |
| 43.0 | Interest and dividends | 252 | 232 | 201 |
| 99.0 | Direct obligations | 1,078 | 1,094 | 1,043 |
| 99.0 | Reimbursable obligations | 218 | 197 | 178 |
| 99.9 | Total new obligations | 1,296 | 1,291 | 1,221 |

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Special and Trust Fund Receipts (in millions of dollars)

| | | | | |
|-------------------------------------|--|----|-----------|----|
| Identification code 36-8150-0-7-701 | | | | |
| | 2010 actual | CR | 2012 est. | |
| 0100 | Balance, start of year | 17 | 13 | 10 |
| Adjustments: | | | | |
| 0191 | Adjustment - Treasury reconciliation | -1 | | |
| 0199 | Balance, start of year | 16 | 13 | 10 |
| Receipts: | | | | |
| 0240 | Interest and Profits on Investments in Public Debt Securities, USGLI | 1 | 1 | 1 |
| 0400 | Total: Balances and collections | 17 | 14 | 11 |
| Appropriations: | | | | |
| 0500 | United States Government Life Insurance Fund | -1 | -1 | -1 |
| 0501 | United States Government Life Insurance Fund | -3 | -3 | -3 |
| 0599 | Total appropriations | -4 | -4 | -4 |
| 0799 | Balance, end of year | 13 | 10 | 7 |

Program and Financing (in millions of dollars)

| | | | | |
|---|---|----|-----------|---|
| Identification code 36-8150-0-7-701 | | | | |
| | 2010 actual | CR | 2012 est. | |
| Obligations by program activity: | | | | |
| 0001 | Death claims | 2 | 2 | 2 |
| 0007 | Other costs | 1 | 1 | 1 |
| 0091 | Direct program activities, subtotal | 3 | 3 | 3 |
| 0802 | Dividends | 1 | 1 | 1 |
| 0809 | Reimbursable program activities, subtotal | 1 | 1 | 1 |
| 0900 | Total new obligations | 4 | 4 | 4 |
| Budgetary Resources: | | | | |
| Budget authority: | | | | |
| Appropriations, mandatory: | | | | |
| 1202 | Appropriation (trust fund) | 1 | 1 | 1 |
| 1203 | Appropriation (previously unavailable) | 3 | 3 | 3 |
| 1260 | Appropriations, mandatory (total) | 4 | 4 | 4 |
| 1930 | Total budgetary resources available | 4 | 4 | 4 |

UNITED STATES GOVERNMENT LIFE INSURANCE FUND—Continued
Program and Financing—Continued

| Identification code 36-8150-0-7-701 | 2010 actual | CR | 2012 est. | |
|---|---|----|-----------|----|
| Change in obligated balance: | | | | |
| Obligated balance, start of year (net): | | | | |
| 3000 | Unpaid obligations, brought forward, Oct 1 (gross) | 9 | 7 | 6 |
| 3030 | Obligations incurred, unexpired accounts | 4 | 4 | 4 |
| 3040 | Outlays (gross) | -6 | -5 | -5 |
| Obligated balance, end of year (net): | | | | |
| 3090 | Unpaid obligations, end of year (gross) | 7 | 6 | 5 |
| Budget authority and outlays, net: | | | | |
| Mandatory: | | | | |
| 4090 | Budget authority, gross | 4 | 4 | 4 |
| Outlays, gross: | | | | |
| 4100 | Outlays from new mandatory authority | 1 | 1 | 1 |
| 4101 | Outlays from mandatory balances | 5 | 4 | 4 |
| 4110 | Outlays, gross (total) | 6 | 5 | 5 |
| 4180 | Budget authority, net (total) | 4 | 4 | 4 |
| 4190 | Outlays, net (total) | 6 | 5 | 5 |
| Memorandum (non-add) entries: | | | | |
| 5000 | Total investments, SOY: Federal securities: Par value | 26 | 21 | 17 |
| 5001 | Total investments, EOY: Federal securities: Par value | 21 | 17 | 12 |

Note.—Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund was established in 1919 to receive premiums and pay claims on insurance issued under the provisions of the War Risk Insurance Act. The general decline in the activity of the fund is indicated in the following table:

POLICIES AND INSURANCE IN FORCE

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|---------|-----------|
| Number of policies | 3,765 | 2,920 | 2,155 |
| Insurance in force (dollars in millions) | \$11 | \$8 | \$6 |

The fund is operated on a commercial basis to the extent possible. The income of the fund is derived from interest on investments. Effective January 1, 1983, premiums were discontinued because reserves held in the fund were adequate to meet future liabilities of the program.

Assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decrease from \$17.6 million as of September 30, 2011, to \$13.5 million as of September 30, 2012, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of September 30, 2012, totals \$12.9 million, leaving a balance of \$0.6 million for contingency reserves.

Status of Funds (in millions of dollars)

| Identification code 36-8150-0-7-701 | 2010 actual | CR | 2012 est. | |
|--|--|----|-----------|----|
| Unexpended balance, start of year: | | | | |
| 0100 | Balance, start of year | 26 | 21 | 17 |
| 0199 | Total balance, start of year | 26 | 21 | 17 |
| Cash income during the year: | | | | |
| Current law: | | | | |
| Offsetting receipts (intragovernmental): | | | | |
| 1240 | Interest and Profits on Investments in Public Debt Securities, U | 1 | 1 | 1 |
| 1299 | Income under present law | 1 | 1 | 1 |
| Proposed legislation: | | | | |
| 2299 | Income under proposed legislation | | | |
| 3299 | Total cash income | 1 | 1 | 1 |
| Cash outgo during year: | | | | |
| Current law: | | | | |
| 4500 | United States Government Life Insurance Fund | -6 | -5 | -5 |
| 4599 | Outgo under current law (-) | -6 | -5 | -5 |
| Proposed legislation: | | | | |
| 5599 | Outgo under proposed legislation (-) | | | |

| | | | | |
|--|--|----|----|----|
| 6599 | Total cash outgo (-) | -6 | -5 | -5 |
| 7699 | Total adjustments | | | |
| Unexpended balance, end of year: | | | | |
| 8700 | Uninvested balance (net), end of year | | | 1 |
| 8701 | United States Government Life Insurance Fund | 21 | 17 | 12 |
| 8799 | Total balance, end of year | 21 | 17 | 13 |
| Commitments against unexpended balance, end of year: | | | | |
| 9899 | Total commitments (-) | | | |

Object Classification (in millions of dollars)

| Identification code 36-8150-0-7-701 | 2010 actual | CR | 2012 est. | |
|-------------------------------------|--|----|-----------|---|
| Direct obligations: | | | | |
| 42.0 | Insurance claims and indemnities | 2 | 2 | 2 |
| 43.0 | Interest and dividends | 2 | 2 | 2 |
| 99.9 | Total new obligations | 4 | 4 | 4 |

VETERANS SPECIAL LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

| Identification code 36-8455-0-8-701 | 2010 actual | CR | 2012 est. | |
|--|---|-------|-----------|-------|
| Obligations by program activity: | | | | |
| 0801 | Death claims | 93 | 102 | 108 |
| 0802 | Cash surrenders | 5 | 6 | 5 |
| 0803 | Dividends | 65 | 62 | 56 |
| 0804 | All other | 28 | 26 | 26 |
| 0805 | Payments to insurance account | 6 | 7 | 8 |
| 0806 | Capital investment | 13 | 12 | 12 |
| 0900 | Total new obligations | 210 | 215 | 215 |
| Budgetary Resources: | | | | |
| Unobligated balance: | | | | |
| 1000 | Unobligated balance brought forward, Oct 1 | 1,588 | 1,571 | 1,538 |
| Budget authority: | | | | |
| Spending authority from offsetting collections, mandatory: | | | | |
| 1800 | Collected | 194 | 182 | 171 |
| 1801 | Change in uncollected payments, Federal sources | -1 | | |
| 1850 | Spending auth from offsetting collections, mand (total) | 193 | 182 | 171 |
| 1930 | Total budgetary resources available | 1,781 | 1,753 | 1,709 |
| Memorandum (non-add) entries: | | | | |
| 1941 | Unexpired unobligated balance, end of year | 1,571 | 1,538 | 1,494 |
| Change in obligated balance: | | | | |
| Obligated balance, start of year (net): | | | | |
| 3000 | Unpaid obligations, brought forward, Oct 1 (gross) | 446 | 458 | 458 |
| 3010 | Uncollected pymts, Fed sources, brought forward, Oct 1 | -31 | -30 | -30 |
| 3020 | Obligated balance, start of year (net) | 415 | 428 | 428 |
| 3030 | Obligations incurred, unexpired accounts | 210 | 215 | 215 |
| 3040 | Outlays (gross) | -198 | -215 | -217 |
| 3050 | Change in uncollected pymts, Fed sources, unexpired | 1 | | |
| Obligated balance, end of year (net): | | | | |
| 3090 | Unpaid obligations, end of year (gross) | 458 | 458 | 456 |
| 3091 | Uncollected pymts, Fed sources, end of year | -30 | -30 | -30 |
| 3100 | Obligated balance, end of year (net) | 428 | 428 | 426 |
| Budget authority and outlays, net: | | | | |
| Mandatory: | | | | |
| 4090 | Budget authority, gross | 193 | 182 | 171 |
| Outlays, gross: | | | | |
| 4100 | Outlays from new mandatory authority | 193 | 182 | 171 |
| 4101 | Outlays from mandatory balances | 5 | 33 | 46 |
| 4110 | Outlays, gross (total) | 198 | 215 | 217 |
| Offsets against gross budget authority and outlays: | | | | |
| Offsetting collections (collected) from: | | | | |
| 4121 | Interest on Federal securities | -125 | -117 | -110 |
| 4123 | Non-Federal sources | -69 | -65 | -61 |
| 4130 | Offsets against gross budget authority and outlays (total) | -194 | -182 | -171 |
| Additional offsets against gross budget authority only: | | | | |
| 4140 | Change in uncollected pymts, Fed sources, unexpired | 1 | | |
| 4160 | Budget authority, net (mandatory) | | | |
| 4170 | Outlays, net (mandatory) | 4 | 33 | 46 |
| 4180 | Budget authority, net (total) | | | |

| | | | | |
|--------------------------------------|---|-------|-------|-------|
| 4190 | Outlays, net (total) | 4 | 33 | 46 |
| Memorandum (non-add) entries: | | | | |
| 5000 | Total investments, SOY: Federal securities: Par value | 2,001 | 1,997 | 1,964 |
| 5001 | Total investments, EOY: Federal securities: Par value | 1,997 | 1,964 | 1,918 |

Note.—Department of Veterans Affairs insurance policy loans are not an extension of Federal credit. Credit schedules previously shown for this account have been discontinued.

This fund finances the payment of claims on life insurance policies issued before January 3, 1957, to veterans who served in the Armed Forces subsequent to April 1, 1951. No new policies can be issued. Policyholders may elect to purchase total disability income coverage with the payment of additional premiums.

Benefit program:

Death claims.—Represents payments to designated beneficiaries.

Cash surrenders.—A policyholder may terminate his or her insurance by cashing in the policy for its cash value.

Dividends.—Policyholders participate in the distribution of annual dividends.

All other.—Classified in this category are payments to policyholders who: (a) hold endowment policies which have matured; (b) have purchased total disability income coverage and subsequently become disabled; and (c) are paid interest on dividend credits and deposits.

The following table reflects the decrease in the number of policies and the amounts of insurance in force:

POLICIES AND INSURANCE IN FORCE

| | 2010 actual | 2011 CR | 2012 est. |
|--|-------------|---------|-----------|
| Number of policies | 167,320 | 158,111 | 148,532 |
| Insurance in force (dollars in millions) | \$2,218 | \$2,136 | \$2,044 |

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

Object Classification (in millions of dollars)

| Identification code 36-8455-0-8-701 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Reimbursable obligations: | | | |
| 33.0 Investments and loans | 13 | 12 | 12 |
| 42.0 Insurance claims and indemnities | 107 | 117 | 123 |
| 43.0 Interest and dividends | 90 | 86 | 80 |
| 99.0 Reimbursable obligations | 210 | 215 | 215 |
| 99.9 Total new obligations | 210 | 215 | 215 |

DEPARTMENTAL ADMINISTRATION

Federal Funds

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, construction management services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is more than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, \$589,604,000, to remain available until expended, of which \$5,000,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) for claims paid for contract disputes: Provided, That except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other

capital asset management related activities, including portfolio development and management activities, and investment strategy studies funded through the advance planning fund and the planning and design activities funded through the design fund, including needs assessments which may or may not lead to capital investments, and salaries and associated costs of the resident engineers who oversee those capital investments funded through this account, and funds provided for the purchase of land for the National Cemetery Administration through the land acquisition line item, none of the funds made available under this heading shall be used for any project which has not been submitted to the Congress in the budgetary process: Provided further, That funds made available under this heading for fiscal year 2012, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 2012; and (2) by the awarding of a construction contract by September 30, 2013: Provided further, That the Secretary of Veterans Affairs shall promptly submit to the Committees on Appropriations of both Houses of Congress a written report on any approved major construction project for which obligations are not incurred within the time limitations established above.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0110-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| Obligations by program activity: | | | |
| 0001 Medical programs | 758 | 1,813 | 1,522 |
| 0002 National cemeteries | 111 | 72 | 93 |
| 0005 Staff offices | 7 | 5 | 7 |
| 0900 Total new obligations | 876 | 1,890 | 1,622 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 2,560 | 2,812 | 2,116 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 1,194 | 1,194 | 590 |
| 1120 Appropriations transferred to other accounts | -67 | | |
| 1160 Appropriation, discretionary (total) | 1,127 | 1,194 | 590 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 1 | | |
| 1900 Budget authority (total) | 1,128 | 1,194 | 590 |
| 1930 Total budgetary resources available | 3,688 | 4,006 | 2,706 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 2,812 | 2,116 | 1,084 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 1,496 | 1,379 | 2,327 |
| 3030 Obligations incurred, unexpired accounts | 876 | 1,890 | 1,622 |
| 3031 Obligations incurred, expired accounts | -1 | | |
| 3040 Outlays (gross) | -992 | -942 | -1,002 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 1,379 | 2,327 | 2,947 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 1,128 | 1,194 | 590 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 12 | 8 | 4 |
| 4011 Outlays from discretionary balances | 980 | 934 | 998 |
| 4020 Outlays, gross (total) | 992 | 942 | 1,002 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -1 | | |
| 4070 Budget authority, net (discretionary) | 1,127 | 1,194 | 590 |
| 4080 Outlays, net (discretionary) | 991 | 942 | 1,002 |
| 4180 Budget authority, net (total) | 1,127 | 1,194 | 590 |
| 4190 Outlays, net (total) | 991 | 942 | 1,002 |

The Construction, Major Projects appropriation funds construction projects costing more than \$10 million, including medical facility projects at New Orleans, LA; and Denver, CO; seismic correction projects in San Juan, PR; and Seattle, WA; and a clinical improvement project in Bay Pines, FL. Construction

CONSTRUCTION, MAJOR PROJECTS—Continued

funding is also included for the next phases of a combined cemetery expansion/medical facilities improvement project in St. Louis, MO; and a polytrauma/ambulatory care project in Palo Alto, CA. The request also contains design funding for three new medical facility projects in Reno, NV; San Francisco, CA; and West Los Angeles, CA. In addition, a new columbarium expansion and replacement of administration building project would be funded at the National Cemetery in Honolulu, HI.

Additional funds are provided to reimburse the Judgment Fund, improve facility security at Department-owned buildings, purchase land for future cemetery expansions, fund salaries and associated costs of resident engineers who oversee the Department's capital investments, and support advance planning and design activities. Along with new 2012 budget authority, VA will utilize available prior year appropriations to fund the major construction program.

Object Classification (in millions of dollars)

| Identification code 36-0110-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| Direct obligations: | | | |
| 25.2 Other services from non-federal sources | 10 | 6 | 6 |
| 25.3 Other goods and services from federal sources | | 24 | 24 |
| 26.0 Supplies and materials | | 3 | 3 |
| 31.0 Equipment | | 3 | 3 |
| 32.0 Land and structures | 865 | 1,853 | 1,586 |
| 99.0 Direct obligations | 875 | 1,889 | 1,622 |
| 99.0 Reimbursable obligations | 1 | 1 | |
| 99.9 Total new obligations | 876 | 1,890 | 1,622 |

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, including planning and assessments of needs which may lead to capital investments, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, 8122, and 8162 of title 38, United States Code, where the estimated cost of a project is equal to or less than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, \$550,091,000, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is equal to or less than the amount set forth in such section: Provided, That funds made available under this heading shall be for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0111-0-1-703 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0001 Medical programs | 570 | 629 | 416 |
| 0002 National cemeteries | 43 | 66 | 65 |
| 0003 Regional offices | 16 | 15 | 14 |
| 0004 Staff offices | 21 | 25 | 32 |
| 0900 Total new obligations | 650 | 735 | 527 |

| | | | |
|---|-------|-------|-------|
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 440 | 493 | 461 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 703 | 703 | 550 |
| 1900 Budget authority (total) | 703 | 703 | 550 |
| 1930 Total budgetary resources available | 1,143 | 1,196 | 1,011 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 493 | 461 | 484 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 706 | 821 | 766 |
| 3030 Obligations incurred, unexpired accounts | 650 | 735 | 527 |
| 3040 Outlays (gross) | -535 | -790 | -764 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 821 | 766 | 529 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 703 | 703 | 550 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 197 | 127 | 99 |
| 4011 Outlays from discretionary balances | 338 | 663 | 665 |
| 4020 Outlays, gross (total) | 535 | 790 | 764 |
| 4180 Budget authority, net (total) | 703 | 703 | 550 |
| 4190 Outlays, net (total) | 535 | 790 | 764 |

The Construction, Minor Projects appropriation, which funds construction projects costing equal to or less than \$10 million, is used to improve the infrastructure of medical facilities and other Department-owned facilities to reduce the risk to patient life and safety, correct code deficiencies, and improve national cemeteries and regional and staff offices.

Object Classification (in millions of dollars)

| Identification code 36-0111-0-1-703 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Direct obligations: | | | |
| 11.3 Personnel compensation: Other than full-time permanent | 1 | | |
| 25.2 Other services from non-federal sources | 16 | 37 | 37 |
| 26.0 Supplies and materials | | 5 | 5 |
| 31.0 Equipment | | 3 | 3 |
| 32.0 Land and structures | 633 | 690 | 482 |
| 99.0 Direct obligations | 650 | 735 | 527 |
| 99.9 Total new obligations | 650 | 735 | 527 |

Employment Summary

| Identification code 36-0111-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|----|-----------|
| 1001 Direct civilian full-time equivalent employment | 8 | 4 | 4 |

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in State homes, for furnishing care to veterans as authorized by sections 8131 through 8137 of title 38, United States Code, \$85,000,000, to remain available until expended.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0181-0-1-703 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0001 Grants for construction of state extended care facilities | 242 | 124 | 87 |
| 0900 Total new obligations (object class 41.0) | 242 | 124 | 87 |

GENERAL OPERATING EXPENSES

| | | | |
|---|--|------|-----------|
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 | Unobligated balance brought forward, Oct 1 | 176 | 34 10 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 | Appropriation | 100 | 100 85 |
| 1930 | Total budgetary resources available | 276 | 134 95 |
| Memorandum (non-add) entries: | | | |
| 1941 | Unexpired unobligated balance, end of year | 34 | 10 8 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 | Unpaid obligations, brought forward, Oct 1 (gross) | 299 | 432 349 |
| 3030 | Obligations incurred, unexpired accounts | 242 | 124 87 |
| 3040 | Outlays (gross) | -109 | -207 -182 |
| Obligated balance, end of year (net): | | | |
| 3090 | Unpaid obligations, end of year (gross) | 432 | 349 254 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 | Budget authority, gross | 100 | 100 85 |
| Outlays, gross: | | | |
| 4010 | Outlays from new discretionary authority | 2 | 2 |
| 4011 | Outlays from discretionary balances | 109 | 205 180 |
| 4020 | Outlays, gross (total) | 109 | 207 182 |
| 4180 | Budget authority, net (total) | 100 | 100 85 |
| 4190 | Outlays, net (total) | 109 | 207 182 |

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-Wide capital planning, management and policy activities, uniforms, or allowances therefor; not to exceed \$25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, \$2,466,989,000: Provided, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: Provided further, That the Veterans Benefits Administration shall be funded at not less than \$2,018,764,000: Provided further, That of the funds made available under this heading, not to exceed \$128,000,000 shall remain available until September 30, 2013: Provided further, That from the funds made available under this heading, the Veterans Benefits Administration may purchase (on a one-for-one replacement basis only) up to two passenger motor vehicles for use in operations of that Administration in Manila, Philippines:

Provided further, That of the funds made available under this heading, \$23,584,000 is to strengthen the Department's acquisition workforce capacity and capabilities: Provided further, That, with respect to the previous proviso, such funds may be transferred by the Secretary to any other account in the Department to carry out the purposes provided herein: Provided further, That, with respect to the previous proviso, such transfer authority is in addition to any other transfer authority provided in this Act: Provided further, That, with respect to the fifth proviso, such funds shall be available for training, recruitment, retention, and hiring members of the acquisition workforce as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 401 et seq.): Provided further, That, with respect to the fifth proviso, such funds shall be available for information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

GRANTS FOR CONSTRUCTION OF [STATE] VETERANS CEMETERIES

For grants to assist States and Tribal Governments in establishing, expanding, or improving veterans cemeteries as authorized by section 2408 of title 38, United States Code, \$46,000,000, to remain available until expended.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0183-0-1-705 | 2010 actual | CR | 2012 est. |
|---|--|-----|-----------|
| Obligations by program activity: | | | |
| 0001 | Grants for construction of state veterans cemeteries | 48 | 46 46 |
| 0900 | Total new obligations (object class 41.0) | 48 | 46 46 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 | Unobligated balance brought forward, Oct 1 | 6 | 4 4 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 | Appropriation | 46 | 46 46 |
| 1930 | Total budgetary resources available | 52 | 50 50 |
| Memorandum (non-add) entries: | | | |
| 1941 | Unexpired unobligated balance, end of year | 4 | 4 4 |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 | Unpaid obligations, brought forward, Oct 1 (gross) | 62 | 74 88 |
| 3030 | Obligations incurred, unexpired accounts | 48 | 46 46 |
| 3040 | Outlays (gross) | -36 | -32 -33 |
| Obligated balance, end of year (net): | | | |
| 3090 | Unpaid obligations, end of year (gross) | 74 | 88 101 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 | Budget authority, gross | 46 | 46 46 |
| Outlays, gross: | | | |
| 4010 | Outlays from new discretionary authority | 25 | 25 |
| 4011 | Outlays from discretionary balances | 36 | 7 8 |
| 4020 | Outlays, gross (total) | 36 | 32 33 |
| 4180 | Budget authority, net (total) | 46 | 46 46 |
| 4190 | Outlays, net (total) | 36 | 32 33 |

Program and Financing (in millions of dollars)

| Identification code 36-0151-0-1-705 | 2010 actual | CR | 2012 est. |
|--|---|-------|-------------|
| Obligations by program activity: | | | |
| 0010 | Compensation and pensions | 1,468 | 1,805 1,664 |
| 0011 | Education | 180 | 175 151 |
| 0012 | Vocational rehabilitation and counseling | 183 | 188 203 |
| 0013 | Insurance | 1 | 1 1 |
| 0014 | General administration | 396 | 415 448 |
| 0091 | Direct program activities, subtotal | 2,228 | 2,584 2,467 |
| 0801 | Compensation and pensions | 151 | 184 209 |
| 0802 | Education | 1 | 3 1 |
| 0804 | Insurance | 31 | 35 35 |
| 0805 | Housing | 121 | 137 137 |
| 0806 | General administration | 392 | 467 508 |
| 0899 | Total reimbursable obligations | 696 | 826 890 |
| 0900 | Total new obligations | 2,924 | 3,410 3,357 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 | Unobligated balance brought forward, Oct 1 | 202 | 38 |
| 1012 | Expired unobligated bal transferred to unexpired accts | 11 | |
| 1050 | Unobligated balance (total) | 213 | 38 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 | Appropriation | 2,087 | 2,546 2,467 |
| 1131 | Unobligated balance of appropriations permanently reduced | -6 | |
| 1160 | Appropriation, discretionary (total) | 2,081 | 2,546 2,467 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 | Collected | 696 | 826 890 |
| 1900 | Budget authority (total) | 2,777 | 3,372 3,357 |
| 1930 | Total budgetary resources available | 2,990 | 3,410 3,357 |

GENERAL OPERATING EXPENSES—Continued
Program and Financing—Continued

| Identification code 36-0151-0-1-705 | 2010 actual | CR | 2012 est. |
|---|-------------|--------|-----------|
| Memorandum (non-add) entries: | | | |
| 1940 Unobligated balance expiring | -28 | | |
| 1941 Unexpired unobligated balance, end of year | 38 | | |
| Change in obligated balance: | | | |
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 360 | 653 | 644 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | -3 | -3 | -3 |
| 3020 Obligated balance, start of year (net) | 357 | 650 | 641 |
| 3030 Obligations incurred, unexpired accounts | 2,924 | 3,410 | 3,357 |
| 3031 Obligations incurred, expired accounts | -38 | | |
| 3040 Outlays (gross) | -2,593 | -3,419 | -3,421 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 653 | 644 | 580 |
| 3091 Uncollected pymts, Fed sources, end of year | -3 | -3 | -3 |
| 3100 Obligated balance, end of year (net) | 650 | 641 | 577 |
| Budget authority and outlays, net: | | | |
| Discretionary: | | | |
| 4000 Budget authority, gross | 2,777 | 3,372 | 3,357 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 2,165 | 2,886 | 2,869 |
| 4011 Outlays from discretionary balances | 428 | 533 | 552 |
| 4020 Outlays, gross (total) | 2,593 | 3,419 | 3,421 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -696 | -826 | -890 |
| Additional offsets against gross budget authority only: | | | |
| 4052 Offsetting collections credited to expired accounts | | | |
| 4070 Budget authority, net (discretionary) | 2,081 | 2,546 | 2,467 |
| 4080 Outlays, net (discretionary) | 1,897 | 2,593 | 2,531 |
| 4180 Budget authority, net (total) | 2,081 | 2,546 | 2,467 |
| 4190 Outlays, net (total) | 1,897 | 2,593 | 2,531 |

Note.—The total cost of administering veterans insurance programs is funded through direct appropriations to this account and through reimbursements from the insurance trust fund.

This appropriation provides for the Department's top management direction and administrative support, including fiscal, personnel, and legal services, as well as for the administration of veteran benefits.

General Administration.—Includes departmental executive direction, departmental support offices, the General Counsel, and the Board of Veterans' Appeals.

The Pershing Hall Revolving Fund was created to operate and manage Pershing Hall, an asset of the United States, located in Paris, France. All operating expenses for Pershing Hall are borne by the revolving fund and all receipts generated by the operation of Pershing Hall are deposited in the revolving fund.

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

Object Classification (in millions of dollars)

| Identification code 36-0151-0-1-705 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 1,281 | 1,312 | 1,326 |
| 11.5 Other personnel compensation | 59 | 62 | 62 |
| 11.9 Total personnel compensation | 1,340 | 1,374 | 1,388 |
| 12.1 Civilian personnel benefits | 390 | 530 | 540 |
| 13.0 Benefits for former personnel | 1 | 1 | 1 |
| 21.0 Travel and transportation of persons | 34 | 55 | 39 |
| 22.0 Transportation of things | 1 | 2 | 3 |
| 23.1 Rent | 115 | 169 | 150 |
| 23.2 Rental payments to others | 15 | 22 | 20 |
| 23.3 Communications, utilities, and miscellaneous charges | 23 | 34 | 30 |
| 24.0 Printing and reproduction | 6 | 4 | 6 |
| 25.2 Other services from non-federal sources | 275 | 324 | 240 |
| 26.0 Supplies and materials | 18 | 43 | 19 |

| | | | |
|---|-------|-------|-------|
| 31.0 Equipment | 9 | 16 | 21 |
| 41.0 Grants, subsidies, and contributions | 1 | 10 | 10 |
| 99.0 Direct obligations | 2,228 | 2,584 | 2,467 |
| 99.0 Reimbursable obligations | 696 | 826 | 890 |
| 99.9 Total new obligations | 2,924 | 3,410 | 3,357 |

Employment Summary

| Identification code 36-0151-0-1-705 | 2010 actual | CR | 2012 est. |
|--|-------------|--------|-----------|
| 1001 Direct civilian full-time equivalent employment | 20,258 | 21,230 | 21,329 |
| 2001 Reimbursable civilian full-time equivalent employment | 2,100 | 2,242 | 2,307 |

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. App.), \$109,391,000, of which \$6,000,000 shall remain available until September 30, 2013.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0170-0-1-705 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0101 Direct program | 108 | 109 | 109 |
| 0192 Total direct program | 108 | 109 | 109 |
| 0801 Reimbursable program | 4 | 4 | 4 |
| 0900 Total new obligations | 112 | 113 | 113 |

Budgetary Resources:

| | | | |
|--|-----|-----|-----|
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | | 1 | 1 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 109 | 109 | 109 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 4 | 4 | 4 |
| 1900 Budget authority (total) | 113 | 113 | 113 |
| 1930 Total budgetary resources available | 113 | 114 | 114 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 1 | 1 | 1 |

Change in obligated balance:

| | | | |
|---|------|------|------|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 20 | 29 | 32 |
| 3030 Obligations incurred, unexpired accounts | 112 | 113 | 113 |
| 3031 Obligations incurred, expired accounts | -2 | | |
| 3040 Outlays (gross) | -101 | -110 | -111 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 29 | 32 | 34 |

Budget authority and outlays, net:

| | | | |
|---|-----|-----|-----|
| Discretionary: | | | |
| 4000 Budget authority, gross | 113 | 113 | 113 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 88 | 90 | 90 |
| 4011 Outlays from discretionary balances | 13 | 20 | 21 |
| 4020 Outlays, gross (total) | 101 | 110 | 111 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -4 | -4 | -4 |
| 4070 Budget authority, net (discretionary) | 109 | 109 | 109 |
| 4080 Outlays, net (discretionary) | 97 | 106 | 107 |
| 4180 Budget authority, net (total) | 109 | 109 | 109 |
| 4190 Outlays, net (total) | 97 | 106 | 107 |

This appropriation provides for carrying out the independent oversight responsibilities of the *Inspector General Act of 1978*. This oversight includes VA-wide audit, investigation, health care inspection, and management support functions to identify and

report weaknesses and deficiencies that create conditions for actual or potential fraud and other criminal activity, mismanagement, and waste in VA programs and operations. The audit function plans and conducts internal programmatic and financial audits and evaluations of all facets of VA operations. The health care inspection function performs legislatively mandated medical care quality assurance reviews and oversight of VA health care programs. The investigative function performs criminal and administrative investigations of improper and illegal activities involving VA operations, personnel, beneficiaries, and other parties.

Object Classification (in millions of dollars)

| Identification code 36-0170-0-1-705 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 53 | 66 | 65 |
| 11.5 Other personnel compensation | 5 | | |
| 11.9 Total personnel compensation | 58 | 66 | 65 |
| 12.1 Civilian personnel benefits | 18 | 19 | 18 |
| 21.0 Employee Travel | 5 | 6 | 6 |
| 22.0 Transportation of things | 1 | | |
| 23.1 Rental payments to GSA | 8 | 5 | 5 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.2 Other services from non-federal sources | 9 | 8 | 10 |
| 26.0 Supplies and materials | 1 | | |
| 31.0 Equipment | 7 | 4 | 4 |
| 99.0 Direct obligations | 108 | 109 | 109 |
| 99.0 Reimbursable obligations | 4 | 4 | 4 |
| 99.9 Total new obligations | 112 | 113 | 113 |

Employment Summary

| Identification code 36-0170-0-1-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| 1001 Direct civilian full-time equivalent employment | 530 | 600 | 585 |
| 2001 Reimbursable civilian full-time equivalent employment | 23 | 25 | 27 |

INFORMATION TECHNOLOGY SYSTEMS

For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; for pay and associated costs; and for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by section 3109 of title 5, United States Code, \$3,161,376,000, plus reimbursements, shall remain available until September 30, 2013.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0167-0-1-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| Obligations by program activity: | | | |
| 0001 Veterans health administration | 300 | 408 | 335 |
| 0002 Veterans benefits administration | 126 | 323 | 184 |
| 0003 National cemetery administration | 1 | 6 | 5 |
| 0004 Information technology infrastructure | 2,041 | 2,030 | 1,800 |
| 0005 General administration and other | 843 | 1,142 | 915 |
| 0091 Direct program activities, subtotal | 3,311 | 3,909 | 3,239 |
| 0801 Credit administration | 19 | 19 | 15 |
| 0802 Insurance administration | 9 | 12 | 13 |
| 0804 Veterans Health Administration | 7 | 12 | 12 |
| 0805 General administration and other | 6 | 9 | 10 |
| 0899 Total reimbursable obligations | 41 | 52 | 50 |
| 0900 Total new obligations | 3,352 | 3,961 | 3,289 |

Budgetary Resources:

| | | | |
|---|-------|-------|-------|
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 688 | 679 | 77 |
| 1011 Unobligated balance transferred from other accounts | 4 | | |
| 1050 Unobligated balance (total) | 692 | 679 | 77 |
| Budget authority: | | | |
| Appropriations, discretionary: | | | |
| 1100 Appropriation | 3,307 | 3,307 | 3,161 |
| 1131 Unobligated balance of appropriations permanently reduced | -5 | | |
| 1160 Appropriation, discretionary (total) | 3,302 | 3,307 | 3,161 |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 40 | 52 | 51 |
| 1900 Budget authority (total) | 3,342 | 3,359 | 3,212 |
| 1930 Total budgetary resources available | 4,034 | 4,038 | 3,289 |
| Memorandum (non-add) entries: | | | |
| 1940 Unobligated balance expiring | -3 | | |
| 1941 Unexpired unobligated balance, end of year | 679 | 77 | |

Change in obligated balance:

| | | | |
|---|--------|--------|--------|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 834 | 1,608 | 1,843 |
| 3030 Obligations incurred, unexpired accounts | 3,352 | 3,961 | 3,289 |
| 3031 Obligations incurred, expired accounts | -12 | | |
| 3040 Outlays (gross) | -2,566 | -3,726 | -3,403 |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 1,608 | 1,843 | 1,729 |

Budget authority and outlays, net:

| | | | |
|--|-------|-------|-------|
| Discretionary: | | | |
| 4000 Budget authority, gross | 3,342 | 3,359 | 3,212 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 1,568 | 2,243 | 2,164 |
| 4011 Outlays from discretionary balances | 998 | 1,483 | 1,239 |
| 4020 Outlays, gross (total) | 2,566 | 3,726 | 3,403 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -40 | -52 | -51 |
| 4070 Budget authority, net (discretionary) | 3,302 | 3,307 | 3,161 |
| 4080 Outlays, net (discretionary) | 2,526 | 3,674 | 3,352 |
| 4180 Budget authority, net (total) | 3,302 | 3,307 | 3,161 |
| 4190 Outlays, net (total) | 2,526 | 3,674 | 3,352 |

The Information Technology (IT) Systems appropriation funds IT services such as systems development and performance, operations and maintenance, information protection, and customer support. This appropriation enables the effective and efficient delivery of services to the nation's largest healthcare network as well as the veterans benefits and corporate business lines within the Department of Veterans Affairs (VA).

Development.—The Office of Information & Technology (OI&T) invests in projects designed to improve the delivery of VA services and benefits for veterans and their families. This account also supports improvements to VA's financial and management systems as well as inter-agency efforts such as the development of the Virtual Lifetime Electronic Record with the Department of Defense.

Operations and Maintenance.—The Office of Information & Technology purchases, maintains, manages, and supports all the computer, phone, telecommunication, and data systems equipment for all VA facilities.

Object Classification (in millions of dollars)

| Identification code 36-0167-0-1-705 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 596 | 645 | 676 |
| 12.1 Civilian personnel benefits | 164 | 191 | 184 |
| 13.0 Benefits for former personnel | 1 | 1 | 1 |
| 21.0 Travel and transportation of persons | 18 | 20 | 21 |
| 23.3 Communications, utilities, and miscellaneous charges | 541 | 788 | 600 |
| 25.2 Other services from non-federal sources | 1,569 | 1,608 | 1,231 |
| 25.3 Other goods and services from federal sources | 1 | 1 | 1 |
| 26.0 Supplies and materials | 18 | 31 | 25 |
| 31.0 Equipment | 398 | 622 | 500 |

INFORMATION TECHNOLOGY SYSTEMS—Continued
Object Classification—Continued

| Identification code 36-0167-0-1-705 | | 2010 actual | CR | 2012 est. |
|-------------------------------------|--------------------------------|-------------|-------|-----------|
| 32.0 | Land and structures | 5 | 2 | ..... |
| 99.0 | Direct obligations | 3,311 | 3,909 | 3,239 |
| 99.0 | Reimbursable obligations | 41 | 52 | 50 |
| 99.9 | Total new obligations | 3,352 | 3,961 | 3,289 |

Employment Summary

| Identification code 36-0167-0-1-705 | | 2010 actual | CR | 2012 est. |
|-------------------------------------|---|-------------|-------|-----------|
| 1001 | Direct civilian full-time equivalent employment | 6,690 | 7,345 | 7,345 |
| 2001 | Reimbursable civilian full-time equivalent employment | 163 | 173 | 182 |

NATIONAL CEMETERY ADMINISTRATION

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; hire of passenger motor vehicles; and repair, alteration or improvement of facilities under the jurisdiction of the National Cemetery Administration, \$250,934,000, of which not to exceed \$25,100,000 shall remain available until September 30, 2013.

Note.—A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

| Identification code 36-0129-0-1-705 | | 2010 actual | CR | 2012 est. |
|---|--|-------------|-------|-----------|
| Obligations by program activity: | | | | |
| 0201 | Administrative expenses | 279 | 250 | 251 |
| Budgetary Resources: | | | | |
| Unobligated balance: | | | | |
| 1000 | Unobligated balance brought forward, Oct 1 | 28 | ..... | ..... |
| 1012 | Expired unobligated bal transferred to unexpired accts | 4 | ..... | ..... |
| 1050 | Unobligated balance (total) | 32 | ..... | ..... |
| Budget authority: | | | | |
| Appropriations, discretionary: | | | | |
| 1100 | Appropriation | 250 | 250 | 251 |
| 1930 | Total budgetary resources available | 282 | 250 | 251 |
| Memorandum (non-add) entries: | | | | |
| 1940 | Unobligated balance expiring | -3 | ..... | ..... |
| 1941 | Unexpired unobligated balance, end of year ..... | ..... | ..... | ..... |

Change in obligated balance:

| | | | | |
|---|--|------|-------|-------|
| Obligated balance, start of year (net): | | | | |
| 3000 | Unpaid obligations, brought forward, Oct 1 (gross) | 99 | 125 | 118 |
| 3030 | Obligations incurred, unexpired accounts | 279 | 250 | 251 |
| 3040 | Outlays (gross) | -251 | -257 | -249 |
| 3081 | Recoveries of prior year unpaid obligations, expired | -2 | ..... | ..... |
| Obligated balance, end of year (net): | | | | |
| 3090 | Unpaid obligations, end of year (gross) | 125 | 118 | 120 |

Budget authority and outlays, net:

| | | | | |
|-----------------|--|-----|-----|-----|
| Discretionary: | | | | |
| 4000 | Budget authority, gross | 250 | 250 | 251 |
| Outlays, gross: | | | | |
| 4010 | Outlays from new discretionary authority | 168 | 188 | 184 |
| 4011 | Outlays from discretionary balances | 83 | 69 | 65 |
| 4020 | Outlays, gross (total) | 251 | 257 | 249 |
| 4180 | Budget authority, net (total) | 250 | 250 | 251 |
| 4190 | Outlays, net (total) | 251 | 257 | 249 |

The mission of the National Cemetery Administration is to honor veterans with final resting places in national shrines and with lasting tributes that commemorate their service to our Na-

tion. The National Cemetery Administration's vision is to serve all veterans and their families with the utmost dignity, respect, and compassion. Every national cemetery will be a place that inspires visitors to understand and appreciate the service and sacrifice of our Nation's veterans. There are six related programs managed by the National Cemetery Administration including: 1) burying eligible veterans and their family members in national cemeteries and maintaining the graves and their environs as national shrines; 2) administering grants to States and Tribal Governments in establishing, expanding, improving, or operating veterans cemeteries; 3) providing headstones and markers for the graves of eligible veterans; 4) providing presidential memorial certificates to family and friends of deceased veterans, recognizing the veterans' contribution and service to the Nation; 5) providing graveliners or partial reimbursement for a privately purchased outer burial receptacle for each new grave in open national cemeteries administered by the National Cemetery Administration; and 6) recording First Notice of Veteran Deaths into VA electronic files to ensure timely termination of benefits and next-of-kin notification of possible entitlement to survivor benefits.

The 2012 Budget positions the National Cemetery Administration to meet veterans' emerging burial and memorial needs in the decades to come. The major construction budget includes funding to support implementation of new policies that will provide a burial option to an additional 500,000 veterans and eligible family members and address client concerns in urban areas.

The National Cemetery Administration also reflects budget information for the National Cemetery Gift Fund and the National Cemetery Administration Facilities Operation Fund. Through the Gift Fund, the Secretary is authorized to accept gifts and bequests which are made for the purpose of beautifying national cemeteries or are determined to be beneficial to such cemeteries, or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona. Through the Facilities Operation Fund, the Secretary is authorized to lease any undeveloped land and unused or underutilized buildings of the National Cemetery Administration, or parts or parcels thereof, for a term not to exceed 10 years. Proceeds from such leases are deposited in the Facilities Operation Fund, and are available to cover costs incurred by the National Cemetery Administration in the operation and maintenance of property of the Administration.

Object Classification (in millions of dollars)

| Identification code 36-0129-0-1-705 | | 2010 actual | CR | 2012 est. |
|-------------------------------------|--|-------------|-----|-----------|
| Direct obligations: | | | | |
| Personnel compensation: | | | | |
| 11.1 | Full-time permanent | 91 | 93 | 94 |
| 11.3 | Other than full-time permanent | 4 | 4 | 4 |
| 11.9 | Total personnel compensation | 95 | 97 | 98 |
| 12.1 | Civilian personnel benefits | 30 | 31 | 32 |
| 21.0 | Travel and transportation of persons | 3 | 3 | 3 |
| 22.0 | Transportation of things | 1 | 1 | 1 |
| 23.1 | Rent | 2 | 2 | 2 |
| 23.3 | Communications, utilities, and miscellaneous charges | 9 | 7 | 7 |
| 24.0 | Printing and reproduction | 2 | 2 | 2 |
| 25.2 | Other services from non-federal sources | 104 | 87 | 86 |
| 26.0 | Supplies and materials | 13 | 11 | 11 |
| 31.0 | Equipment | 20 | 6 | 6 |
| 32.0 | Land and structures ..... | ..... | 3 | 3 |
| 99.9 | Total new obligations | 279 | 250 | 251 |

Employment Summary

| Identification code 36-0129-0-1-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| 1001 Direct civilian full-time equivalent employment | 1,670 | 1,686 | 1,696 |

SUPPLY FUND

Program and Financing (in millions of dollars)

| Identification code 36-4537-0-4-705 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Obligations by program activity: | | | |
| 0801 Reimbursable program-COGS-Merchandizing | 1,015 | 1,085 | 1,176 |
| 0802 Reimbursable program-Other-Operations | 198 | 145 | 159 |
| 0803 Reimbursable program-COGS-Printing and publications | 23 | 25 | 27 |
| 0804 Reimbursable program-Other | 3 | 419 | 476 |
| 0805 Reimbursable program-Equipment-Procurement services and distribution | 6 | 760 | 824 |
| 0900 Total new obligations | 1,245 | 2,434 | 2,662 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 977 | 751 | 751 |
| Budget authority: | | | |
| Spending authority from offsetting collections, mandatory: | | | |
| 1800 Collected | 1,325 | 2,434 | 2,662 |
| 1801 Change in uncollected payments, Federal sources | -306 | | |
| 1850 Spending auth from offsetting collections, mand (total) | 1,019 | 2,434 | 2,662 |
| 1930 Total budgetary resources available | 1,996 | 3,185 | 3,413 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 751 | 751 | 751 |

Change in obligated balance:

| | | | |
|---|--------|--------|--------|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 951 | 902 | 902 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | -1,631 | -1,325 | -1,325 |
| 3020 Obligated balance, start of year (net) | -680 | -423 | -423 |
| 3030 Obligations incurred, unexpired accounts | 1,245 | 2,434 | 2,662 |
| 3040 Outlays (gross) | -1,294 | -2,434 | -2,662 |
| 3050 Change in uncollected pymts, Fed sources, unexpired | 306 | | |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 902 | 902 | 902 |
| 3091 Uncollected pymts, Fed sources, end of year | -1,325 | -1,325 | -1,325 |
| 3100 Obligated balance, end of year (net) | -423 | -423 | -423 |

Budget authority and outlays, net:

| | | | |
|---|--------|--------|--------|
| Mandatory: | | | |
| 4090 Budget authority, gross | 1,019 | 2,434 | 2,662 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 1,019 | 2,434 | 2,662 |
| 4101 Outlays from mandatory balances | 275 | | |
| 4110 Outlays, gross (total) | 1,294 | 2,434 | 2,662 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4120 Federal sources | -1,219 | -2,434 | -2,662 |
| 4123 Non-Federal sources | -106 | | |
| 4130 Offsets against gross budget authority and outlays (total) | -1,325 | -2,434 | -2,662 |
| Additional offsets against gross budget authority only: | | | |
| 4140 Change in uncollected pymts, Fed sources, unexpired | 306 | | |
| 4160 Budget authority, net (mandatory) | | | |
| 4170 Outlays, net (mandatory) | -31 | | |
| 4180 Budget authority, net (total) | | | |
| 4190 Outlays, net (total) | -31 | | |

Under the provisions of 38 U.S.C. 8121, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. In this capacity, it provides policy and oversight to VAs acquisition and logistics programs, and provides best value acquisition of goods and services through its National Acquisition Center, Center for Acquisition Innovation, Technology Acquisition Center and soon to be established Strategic Acquisition Center. Operating as an intra-governmental, revolving fund without fiscal year limitations, the Supply Fund is financed by revenue

from fees on acquisitions of supplies, equipment, and services for both VA and other Government Agency (OGA) customers. For 2012 its sales are estimated to reach \$7 billion, and in 2010 it operated at a profit of \$34 million with retained earnings of \$288 million.

Object Classification (in millions of dollars)

| Identification code 36-4537-0-4-705 | 2010 actual | CR | 2012 est. |
|---|-------------|-------|-----------|
| Reimbursable obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 58 | 88 | 92 |
| 11.5 Other personnel compensation | 1 | 1 | 1 |
| 11.9 Total personnel compensation | 59 | 89 | 93 |
| 12.1 Civilian personnel benefits | 21 | 22 | 31 |
| 21.0 Travel and transportation of persons | 6 | 24 | 25 |
| 23.1 Rental payments to GSA | 3 | 3 | 4 |
| 23.3 Communications, utilities, and miscellaneous charges | 11 | 6 | 7 |
| 24.0 Printing and reproduction | 24 | 25 | 27 |
| 25.2 Other services from non-federal sources | 247 | 419 | 476 |
| 26.0 Supplies and materials | 639 | 1,086 | 1,176 |
| 31.0 Equipment | 235 | 760 | 823 |
| 99.0 Reimbursable obligations | 1,245 | 2,434 | 2,662 |
| 99.9 Total new obligations | 1,245 | 2,434 | 2,662 |

Employment Summary

| Identification code 36-4537-0-4-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| 2001 Reimbursable civilian full-time equivalent employment | 699 | 880 | 1,000 |

FRANCHISE FUND

Program and Financing (in millions of dollars)

| Identification code 36-4539-0-4-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-----|-----------|
| Obligations by program activity: | | | |
| 0801 Reimbursable program | 381 | 490 | 537 |
| Budgetary Resources: | | | |
| Unobligated balance: | | | |
| 1000 Unobligated balance brought forward, Oct 1 | 99 | 91 | 91 |
| Budget authority: | | | |
| Spending authority from offsetting collections, discretionary: | | | |
| 1700 Collected | 379 | 490 | 537 |
| 1701 Change in uncollected payments, Federal sources | -6 | | |
| 1750 Spending auth from offsetting collections, disc (total) | 373 | 490 | 537 |
| 1930 Total budgetary resources available | 472 | 581 | 628 |
| Memorandum (non-add) entries: | | | |
| 1941 Unexpired unobligated balance, end of year | 91 | 91 | 91 |

Change in obligated balance:

| | | | |
|---|------|------|------|
| Obligated balance, start of year (net): | | | |
| 3000 Unpaid obligations, brought forward, Oct 1 (gross) | 60 | 90 | 90 |
| 3010 Uncollected pymts, Fed sources, brought forward, Oct 1 | -68 | -62 | -62 |
| 3020 Obligated balance, start of year (net) | -8 | 28 | 28 |
| 3030 Obligations incurred, unexpired accounts | 381 | 490 | 537 |
| 3040 Outlays (gross) | -351 | -490 | -537 |
| 3050 Change in uncollected pymts, Fed sources, unexpired | 6 | | |
| Obligated balance, end of year (net): | | | |
| 3090 Unpaid obligations, end of year (gross) | 90 | 90 | 90 |
| 3091 Uncollected pymts, Fed sources, end of year | -62 | -62 | -62 |
| 3100 Obligated balance, end of year (net) | 28 | 28 | 28 |

Budget authority and outlays, net:

| | | | |
|---|------|------|------|
| Discretionary: | | | |
| 4000 Budget authority, gross | 373 | 490 | 537 |
| Outlays, gross: | | | |
| 4010 Outlays from new discretionary authority | 194 | 368 | 403 |
| 4011 Outlays from discretionary balances | 157 | 122 | 134 |
| 4020 Outlays, gross (total) | 351 | 490 | 537 |
| Offsets against gross budget authority and outlays: | | | |
| Offsetting collections (collected) from: | | | |
| 4030 Federal sources | -379 | -490 | -537 |

FRANCHISE FUND—Continued
Program and Financing—Continued

| Identification code 36-4539-0-4-705 | 2010 actual | CR | 2012 est. |
|--|-------------|----|-----------|
| Additional offsets against gross budget authority only: | | | |
| 4050 Change in uncollected pymts, Fed sources, unexpired | 6 | | |
| 4070 Budget authority, net (discretionary) | | | |
| 4080 Outlays, net (discretionary) | -28 | | |
| 4180 Budget authority, net (total) | | | |
| 4190 Outlays, net (total) | -28 | | |

The VA Franchise Fund was established under the authority of the Government Management Reform Act of 1994 and the VA and Housing and Urban Development and Independent Agencies Act of 1997. VA was selected by the Office of Management and Budget (OMB) in 1996 as one of the six executive branch agencies to establish a franchise fund pilot program. Created as a revolving fund, the VA Franchise Fund began providing common administrative support services to the VA and other government agencies in 1997 on a fee-for-service basis. In 2006, under the Military Quality of Life and Veterans Affairs Appropriations Act, Public Law 109-114, permanent status was conferred upon the VA Franchise Fund. VA Enterprise Centers are the lines of business within the VA Franchise Fund and are expected to have net billings of about \$537 million and employ 1,484 in 2012. The Franchise Fund concept is intended to increase competition for government administrative services, resulting in lower costs and higher quality.

Object Classification (in millions of dollars)

| Identification code 36-4539-0-4-705 | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Reimbursable obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 61 | 101 | 113 |
| 12.1 Civilian personnel benefits | 16 | 28 | 31 |
| 21.0 Travel and transportation of persons | 3 | 3 | 5 |
| 23.1 Rental payments to GSA | 9 | 12 | 13 |
| 23.3 Communications, utilities, and miscellaneous charges | 39 | 52 | 57 |
| 24.0 Printing and reproduction | 5 | 7 | 7 |
| 25.2 Other services from non-federal sources | 214 | 240 | 270 |
| 26.0 Supplies and materials | 3 | 7 | 7 |
| 31.0 Equipment | 31 | 40 | 34 |
| 99.0 Reimbursable obligations | 381 | 490 | 537 |
| 99.9 Total new obligations | 381 | 490 | 537 |

Employment Summary

| Identification code 36-4539-0-4-705 | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| 2001 Reimbursable civilian full-time equivalent employment | 822 | 1,269 | 1,484 |

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 201. Any appropriation for fiscal year 2012 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred as necessary to any other of the mentioned appropriations: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress.

(INCLUDING TRANSFER OF FUNDS)

SEC. 202. Amounts made available for the Department of Veterans Affairs for fiscal year 2012, in this Act or any other Act, under the "Medical services", "Medical support and compliance", and "Medical facilities" accounts may be transferred among the accounts: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress.

SEC. 203. Appropriations available in this title for salaries and expenses shall be available for services authorized by section 3109 of title 5, United States Code, hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by sections 5901 through 5902 of title 5, United States Code.

SEC. 204. No appropriations in this title (except the appropriations for "Construction, major projects", and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 205. No appropriations in this title shall be available for hospitalization or examination of any persons (except beneficiaries entitled to such hospitalization or examination under the laws providing such benefits to veterans, and persons receiving such treatment under sections 7901 through 7904 of title 5, United States Code, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)), unless reimbursement of the cost of such hospitalization or examination is made to the "Medical services" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 206. Appropriations available in this title for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 2011.

SEC. 207. Appropriations available in this title shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from sections 3328(a), 3334, and 3712(a) of title 31, United States Code, except that if such obligations are from trust fund accounts they shall be payable only from "Compensation and pensions".

(INCLUDING TRANSFER OF FUNDS)

SEC. 208. Notwithstanding any other provision of law, during fiscal year 2012, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund under section 1920 of title 38, United States Code, the Veterans' Special Life Insurance Fund under section 1923 of title 38, United States Code, and the United States Government Life Insurance Fund under section 1955 of title 38, United States Code, reimburse the "General operating expenses" and "Information technology systems" accounts for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in such an insurance program during fiscal year 2012 that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of such an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 2012 which is properly allocable to the provision of each such insurance program and to the provision of any total disability income insurance included in that insurance program.

SEC. 209. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal year for providing enhanced-use lease services, may be obligated during the fiscal year in which the proceeds are received.

(INCLUDING TRANSFER OF FUNDS)

SEC. 210. Funds available in this title or funds for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management of the Department of Veterans Affairs and the Office of Employment Discrimination Complaint Adjudication under section 319 of title 38, United States Code, for all services provided at rates which will recover actual costs but not exceed \$42,904,000 for the Office of Resolution Management and \$3,360,000 for the Office of Employment and Discrimination Complaint Adjudication: Provided, That payments may be made in advance for services to be furnished based on estimated costs: Provided further, That amounts received shall be credited to the "General operating expenses" and "Information technology systems" accounts for use by the office that provided the service.

SEC. 211. No appropriations in this title shall be available to enter into any new lease of real property if the estimated annual rental cost is more than \$1,000,000, unless the Secretary submits a report to the Committees on Appropriations of both Houses of Congress.

SEC. 212. No funds of the Department of Veterans Affairs shall be available for hospital care, nursing home care, or medical services provided to any person under chapter 17 of title 38, United States Code, for a non-

service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title: Provided, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required: Provided further, That any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts are received.

(INCLUDING TRANSFER OF FUNDS)

SEC. 213. Notwithstanding any other provision of law, proceeds or revenues derived from enhanced-use leasing activities (including disposal) may be deposited into the "Construction, major projects" and "Construction, minor projects" accounts and be used for construction (including site acquisition and disposition), alterations, and improvements of any medical facility under the jurisdiction or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in "Construction, major projects" and "Construction, minor projects".

SEC. 214. Amounts made available under "Medical services" are available—

- (1) for furnishing recreational facilities, supplies, and equipment; and
- (2) for funeral expenses, burial expenses, and other expenses incidental to funerals and burials for beneficiaries receiving care in the Department.

(INCLUDING TRANSFER OF FUNDS)

SEC. 215. Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to "Medical services", to remain available until expended for the purposes of that account.

SEC. 216. The Secretary of Veterans Affairs may enter into agreements with Indian tribes and tribal organizations which are party to the Alaska Native Health Compact with the Indian Health Service, and Indian tribes and tribal organizations serving rural Alaska which have entered into contracts with the Indian Health Service under the Indian Self Determination and Educational Assistance Act, to provide healthcare, including behavioral health and dental care. The Secretary shall require participating veterans and facilities to comply with all appropriate rules and regulations, as established by the Secretary. The term "rural Alaska" shall mean those lands sited within the external boundaries of the Alaska Native regions specified in sections 7(a)(1)-(4) and (7)-(12) of the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1606), and those lands within the Alaska Native regions specified in sections 7(a)(5) and 7(a)(6) of the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1606), which are not within the boundaries of the Municipality of Anchorage, the Fairbanks North Star Borough, the Kenai Peninsula Borough or the Matanuska Susitna Borough.

(INCLUDING TRANSFER OF FUNDS)

SEC. 217. Such sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to section 8118 of title 38, United States Code, may be transferred to the "Construction, major projects" and "Construction, minor projects" accounts, to remain available until expended for the purposes of these accounts.

SEC. 218. The Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a quarterly report on the financial status of the Veterans Health Administration.

(INCLUDING TRANSFER OF FUNDS)

SEC. 219. Amounts made available under the "Medical services", "Medical support and compliance", "Medical facilities", "General operating expenses", and "National Cemetery Administration" accounts for fiscal year 2012, may be transferred to or from the "Information technology systems" account: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall submit notice thereof to the Committees on Appropriations of both Houses of Congress.

SEC. 220. Amounts made available for the "Information technology systems" account may be transferred between projects: Provided, That no project may be increased or decreased by more than \$3,000,000 of cost prior to submitting notice thereof to the Committees on Appropriations of both Houses of Congress.

SEC. 221. None of the funds appropriated or otherwise made available by this Act or any other Act for the Department of Veterans Affairs may be used in a manner that is inconsistent with—

- (1) section 842 of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Public Law 109-115; 119 Stat. 2506); or
- (2) section 8110(a)(5) of title 38, United States Code.

SEC. 222. Of the amounts appropriated to the Department of Veterans Affairs in this Act, and any other Act, for Medical Services, Medical Support and Compliance, Medical Facilities, Construction, minor projects, and Information Technology Systems, such sums as may be necessary, plus reimbursements, may be transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of title XVII of division A of Public Law 111-84, and shall be available to fund operations of the integrated Captain James A. Lovell Federal Health Care Center, consisting of the North Chicago Veteran Affairs Medical Center, and Navy Ambulatory Care Center, and supporting facilities designated as a combined Federal medical facility as described by Section 706 of Pub. L. No. 110-417.

SEC. 223. Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, for health care provided at the Captain James A. Lovell Federal Health Care Center may be transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of title XVII of division A of Public Law 111-84, and shall be available to fund operations of the integrated Captain James A. Lovell Federal Health Care Center, consisting of the North Chicago Veteran Affairs Medical Center, and Navy Ambulatory Care Center, and supporting facilities designated as a combined Federal medical facility as described by section 1706 of Pub. L. No. 110-417.

SEC. 224. Of the amounts available in this title for Medical Services, Medical Support and Compliance, and Medical Facilities, a minimum of \$15,000,000, shall be transferred to the Department of Defense / Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code.

SEC. 225. Of the discretionary funds made available to the Department of Veterans Affairs in the Medical Services, Medical Support and Compliance, and Medical Facilities accounts for Fiscal Year 2012, \$713,000,000 are hereby permanently cancelled, which shall be derived from amounts estimated for the Department of Veterans Affairs for the January 2011 civilian pay raise amount requested at 1.4 percent in the 2011 Presidents Budget submission and for a January 2012 civilian pay raise amount assumed to be 2.3 percent.

SEC. 226. For an additional amount for the Department of Veterans Affairs for Medical Services, \$953,000,000 shall be available to provide for the increased demand for VA medical care services: Provided, That such funds shall only be available upon a determination by the Secretary of Veterans Affairs, with the concurrence of the Director of the Office of Management and Budget, that:

- (a) the most recent data available for:
 - (1) National unemployment rates,
 - (2) Enrollees' utilization rates, and
 - (3) Obligations for Medical Services,
 validates the economic conditions projected in the Enrollee Health Care Projection Model, and
- (b) additional funding is required to offset the impact of such factors.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

| | 2010 actual | CR | 2012 est. |
|---|-------------|-----|-----------|
| Offsetting receipts from the public: | | | |
| 36-143500 General Fund Proprietary Interest Receipts, not Otherwise Classified | 7 | 7 | 7 |
| 36-247300 Contributions from Military Personnel, Veteran's Educational Assistance Act of 1984 | 183 | 165 | 146 |
| 36-273300 Housing Downward Reestimates | 269 | 31 | ..... |

General Fund Receipt Accounts—Continued

| | 2010 actual | CR | 2012 est. |
|--|-------------|-------|-----------|
| 36-275110 Native American Veteran Housing Loans, Negative Subsidies | 5 | 3 | 1 |
| 36-275130 Native American Direct Loans, Downward Reestimate of Subsidies | 2 | 3 | ..... |
| 36-275510 Housing Negative Subsidies | 123 | 236 | 24 |
| 36-322000 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts | 16 | ..... | ..... |
| General Fund Offsetting receipts from the public | 605 | 445 | 178 |
| Intragovernmental payments: | | | |
| 36-388500 Undistributed Intragovernmental Payments and Receivables from Cancelled Accounts | 1 | ..... | ..... |
| General Fund Intragovernmental payments | 1 | ..... | ..... |

GENERAL PROVISIONS

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. Such sums as may be necessary for fiscal year 2012 for pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 503. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program,

project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 504. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before Congress, except in presentation to Congress itself.

SEC. 505. All departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of "E-Commerce" technologies and procedures in the conduct of their business practices and public service activities.

SEC. 506. Unless stated otherwise, all reports and notifications required by this Act shall be submitted to the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives and the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate.

SEC. 507. None of the funds made available in this Act may be used for a project or program named for an individual serving as a Member, Delegate, or Resident Commissioner of the United States House of Representatives.

SEC. 508. None of the funds made available in this division or any other division in this Act may be distributed to the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries.